

**HEATHERCOMBE BRAKE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**HEATHERCOMBE BRAKE TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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**HEATHERCOMBE BRAKE TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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<b>Trustees</b>	Jonathan Bishop, Chairman Matthew Liddle (resigned 11 March 2017) Ruth Lane, Secretary Ian Rees, Vice Chair James Murray James West Matthew Pitts Philip Lawson Clare Palmer, Treasurer (appointed 11 March 2017)
<b>Company registered number</b>	04175683
<b>Charity registered number</b>	1087001
<b>Registered office</b>	Heatree House Manaton Newton Abbot Devon TQ13 9XE
<b>Company secretary</b>	Ruth Lane
<b>Senior management team</b>	Jon Evans, Centre Director Stephen McIlhenny, Centre Manager Roger Hopper, Development Manager
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS

**HEATHERCOMBE BRAKE TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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The Trustees present their annual report together with the audited financial statements for the 1 January 2017 to 31 December 2017. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

**OBJECTIVES AND ACTIVITIES**

• **POLICIES AND OBJECTIVES**

Our charity's purposes as set out in the objects contained in the company's memorandum of association are:

- To advance the education and promote the physical, spiritual, and mental welfare and development of children and young people and their families (especially but not exclusively those who have a disability or who suffer from any spiritual or other deprivation by virtue of their social or economic circumstances) within a Christian environment and ethos.
- To advance and promote the above amongst adults, insofar as from time to time the Charity's facilities and resources exceed the demand for them amongst children, young people, and their families.
- To provide, manage and improve one or more Residential Activity Centres conducted on Christian principles and to assist in organising conferences and training courses for the advancement of such purposes.

The aims of the Charity are achieved at Heatree Activity Centre by providing a wide range of high quality instructor led Outdoor Education, utilising the natural environment of its Dartmoor location and incorporating environmental education alongside a full range of activities designed to provide both team and individual opportunities for development. All activities are informed by and run on Christian principles, with a Christian ethos permeating every area of work. Our aims fully reflect the purposes that the charity was set up to further.

**How our work is delivered**

Heatree Activity Centre is set in approximately eighty acres in the Dartmoor National Park. It comprises of Heatree House, Farmhouse, Stable, The Way and the Copse residential wings, staff houses and several outbuildings. Most provision is through residential programs, although day sessions are also available. Client groups include schools, youth clubs and groups, church groups and families.

Activities include:

Kayaking, raft building, climbing, abseiling, archery, fencing, stream scrambling, moorland walking, rock scrambling, high ropes and low ropes courses, mountain biking, wilderness venture, teambuilding and problem-solving challenges

Environmental education includes:

Bronze Age roundhouse, Stone Age studies, eco challenge, earth walks, Haytor Victorian quarry, Houndtor Medieval village, river studies, rocky shore and sand dune studies, tourism and settlement impact studies.

The beneficiaries of the Charity participating in the Outdoor Education activities and programmes provided are mainly primary and early secondary school pupils (Y4 to Y7, the schools are drawn mostly from the South West of England) during Term time and by Church and Youth Groups on week ends and during the school holidays. The residential programme duration is usually either 5 days or 2 3 days.

Heatree has hosted several camps, retreats, seminars, outreach events and training courses for youth organisations. It has designed specialist outdoor learning provision for a wide range of young people with mental

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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and physical health needs, including providing several residential courses for special schools as well as for young people in mainstream schools. The Trust has provided additional staffing and support to special schools at no additional cost.

All sessions are designed to form part of a comprehensive outdoor education programme, tailored to the requirements of clients and designed to enable inclusion of those with special needs, and where appropriate cover various relevant aspects of the National Curriculum.

**Public Benefit**

When considering its activities, the Trustees have considered the Charity Commission's guidance on public benefit, in section 4 of the 2006 Charities Act and the guidance on public benefit and fee charging. The Charity relies on the income from fees and charges to cover its operating costs. In setting the level of fees, charges and concessions, the Trustees give careful consideration to the accessibility of the centre for those on low incomes. The Trustees are continuing in their efforts to manage a fund to provide reduced fees.

