

## **Heathercombe Brake Trust**

(A company limited by guarantee)

### **Annual Report and Financial Statements Year Ended 31 December 2018**

Company registration number: 04175683

Charity registration number: 1087001

# **Heathercombe Brake Trust**

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# Heathercombe Brake Trust

## Reference and Administrative Details

<b>Trustees</b>	Mr Jonathan Bishop (Chairman) Mrs Ruth Lane Mr James Murray Mr James West Mr Matthew Pitts Mr Philip Lawson Mrs Clare Palmer Mr Ian Rees (Resigned 16 November 2018)
<b>Senior Management Team</b>	Mr Jon Evans, Centre Director Mr Stephen McIlhenny, Centre Manager Dr Roger Hopper, Development Manager
<b>Principal Office</b>	Heatree House Manaton Newton Abbot Devon TQ13 9XE The charity was incorporated on 08/03/2001.
<b>Company Registration Number</b>	04175683
<b>Charity Registration Number</b>	1087001
<b>Auditor</b>	PKF Francis Clark North Quay House Sutton Harbour Plymouth Devon PL4 0RA

# Heathercombe Brake Trust

## Trustees' Report

The trustees of Heathercombe Brake Trust (the charity) present their annual report and financial statements for the year ended 31 December 2018. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2018.

### Objectives and aims

#### *Objectives, strategies and activities*

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.

Our aim is to provide young people with a unique residential experience that improves their lives. The aims of the Charity are achieved at Heatree Activity Centre by providing a wide range of high quality 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. By providing high standards in every aspect of our operation, we deliver exciting, adventurous and memorable outdoor learning experiences in accordance with our centre of excellence approach.

All activities are informed by and run on Christian principles, where Christian values are promoted in every area of our daily work. We encourage all staff and volunteers to promote a Christian ethos, where care and respect is shown to everyone. Our aims fully reflect the purposes that the Charity was set up to further.

# **Heathercombe Brake Trust**

## **Trustees' Report**

### **How our work is delivered**

The work of Heathercombe Brake Trust is based at Heatree Activity Centre. It is open all year round and is located in the beautiful setting of Dartmoor National Park. There are four accommodation wings that can cater for over 200 guests as well as staff houses and several outbuildings. Accessibility for disabled guests is important to us and facilities including wet rooms are available. Residential programs form the largest part of our work, 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 and physical health needs, including provision of 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**

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

# **Heathercombe Brake Trust**

## **Trustees' Report**

Heatree has a number of strategies for providing public benefit through advancing education.

It provides specialised and structured Outdoor Education residentials for pupils from special educational needs schools. The Heatree team are experienced in providing inclusive activities for young people with additional physical and mental needs. Additional planning time and Heatree support staff are provided to enable the experience. The special educational needs provision is also extended to pupils within main-stream schools.

Outdoor Education residentials are provided for primary schools and secondary schools, mainly from the South West region, but Heatree has also been able to provide activities and residentials for further education colleges and higher education students.

This year Heatree has also been home to the World Challenge expeditions training weekends. This is the first step for young explorers to camp and practice navigation on Dartmoor before heading overseas for their World Challenge adventures.

A number of youth organisations have enjoyed spending time at Heatree. These included Devon Youth Brass and Jazz Band, Girl Guides, junior hockey and canoe clubs and other young people's groups from across the South West and further afield.

As well as residential visits, Heatree offers a wide range of day activities. During 2018 these were enjoyed by schools, youth organisations and history groups. The Dartmoor National Park was pleased to continue to use the Bronze Age Round House as a key educational resource. This was used by their rangers and archaeological team.

Learning experiences in the outdoors promote physical and mental health and wellbeing, while building confidence, resilience and self-respect. Individual skills, competencies and capabilities are developed alongside an understanding of teamwork, friendship and care and respect for others.

When considering its activities, the trustees have considered the Charity Commission's guidance on public benefit, in section 4 of the 2011 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 to provide access for those who would otherwise not be able to visit Heatree.

## **Achievements and performance**

### **Review of activities**

Heatree has continued to demonstrate its popularity and impact by delivering high quality accessible outdoor education to a wide range of groups and organisations, which helps to inspire young people and develop life skills. School bookings account for nearly 60% of total bookings and has remained at a similar level to previous years. The number of individual pupils, adult helpers and free places including 1 to 1 support in the school groups have all risen by over 2%.

Repeat bookings from all customer groups have increased by almost 4%, demonstrating customer satisfaction, but new customer bookings account for 10% of the total, indicating that marketing and reputation continue to attract a good volume of new customers.

# **Heathercombe Brake Trust**

## **Trustees' Report**

### **Camp Courageous**

Heatree continues to offer a unique experience for children with Down's Syndrome, their siblings and parents living in Devon, to attend a series of seasonal camps and activity days through the year. The fund consists of restricted donations and at the year end £1,000 is carried forward into 2019.