**ACHIEVEMENTS AND PERFORMANCE**

● **REVIEW OF ACTIVITIES**

2017 saw another increase in young people visiting Heatree Activity Centre. A summary of activity data is shown in the table below:

	<b>2017</b>	<b>2016</b>
Total visitors to Heatree (Includes free places)	8504	7294
Total no. of bookings	228	204
School bookings	128	115
School bookings as % of total	56.14%	56.37%
Repeat bookings	183	160
New bookings	45	44
% new bookings	19.74%	21.57%
No. visitors from schools	4849	4843
No. school pupils	4253	4303
School FOC and 1 to 1 support adults	596	540
% school visitors	57.02%	66.40%

The activity centre has continued to be highly successful in achieving outstanding provision for young people which is helping to inspire them in their lives ahead. The data above demonstrates that the number of individuals visiting is increasing. School bookings as a percentage of the total is steady. Repeat bookings have increased, demonstrating customer satisfaction, but new bookings are also up, indicating that marketing and reputation are attracting new customers.

The centre has retained a high level of accreditation, retaining a five star Food Hygiene Rating and outstanding results in the Adventure Activity Licence Scheme, Adventure Mark and Learning Outside the Classroom Award. The activity centre has also helped young people from participating schools to gain the John Muir Discovery Award.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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The Trust started a new initiative called Venture camp which provided Outdoor Learning opportunities to 20 young people during the summer holidays. Venture camps were very well received and the Trust are looking to develop their provision further in 2017.

**South Devon College Training Partnership**

An important development in 2017 has been the commencement of a partnership with South Devon College in pioneering a unique training pathway. This will lead to students achieving an Adventure Leadership Degree alongside nationally recognised outdoor qualifications and significant experience of instructing groups during their placements at Heatree. Five Heatree student volunteers started this new training pathway in September 2017.

Future developments of this training pathway involve recruiting five more students for the September 2018 intake, with ongoing growth through each year of the degree program. Additionally, the Institute for Outdoor Learning professional qualification of "Registered Practitioner" is being embedded into the degree; this is a national first.

In addition to the benefits to the students of experiencing their practical learning in a high quality environment, there are benefits to Heatree in ensuring that it has a motivated, knowledgeable and skilled delivery team able to meet the increasingly demanding outdoor sector requirements and client expectations.

As part of this training pathway and in support of the charity's Christian ethos, Heatree has also developed a bespoke "Christian Leadership in the Outdoors" course. The planning and implementation of this course is enabling the whole delivery team to explore and develop its understanding about the core values and vision of Heatree as a leading professional Christian centre.

**National Outdoor Learning Award (NOLA)**

Residential visits are an invaluable experience when it comes to developing personal skills and helping to prepare children for independent living. The children participating in these programmes learn much that they can carry with them as useful resources for their future lives. Heatree, through its Development Manager, Dr Roger Hopper, has been developing the National Outdoor Learning Award and in December 2017, the Institute for Outdoor Learning (IOL) formally endorsed and launched this award nationally on their website. Outdoor education providers can access NOLA resources and order badges through a dedicated website.

- NOLA can be used with different ages, needs, outdoor environments (on-site, woodland, hill, sea etc.), different activities (outdoor, adventure, field study, environmental) and with single and multiple session programmes
- NOLA assists learners to develop high levels of motivation, esteem, skill, knowledge and desire to learn.
- NOLA provides evidence of development in three areas - self, others and the environment.
- NOLA gives outdoor learning professionals and organisations the opportunity to embed personal development into their delivery.

Enquiry numbers are already in excess of a hundred and geographically, enquiries range from England, Scotland Wales and Canada! Outdoor provider enquiries include: pre, infant, primary, secondary and independent schools, Universities, National Parks, residential centres, sole providers and sail training organisations.

Heatree has been asked to write an article about NOLA for publication in the Institute's professional magazine and IOL believe that NOLA could provide nationally significant data on the scope and impact of outdoor learning within the UK and are seeking to support research in this area.

**Outdoor Apprenticeship Trailblazer**

Represented by Dr Hopper, Heatree is part of a national, employer led group that has written an Apprenticeship standard for the outdoor sector. This would potentially provide an alternative training pathway for individuals seeking a career in the outdoor education sector. The new apprenticeship structures being developed by the Government combined with the growing number of qualified teachers on the Heatree team, could enable Heatree to become an Outdoor Apprenticeship provider.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Camp Courageous**

Heatree has again run Camp Courageous for families with a child with Down's Syndrome. The camp has been entirely funded through grants and donations. Quotes from attendees demonstrate the impact of this activity.

- These few days away have been truly life changing (Camp Courageous family member)
- Camp Courageous is inspiring and always brings us closer together as a family (Camp Courageous family member)
- Its an essential part of our lives and the highlight of our year (Camp Courageous family member)

**Schools Youth and Church groups**

Work with these groups continues to be a mainstay of the charity's activity and again quotes from those attending demonstrate impact and quality.

- "We commend all the Heatree staffs' patience and understanding. Thank you for adapting and providing extra support when needed. Thank you for showing genuine interest in our children as individuals. It was lovely watching the Heatree staff interact with our pupils." (Special School Teacher)
- Very impressed with the whole experience, we are looking forward to coming again. Thank you to everyone for being so accommodation, we have really enjoyed it. (Teacher)
- The Heatree staff who supported our trip were outstanding, patient, caring and fun! Very, very accommodating and flexible. AMAZING! (Teacher)
- "We have just had the most amazing weekend. We have been staggered by how helpful you have been in the planning of the weekend, how easy it was for us to make adjustments and how you accommodated us so well. The activities were perfect and the kids had a fab time as did the adults." (Youth weekend Leader)
- "Another faultless visit! We will definitely be back again. Heatree staff were excellent throughout. Jenn was excellent in supporting one of children with Special Educational Needs. (Brownies Leader)
- "The Heatree instructors were great with our children, patient, funny and enthusiastic." (Summer Camp Youth Leader )
- "A huge thanks for such an incredible weekend. Our youth absolutely loved it. The team we met were all lovely and welcoming and accommodated all our needs well – so thank you!!" (Church weekend Leader)

**FINANCE**

**• GOING CONCERN**

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

**• RESERVES POLICY**

The Trustees 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. The Board consider it appropriate to hold £120,000, representing a short period of operating costs, as a contingency reserve. Furthermore, given the seasonal nature of the Charity's operations, a further £100,000 is held by way of a cash flow reserve. The Trustees consider this to be an appropriate amount to provide the necessary working capital for the Charity and to cover unforeseen events.

The total unrestricted reserves of the Charity at 31 December 2017 (not including those funds tied up in the Charity's fixed assets) were £294,989 (2016: £256,474). After designating the £220,000 referred to above, this leaves £74,989 (2016: £36,474) which has been designated for capital improvement and refurbishments to enable the centre's operation provision.

After paying all costs and providing for working capital the Board's policy is to reinvest any surpluses, together with any donations received, into the further development of the centre, to provide increased and improved facilities for the benefit of the users, in line with charity objectives.

**HEATHERCOMBE BRAKE TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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● **FINANCIAL REVIEW**

Focus and input of the financial management at the Centre continued around occupancy and expenditure. Before the deduction of depreciation, Surplus Funds of £119,827 (2016: £90,953) were generated in the period.

The underlying cash position remained healthy; again no short term borrowing was required. This is in line with the Charity's policy where typically reserves sufficient to cover baseline operational expenses and working capital requirement are held. The Charity continues to reinvest surplus funds within the Charity and its development.

During August a problem was identified with the borehole water supply, which led to the cancellation of some group bookings and consequent loss of income. Remedial work was undertaken, including the installation of an up graded pump, a new larger capacity filtration system and control units. A claim to recover costs of £16,014 and potentially the loss of income is being pursued. The Charity received £2,500 from the insurer through an ex-gratia payment - this is included in these accounts.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

● **CONSTITUTION**

The company was incorporated on 8 March 2001. Heathercombe Brake Trust is a charitable company limited by guarantee, trading as Heatree Activity Centre. The company was established under a Memorandum of Association, which established the Objects and Powers of the company and is governed under its Articles of Association.

● **METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES**

The Trustees are chosen and appointed by the existing Trustees at the time of appointment with emphasis placed on their experience in the wider community and their sharing of the Christian ethos.

The Trust board appointed a new Trustee (Clare Palmer) during the year (June). Subsequently the board selected Clare to take on the role as company treasurer. As a Chartered Accountant the appointment was based upon Clare's breadth of knowledge and experience in company and charity finance.

The Chairman of the Board (Jonathan Bishop) was re-elected as a Trustee and Chairman for a further three-year period. Having served as a Trustee for the past 15 years and as Chairman for the past 11 years. The Trustees in making this appointment made consideration of his knowledge and experience of the Charity. They also considered that continuity was essential during a period of recruiting new trustees to ensure progressive refreshing of the board.

The Trustees considered the appointment of a Trustee (James West) in the light of their position as a former employee of the Trust. The Trustees recognised that the former employee contributes were made in an independent and valued way. It was also recognised by Trustees that James West has extensive experience in charity governance and a strategic role in the Outdoor Education sector outside the Trust.