Over 5 days, the families experience and enjoy outdoor activities in an inclusive, exciting environment allowing opportunity to re-charge, reflect and learn together. Families enjoy a highly visual hands on experience making use of Makaton and British Sign Language. The atmosphere created is one of excitement, encouragement and love.

During the events, families make friends and develop an important support network. We also help maintain this network year-round, through provision of informal advice, connections and meet-ups helping to create a community that families can turn to during moments of isolation.

Our unique provision is profoundly important to the families it reaches, so much so that one parent expressed that it was;  
"a truly life changing few days".

We aim to reduce feelings of isolation, loneliness and negativity through the chance for parents to share their experiences with other parents who understand and can empathise with the daily stresses of family life. Siblings and young carers are also able to form a valuable group and for the first time they have had the opportunity to meet other teenagers with the same caring responsibilities for younger siblings.

The five days included:

- a day of activities at Heatree in March for 39 people
- Superhero Challenge in June, a fundraising walk (and wheelchair route) for Camp Courageous families, in superhero fancy dress
- A two day residential visit to Heatree for 40 people taking part in adventure activities, craft and games.
- A living nativity play with farm animals at a local farm park for 42 people.

### **Heatree staff development**

The quality of education provided to clients is supported by employing and retaining well qualified and motivated staff who share the ethos of the Charity. The majority of the permanent outdoor team at Heatree have completed their initial teacher training. Some are now qualified teachers, while the remainder are working towards this status. This commitment towards ensuring that staff have strong teaching and learning practices, ensures that Heatree will maintain its outstanding reputation for quality outdoor education. Dr Roger Hopper, the Heatree Development Manager obtained his Lead Practitioner of the Institute for Outdoor Learning professional qualification. This is the highest award attainable and recognises his contribution to outdoor education at a strategic national level. The Heatree Centre Director is also qualified to offer nationally accredited courses on behalf of British Canoe Union and Mountain Training. These are run for our own staff and are available for outside candidates.

# **Heathercombe Brake Trust**

## **Trustees' Report**

### **South Devon College Training Partnership degree training programme**

In 2016, Heatree commenced a partnership with the University Centre of South Devon College, establishing a unique degree training programme. During the second year of the program, Heatree has eight volunteer students who are studying for this degree in adventure leadership.

Students at Heatree are given a unique opportunity to advance their careers. They study, lead and train simultaneously; this approach is both challenging and rewarding. We aim for our graduates to leave as triple professionals. Firstly, with essential vocational experience in leading a wide variety of groups, supporting the Heatree outdoor learning programmes. Secondly, with degree level academic honours grounded in high levels of sector skills, knowledge and understanding. Thirdly, with nationally recognised adventure leadership qualifications, being the key to open the doors to the outdoor classroom.

A number of the Heatree staff lecture on the degree programme. This employer-university partnership is considered to be an exemplar, which others are seeking to replicate.

### **National Outdoor Learning Award (NOLA)**

NOLA was developed at Heatree and in partnership with the Institute for Outdoor Learning (IOL) and was launched in January 2018. This award is now being used nationally and internationally by a wide variety of outdoor education users including: schools, colleges, universities, sole traders and outdoor centres. Dr Roger Hopper, Heatree Development Manager co-wrote an article for the IOL Professional Sector Publication "Horizons" and presented workshops, at the Regional Dartmoor Educator's Forum and the National Outdoor Sector Conference, promoting and supporting NOLA. Dr Hopper recently delivered a training day for an outdoor centre wishing to implement NOLA to support their residential outdoor learning programmes. NOLA is being seen by IOL as a strategic tool that could influence Government outdoor education policy.

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.

### **Outdoor Activity Instructor Apprenticeship**

Heatree has been part of the employer led apprenticeship trailblazer group that supported the successful development of a new Level 3 Outdoor Activity Instructor Apprenticeship. This apprenticeship was launched in the summer and is now being used nationally, to support the development of a professionally trained outdoor education workforce. Heatree is now helping to develop a potential Level 5 (degree) apprenticeship.



# **Heathercombe Brake Trust**

## **Trustees' Report**

### **Schools Youth and Church groups**

Working with young people whether on school residential visits, church or other youth groups continues to be the mainstay of the Charity's activity. Making all the visits fun, challenging, exciting, enjoyable and part of an holistic experiential learning event is something that our staff enjoy, and they gain great satisfaction from imparting their own love of learning in such a unique environment.

To quote from one of our visiting groups:

'Your facilities, standards, quality of teaching are superb. We love the time you give for reflection, your focus on the Heatree values and how you adapt your activities for the children in each group. You make every child feel special and valued.'