● **POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

Induction involves information shared, visits to the Centre and interviews with the Trustees. Ongoing training is achieved through cascaded information obtained from journals, forums, updates from professional organisations and regular reviews of publications.

● **PAY POLICY FOR SENIOR STAFF**

The pay policy for staff is proposed by the Centre Director, taking account of Centre and individual performance, affordability and market conditions, including legislative matters such as the statutory minimum wage. The policy applies to all staff, including the two senior post holders and is within a set banded pay structure. Trustees receive the proposals in the first Board meeting of each financial year and awards are backdated to 1st January.



**HEATHERCOMBE BRAKE TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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● **ORGANISATIONAL STRUCTURE AND DECISION MAKING**

Heathercombe Brake Trust, company no 04175683, charity no 1087001, is a charitable company limited by guarantee.

The Charity trustees have complied with the duty in section 4 of the 2006 Charities Act to have due regard to guidance published by the Charity Commission on public benefit.

The Charity is also known as Heatree Activity Centre. Heatree Activity Centre is set in approximately eighty acres in the Dartmoor National Park. It comprises of Heatree House, which was extended to include the Heatree House, Farmhouse, Stable, The Way and the Copse residential wings, staff houses and several outbuildings.

The Centre is managed by the Centre Director (Jon Evans) and Centre Manager (Stephen McIlhenny). Staff through the year consisted of up to seventeen full time employees, a further four trainee instructors and additionally up to four volunteer assistants.

The Chairman of the Charity is Mr Jonathan Bishop.

The Secretary of the Charity is Mrs Ruth Lane.

● **RISK MANAGEMENT**

The trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error

A full review of the Centre's policies which mitigate the inherent risks associated with the Centre and its activities was performed during the year. The review drew on internal experience and external/professional advice to continue to ensure where appropriate, for example the Health and Safety policy, the Centre meets both internal and external scrutiny with detailed attention paid to the relevant risk assessments. Appropriate insurance cover is also in place.

**PLANS FOR FUTURE PERIODS**

● **FUTURE PLANS**

Plans for the future include continuing to develop some of the new initiatives that have been successfully developed in 2017, in particular the partnership degree program with South Devon College.

The core activity of school, church and youth group residentials will continue and hopefully enhanced by the development and application of the National Outdoor Learning Award.

A priority for the Trustees is to further develop the Fixed Asset Replacement Plan, with particular focus on buildings and infrastructure. Repair and replacement of equipment, fixtures and fittings is already embedded in the annual budgeting process, but longer term investment of capital funds to further enhance the buildings and potentially allow for increased occupancy and use of the Centre requires further strategic development.

**TRUSTEES' RESPONSIBILITIES STATEMENT**

The Trustees (who are also directors of Heathercombe Brake Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources,

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DISCLOSURE OF INFORMATION TO AUDITORS**

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

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

This report was approved by the Trustees, on 14 April 2018 and signed on their behalf by:

**Jonathan P Bishop**  
**Chairman**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEATHERCOMBE BRAKE TRUST**

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**OPINION**

We have audited the financial statements of Heathercombe Brake Trust (the 'charitable company') for the year ended 31 December 2017 set out on pages 12 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its 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 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

**OTHER INFORMATION**

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

**HEATHERCOMBE BRAKE TRUST  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEATHERCOMBE BRAKE TRUST**

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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.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of 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 Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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' remunerations specified by law 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' report and from the requirement to prepare a Strategic report.

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors 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.

**HEATHERCOMBE BRAKE TRUST  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEATHERCOMBE BRAKE TRUST**

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**AUDITORS' 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

Tim Borton FCA DChA (Senior statutory auditor)  
for and on behalf of  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
2nd Floor Stratus House  
Emperor Way  
Exeter Business Park  
Exeter  
EX1 3QS  
21 September 2018

**HEATHERCOMBE BRAKE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>					
Charitable activities		5,177	941,491	946,668	928,745
Investments	2	-	3,639	3,639	11,298
<b>TOTAL INCOME</b>		<b>5,177</b>	<b>945,130</b>	<b>950,307</b>	<b>940,043</b>
<b>EXPENDITURE ON:</b>					
Charitable activities		5,177	907,066	912,243	924,087
<b>TOTAL EXPENDITURE</b>		<b>5,177</b>	<b>907,066</b>	<b>912,243</b>	<b>924,087</b>
<b>NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		-	38,064	38,064	15,956
<b>NET MOVEMENT IN FUNDS</b>		-	38,064	38,064	15,956
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		-	1,758,000	1,758,000	1,742,044
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>-</b>	<b>1,796,064</b>	<b>1,796,064</b>	<b>1,758,000</b>

The notes on pages 15 to 29 form part of these financial statements.

**HEATHERCOMBE BRAKE TRUST**  
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**REGISTERED NUMBER: 04175683**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	6		1,567,292		1,598,305
<b>CURRENT ASSETS</b>					
Stocks	7	4,532		7,483	
Debtors	8	54,796		41,384	
Cash at bank and in hand		307,449		260,972	
			<u>366,777</u>	<u>309,839</u>	
<b>CREDITORS:</b> amounts falling due within one year	9	(102,349)		(83,927)	
<b>NET CURRENT ASSETS</b>			<u>264,428</u>		<u>225,912</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,831,720</u>		<u>1,824,217</u>
<b>CREDITORS:</b> amounts falling due after more than one year	10		(35,656)		(66,217)
<b>NET ASSETS</b>			<u>1,796,064</u>		<u>1,758,000</u>
<b>CHARITY FUNDS</b>					
Unrestricted funds	12		1,796,064		1,758,000
<b>TOTAL FUNDS</b>			<u>1,796,064</u>		<u>1,758,000</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 14 April 2018 and signed on their behalf, by:

**Jonathan P Bishop, Chairman**

The notes on pages 15 to 29 form part of these financial statements.

**HEATHERCOMBE BRAKE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	14	<u>134,618</u>	<u>99,436</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		44	56
Purchase of tangible fixed assets		<u>(51,816)</u>	<u>(12,103)</u>
<b>Net cash used in investing activities</b>		<u>(51,772)</u>	<u>(12,047)</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(30,562)	(30,562)
Interest paid		<u>(5,807)</u>	<u>(5,807)</u>
<b>Net cash used in financing activities</b>		<u>(36,369)</u>	<u>(36,369)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>46,477</b>	<b>51,020</b>
Cash and cash equivalents brought forward		<u>260,972</u>	<u>209,952</u>
<b>Cash and cash equivalents carried forward</b>	15	<u><u>307,449</u></u>	<u><u>260,972</u></u>

The notes on pages 15 to 29 form part of these financial statements.



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

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**1. ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Heathercombe Brake Trust 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.

**1.2 COMPANY STATUS**

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

**1.3 FUND ACCOUNTING**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company 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 company for particular purposes. The costs 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.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.4 INCOME**

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**1.5 EXPENDITURE**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**1.6 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 and consider these sufficient for the charity to be able to continue as a going concern.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2-5% straight line
Round House in freehold property	-	10% straight line
Plant and machinery	-	25% straight line
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	25% straight line

**1.8 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 company. 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 incorporating income and expenditure account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**1.9 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

**1.10 STOCKS**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.11 INTEREST RECEIVABLE**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**1.12 DEBTORS**

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

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

**1. ACCOUNTING POLICIES (continued)**

**1.13 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.14 LIABILITIES AND PROVISIONS**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.15 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 method.

**1.16 PENSIONS**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

**2. INVESTMENT INCOME**

	<b>Restricted funds 2017 £</b>	<b>Unrestricted funds 2017 £</b>	<b>Total funds 2017 £</b>	<b>Total funds 2016 £</b>
Rent receivable	-	3,595	3,595	11,242
Deposit account interest	-	44	44	56
	<b>-</b>	<b>3,639</b>	<b>3,639</b>	<b>11,298</b>
<i>Total 2016</i>	-	11,298	11,298	

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

**3. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITY**

	<b>Governance</b>	<b>Activities</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>2017</b>	<b>2016</b>
			<b>£</b>	<b>£</b>
Provisions, housekeeping and activity	-	120,112	120,112	131,508
Catering and hospitality temporary staff costs	-	3,242	3,242	11,846
Miscellaneous staff costs	-	9,655	9,655	3,907
Stationery and advertising	-	4,640	4,640	4,775
Telephone	-	17,643	17,643	18,262
Motor and travel	-	17,259	17,259	24,556
Repairs, renewals and replacements	-	63,946	63,946	71,969
Accountancy	244	-	244	1,230
Payroll	2,353	-	2,353	1,788
Audit Fees	7,058	-	7,058	6,500
Legal and Professional	1,948	-	1,948	1,189
Bank charges	-	276	276	460
(Profit)/loss on disposal	-	1,066	1,066	-
Rates	-	10,406	10,406	6,590
Insurance	-	20,723	20,723	21,082
Heat and light	-	56,973	56,973	44,307
Sundries	-	-	-	1,532
Interest on hire purchase contracts	-	5,807	5,807	5,807
Wages and salaries	-	451,027	451,027	456,984
National insurance	-	29,855	29,855	30,221
Pension cost	-	6,248	6,248	4,577
Depreciation	-	81,762	81,762	74,997
	<b>11,603</b>	<b>900,640</b>	<b>912,243</b>	<b>924,087</b>
<i>At 31 December 2016</i>	9,782	914,305	924,087	