### **Future plans**

We are particularly looking forward to our first graduates from the partnership degree program with South Devon College.

All of our core activity of school, church and youth group residentials will continue, with very high levels of repeat bookings. We constantly seek to enhance these visits, both by offering the National Outdoor Learning Award, but also by continuing to develop our own staff to continuously raise quality standards.

We have been working on a project to provide a new Heatree website and this should go live in early 2019.

We have continued to maintain, replace, repair and improve our equipment and infrastructure during the year and two staff buildings will have a refurbishment completed in early 2019. These should provide accommodation for student volunteers to live on site.

The Fixed Asset Replacement Plan was completed in 2018. The trustees now need to develop the long term strategic capital investment plan to support further enhancement to buildings, potentially allowing for increased occupancy and improved facilities to support accessibility.

### **Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the Charity has adequate resources to continue to operate in the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements.

# **Heathercombe Brake Trust**

## **Trustees' Report**

### **Reserves policy**

The trustees have 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 and given the seasonal nature of the Charity's operations, a further £100,000 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 2018 were £1,837,828 (2017: £1,796,064), of which £1,601,094 (2017: £1,501,075) is the Fixed Asset Reserve and £4,717 (2017: -) relates to the Access Fund. The total restricted reserves of the Charity at 31 December 2018 were £1,000 (2017: £nil) which relate to Camp Courageous.

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.

### **Financial review**

The trustees regularly review income, profitability and liquidity, comparing with historical performance and forecasts. The financial management of the Centre has focussed on optimising occupancy rates and managing expenditure in line with activity volumes where possible. In the year the Charity received £70,623 in respect of an insurance claim, this was utilised to refund the replacement of a sewerage system. Before the deduction of depreciation, surplus funds of £112,373 (2017: £119,827) were generated in the year.

The underlying cash position remained healthy with no short-term borrowing 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.

### **Structure, governance and management**

#### **Constitution**

Heathercombe Brake Trust is a charitable company limited by guarantee, trading as Heathree Activity Centre. It is governed by its Memorandum and Articles of Association, dated 8 March 2001 and amended by Special Resolution dated 1 August 2013. It is registered with the Charity Commission.

# **Heathercombe Brake Trust**

## **Trustees' Report**

### **Appointment of Trustees**

The trustees may from time to time, seek to appoint new trustees. When choosing and appointing new trustees, emphasis is placed on their experience in the wider community and their sharing of the Christian ethos. The number of trustees shall not be less than 3 or more than 9. Trustees are appointed for a term of 3 years and may renew that appointment for successive terms.

All trustees may nominate potential new trustees to be considered for election. Once elected, new trustees will have a period of induction and training. This involves information sharing, visits to the Centre and interviews with other trustees. Ongoing training includes cascaded information from journals, forums, updates from professional organisations and regular reviews of publications.

The Board of Trustees meets four times every year to administer the Charity. The Centre Director and Centre Manager who are appointed by the trustees to manage all operational activities of the Charity, and oversee staff teams who manage the day to day work of the centre, also attend the Board meetings.

The pay policy for staff is proposed by the Centre Director, taking account of the 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 branded pay structure. Trustees receive the proposals in the first Board meeting of each financial year and awards are backdated to 1st January.

### **Key management personnel**

The key management personnel of the Charity consists of the trustees, the Centre Director and the Centre Manager.

## Heathercombe Brake Trust

### Trustees' Report

#### 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.


The Centre's policies which mitigate the inherent risks associated with the Centre and its activities were reviewed during the year. The review drew on internal experience and external/professional advice to continue to ensure the Centre meets both internal and external scrutiny with detailed attention paid to the relevant risk assessments. Procedures are in place for staff training, including at induction, covering all essential policies, including Safeguarding and Health and Safety.

Funds are allocated annually for ongoing asset maintenance and replacement, and plans are reviewed regularly to ensure facilities remain in good order and are appropriate for young people.

Appropriate commercial insurance cover is maintained annually to cover public and employer's liabilities and insuring buildings and facilities for replacement value.

The trustees are developing a new risk management framework to better enable a regular and systematic review of risks at every Board meeting.

The annual report was approved by the trustees of the Charity on 5/6/19 and signed on its behalf by:

  
.....  
Mr Jonathan Bishop (Chairman)  
Trustee

## Heathercombe Brake Trust

### Statement of Trustees' Responsibilities


The trustees (who are also the 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 the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

Approved by the trustees of the charity on 5/6/19 and signed on its behalf by:

  
Mr Jonathan Bishop (Chairman)  
Trustee

# **Heathercombe Brake Trust**

## **Independent Auditor's Report to the Members of Heathercombe Brake Trust**

### **Opinion**

We have audited the financial statements of Heathercombe Brake Trust (the 'charity') for the year ended 31 December 2018, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of its results 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **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 auditor's 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.