**4. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charity	81,763	74,997
Auditors' remuneration	6,500	6,500
Auditors remuneration - non-audit	1,230	3,884
Operating lease costs	6,054	6,054

During the year, no Trustees received any remuneration (2016: £NIL).

During the year, no Trustees received any benefits in kind (2016: £NIL).

During the year 8 trustees (2016: 8 trustees) received reimbursed expenses of £2,175 (2016: £2,515) relating to travel.

**HEATHERCOMBE BRAKE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**5. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	451,027	456,984
Social security costs	29,855	30,221
Other pension costs	6,248	4,577
	<u>487,130</u>	<u>491,782</u>

The average number of persons employed by the company during the year was as follows:

	2017 No.	2016 No.
Management	2	2
Support	32	35
	<u>34</u>	<u>37</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Management	2	2
Support	18	18
	<u>20</u>	<u>20</u>

No employee received remuneration amounting to more than £60,000 in either year.

**Key Management Personnel**

Key management personnel of the Charity comprise the Trustees (who do not receive remuneration for their role as Trustees), Centre Director and Centre Manager. The total amount of employee benefits (including employer pension contributions and National Insurance) received by key management personnel for their services to the Charity was £78,271 (2016: £76,047).

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

**6. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>COST</b>					
At 1 January 2017	2,069,882	73,662	12,287	84,525	2,240,356
Additions	8,167	24,282	-	23,688	56,137
Disposals	(5,418)	-	(10,153)	-	(15,571)
At 31 December 2017	<u>2,072,631</u>	<u>97,944</u>	<u>2,134</u>	<u>108,213</u>	<u>2,280,922</u>
<b>DEPRECIATION</b>					
At 1 January 2017	508,687	64,441	10,708	58,215	642,051
Charge for the year	41,225	15,027	395	25,116	81,763
On disposals	(315)	-	(9,869)	-	(10,184)
At 31 December 2017	<u>549,597</u>	<u>79,468</u>	<u>1,234</u>	<u>83,331</u>	<u>713,630</u>
<b>NET BOOK VALUE</b>					
At 31 December 2017	<u>1,523,034</u>	<u>18,476</u>	<u>900</u>	<u>24,882</u>	<u>1,567,292</u>
At 31 December 2016	<u>1,561,195</u>	<u>9,221</u>	<u>1,579</u>	<u>26,310</u>	<u>1,598,305</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Freehold property	<u>166,478</u>	<u>170,020</u>

**7. STOCKS**

	2017 £	2016 £
Consumables and goods for resale	<u>4,532</u>	<u>7,483</u>

**8. DEBTORS**

	2017 £	2016 £
Trade debtors	42,392	32,151
Other debtors	6,823	-
Prepayments and accrued income	5,581	9,233
	<u>54,796</u>	<u>41,384</u>

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

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2017</b>	2016
	<b>£</b>	£
Net obligations under finance leases and hire purchase contracts	<b>30,561</b>	30,562
Trade creditors	<b>12,669</b>	2,614
Other taxation and social security	<b>7,683</b>	4,576
Other creditors	<b>5,695</b>	2,634
Accruals and deferred income	<b>45,741</b>	43,541
	<b>102,349</b>	83,927
	<b>£</b>	
<b>DEFERRED INCOME</b>		
Deferred income at 1 January 2017		<b>35,740</b>
Resources deferred during the year		<b>30,450</b>
Amounts released from previous years		<b>(35,740)</b>
Deferred income at 31 December 2017		<b>30,450</b>

The deferred income represents deposits for bookings for 2018.



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

**10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2017 £	2016 £
Net obligations under finance leases and hire purchase contracts	<b>35,656</b>	66,217

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2017 £	2016 £
Between one and five years	<b>35,656</b>	66,217

**11. FINANCIAL INSTRUMENTS**

	2017 £	2016 £
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Trade debtors - non-factored	<b>42,392</b>	32,151
Accrued income	-	1,333
Bank and cash balances	<b>307,449</b>	260,972
	<b>349,841</b>	294,456

	2017 £	2016 £
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	<b>(12,669)</b>	(2,614)
Net obligations under finance leases and hire purchase contracts	<b>(66,217)</b>	(96,779)
Accruals	<b>(15,291)</b>	(7,801)
	<b>(94,177)</b>	(107,194)

**HEATHERCOMBE BRAKE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**12. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2017 £
<b>DESIGNATED FUNDS</b>					
Renewals fund (previously known as the capital project fund)	36,474	-	-	38,515	74,989
Fixed asset reserve	1,501,526	-	(81,763)	81,312	1,501,075
Contingency reserve	120,000	-	-	-	120,000
Seasonal cash flow reserve	100,000	-	-	-	100,000
	<u>1,758,000</u>	<u>-</u>	<u>(81,763)</u>	<u>119,827</u>	<u>1,796,064</u>
<b>GENERAL FUNDS</b>					
Free reserves	-	945,130	(825,303)	(119,827)	-
Total Unrestricted funds	<u>1,758,000</u>	<u>945,130</u>	<u>(907,066)</u>	<u>-</u>	<u>1,796,064</u>
<b>RESTRICTED FUNDS</b>					
Camp Courageous	-	5,177	(5,177)	-	-
Total of funds	<u>1,758,000</u>	<u>950,307</u>	<u>(912,243)</u>	<u>-</u>	<u>1,796,064</u>

**HEATHERCOMBE BRAKE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**12. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 January 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2016 £
<b>DESIGNATED FUNDS</b>						
Renewals fund (previously known as the capital project fund)	88,186	-	-	(51,712)	-	36,474
Fixed asset reserve	1,533,858	-	(74,997)	42,665	-	1,501,526
Contingency reserve	-	-	-	120,000	-	120,000
Seasonal cash flow reserve	-	-	-	100,000	-	100,000
	<u>1,622,044</u>	<u>-</u>	<u>(74,997)</u>	<u>210,953</u>	<u>-</u>	<u>1,758,000</u>
<b>GENERAL FUNDS</b>						
Free reserves	120,000	928,679	(837,726)	(210,953)	-	-
	<u>120,000</u>	<u>928,679</u>	<u>(837,726)</u>	<u>(210,953)</u>	<u>-</u>	<u>-</u>
Total Unrestricted funds	<u>1,742,044</u>	<u>928,679</u>	<u>(912,723)</u>	<u>-</u>	<u>-</u>	<u>1,758,000</u>
<b>RESTRICTED FUNDS</b>						
Camp Courageous	-	11,364	(11,364)	-	-	-
	<u>-</u>	<u>11,364</u>	<u>(11,364)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total of funds	<u>1,742,044</u>	<u>940,043</u>	<u>(924,087)</u>	<u>-</u>	<u>-</u>	<u>1,758,000</u>

The fixed asset reserve represents the value of funds tied up in the Trust's fixed assets. These reserves are, by their nature, not freely available for alternative use.

A designated contingency reserve has been separately identified from free reserves, to more clearly show the required amount to cover a short period of charitable operations should unforeseen events occur.

A seasonal cash flow reserve has been established at an amount that covers necessary working capital for the charity during seasonal variations in activities.

The transfer to the fixed asset reserves represents £30,562 in respect of capital repayment on the hire purchase contract and £50,750 on new fixed assets less disposed assets during the year.

The balance of the free reserves (£89,265) has been transferred to the renewals fund, leaving £74,989 that has been designated for asset renewal and other major repairs.

The charity established a legacy project on its 25th Anniversary called Camp Courageous. The Charity

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

**12. STATEMENT OF FUNDS (continued)**

raised funds through charitable giving to provide free places at the camp at Heatree for 10 South Devon families, each with a child with Down's Syndrome.

The Trust plans to continue Camp Courageous for the future and to establish media communications about the project, including a video on the website.

**SUMMARY OF FUNDS - CURRENT YEAR**

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2017 £
Designated funds	1,758,000	-	(81,763)	119,827	1,796,064
General funds	-	945,130	(825,303)	(119,827)	-
	<u>1,758,000</u>	<u>945,130</u>	<u>(907,066)</u>	<u>-</u>	<u>1,796,064</u>
Restricted funds	-	5,177	(5,177)	-	-
	<u>1,758,000</u>	<u>950,307</u>	<u>(912,243)</u>	<u>-</u>	<u>1,796,064</u>

**SUMMARY OF FUNDS - PRIOR YEAR**

	Balance at 1 January 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2016 £
Designated funds	1,622,044	-	(74,997)	210,953	1,758,000
General funds	120,000	928,679	(837,726)	(210,953)	-
	<u>1,742,044</u>	<u>928,679</u>	<u>(912,723)</u>	<u>-</u>	<u>1,758,000</u>
Restricted funds	-	11,364	(11,364)	-	-
	<u>1,742,044</u>	<u>940,043</u>	<u>(924,087)</u>	<u>-</u>	<u>1,758,000</u>

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

**13. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	1,567,292	1,567,292
Current assets	-	366,777	366,777
Creditors due within one year	-	(102,349)	(102,349)
Creditors due in more than one year	-	(35,656)	(35,656)
	-	1,796,064	1,796,064

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	1,598,305	1,598,305
Current assets	-	309,839	309,839
Creditors due within one year	-	(83,927)	(83,927)
Creditors due in more than one year	-	(66,217)	(66,217)
	-	1,758,000	1,758,000

**14. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	38,064	15,956
<b>Adjustment for:</b>		
Depreciation charges	81,763	74,997
Interest received	(44)	(56)
Interest paid	5,807	5,807
Loss on the sale of fixed assets	1,066	-
Decrease in stocks	2,951	-
(Increase)/decrease in debtors	(13,412)	10,056
Increase/(decrease) in creditors	18,423	(7,324)
<b>Net cash provided by operating activities</b>	<b>134,618</b>	<b>99,436</b>

**HEATHERCOMBE BRAKE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

**15. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £	2016 £
Cash in hand	307,449	260,972
Total	<u>307,449</u>	<u>260,972</u>

**16. PENSION COMMITMENTS**

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £6,248 (2016: £4,577). Contributions totalling £856 (2016: £1,425) were payable to the fund at the balance sheet date and are included in creditors.

**17. OPERATING LEASE COMMITMENTS**

At 31 December 2017 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	5,246	6,054
Between 1 and 5 years	5,918	11,165
Total	<u>11,164</u>	<u>17,219</u>

**18. FINANCE LEASE AND HIRE PURCHASE COMMITMENTS**

The obligation under hire purchase contracts relates to a biomass boiler used to provide renewable energy heating. There are no contingent rental, renewal or purchase option clauses.

At 31 December 2017 the total of the Charity's future minimum lease payments under the hire purchase contract was:

	2017 £	2016 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	36,369	36,369
Between 2 and 5 years	42,430	78,779
Less: finance charges	(12,582)	(18,369)
Carrying amount of liability	<u>66,217</u>	<u>96,779</u>

**HEATHERCOMBE BRAKE TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

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**19. RELATED PARTY TRANSACTIONS**

Jonathan Bishop, a trustee, is a group leader for Dartmoor Christian Camp (DCC). During the year services charged at £9,292 (2016: £8,608) were provided to DCC, such charges representing a discounted rate. The group of some 54 individuals, included disadvantaged children with adult leaders and family members supporting them in accordance with the Trust's objectives. These charges would have been £18,584 (2016: £17,216) had the discount not applied. Because the total discount is applied across all attendees from the Dartmoor Christian Camp, the total discount given to the Camp in respect of the attendance of Mr Bishop's dependant children was £535 (2016: £364) and for other family members (ie persons connected with him for the purposes of the Charities Act 2011) was £933 (2016: £526). The Camp was also allocated three group leader places without charge on the same basis as other groups attending Heatree Activity Centre. Mr Bishop, his wife and his sister were the three group leaders.

Trustees are permitted to be in receipt of charitable benefits under the Charity's Articles of Association on the basis that the benefits are on the same basis as any other beneficiaries. The discounts applied for Mr Bishop's family were on the same basis as all of the other, non-connected, attendees of DCC.

DCC has made a £250 payment on account at the year-end in advance of the 2018 camp.

Jonathan Bishop and Matthew Pitts, trustees, are both directors of Cornerstone Academy Trust. During the year services of £24,021 (2016: £21,301) were provided to the Academy Trust at standard rates.

Jonathan Bishop, a trustee, is a group leader for Whipton Chapel. During the year services of £3,986 (2016: £1,378) were provided to Whipton Chapel at standard rates. At the year end, Whipton Chapel owed Heathercombe Brake Trust £1,538.

**20. CONTROLLING PARTY**

The charity is under the control of the Trustees. There is not considered to be an ultimate controlling party.