## **Heathercombe Brake Trust**

### **Independent Auditor's Report to the Members of Heathercombe Brake Trust**

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.

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

#### **Matters on which we are required to report by exception**

In the light of 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' Report.

We have nothing to report in respect of the following matters where 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.

## Heathercombe Brake Trust

### Independent Auditor's Report to the Members of Heathercombe Brake Trust

#### Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 11], the trustees 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 charity'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 charity 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.

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 auditor's report.

#### Use of our report

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



Duncan Leslie (Senior Statutory Auditor)  
PKF Francis Clark, Statutory Auditor

North Quay House  
Sutton Harbour  
Plymouth  
Devon  
PL4 0RA

Date: 15/11/19



# Heathercombe Brake Trust

## Statement of Financial Activities

Year Ended 31 December 2018

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £
<b>Income and Endowments from:</b>				
Charitable activities	2	1,018,797	7,310	1,026,107
Other trading activities	3	1,026	-	1,026
Investment income	4	206	-	206
Other income	5	70,623	-	70,623
Total Income		1,090,652	7,310	1,097,962
<b>Expenditure on:</b>				
Charitable activities	6	(1,048,888)	(6,310)	(1,055,198)
Total Expenditure		(1,048,888)	(6,310)	(1,055,198)
Net income		41,764	1,000	42,764
Net movement in funds		41,764	1,000	42,764
<b>Reconciliation of funds</b>				
Total funds brought forward		1,796,064	-	1,796,064
Total funds carried forward	20	1,837,828	1,000	1,838,828
	Note	Unrestricted funds £	Restricted funds £	Total 2017 £
<b>Income and Endowments from:</b>				
Charitable activities	2	941,491	5,177	946,668
Other trading activities	3	3,595	-	3,595
Investment income	4	44	-	44
Total Income		945,130	5,177	950,307
<b>Expenditure on:</b>				
Charitable activities	6	(907,066)	(5,177)	(912,243)
Total Expenditure		(907,066)	(5,177)	(912,243)
Net income		38,064	-	38,064
Net movement in funds		38,064	-	38,064
<b>Reconciliation of funds</b>				
Total funds brought forward		1,758,000	-	1,758,000
Total funds carried forward	20	1,796,064	-	1,796,064

All of the Charity's activities derive from continuing operations during the above two periods.

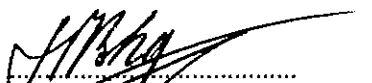
# Heathercombe Brake Trust

## Balance Sheet

31 December 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	13	1,601,094	1,567,292
<b>Current assets</b>			
Stocks	14	9,095	4,532
Debtors	15	34,122	54,796
Cash at bank and in hand		<u>320,314</u>	<u>307,449</u>
		363,531	366,777
<b>Creditors: Amounts falling due within one year</b>	16	<u>(120,503)</u>	<u>(102,349)</u>
<b>Net current assets</b>		<u>243,028</u>	<u>264,428</u>
<b>Total assets less current liabilities</b>		1,844,122	1,831,720
<b>Creditors: Amounts falling due after more than one year</b>	17	<u>(5,294)</u>	<u>(35,656)</u>
<b>Net assets</b>		<u>1,838,828</u>	<u>1,796,064</u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted Funds		1,000	-
<b>Unrestricted income funds</b>			
Designated Funds		1,605,811	1,794,998
General Funds		<u>232,017</u>	<u>1,066</u>
Total unrestricted funds		<u>1,837,828</u>	<u>1,796,064</u>
<b>Total funds</b>	20	<u>1,838,828</u>	<u>1,796,064</u>

The financial statements on pages 15 to 29 were approved by the trustees, and authorised for issue on 5/12/19 and signed on their behalf by:

  
 .....  
 Mr Jonathan Bishop (Chairman)  
 Trustee

Company Registration Number: 04175683

# Heathercombe Brake Trust

## Statement of Cash Flows

Year Ended 31 December 2018

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash income		42,764	38,064
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		69,609	81,763
Investment income	4	(206)	(44)
Interest payable		5,807	5,807
Loss on disposal of tangible fixed assets		70,184	1,066
		<u>188,158</u>	<u>126,656</u>
<b>Working capital adjustments</b>			
(Increase)/decrease in stocks	14	(4,563)	2,951
Decrease/(increase) in debtors	15	20,674	(13,412)
Decrease in creditors	16	(311)	(12,027)
Increase in deferred income	17	18,665	30,450
Net cash flows from operating activities		<u>222,623</u>	<u>134,618</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	4	206	44
Purchase of tangible fixed assets	13	(173,595)	(56,137)
Sale of tangible fixed assets		-	4,321
Net cash flows from investing activities		<u>(173,389)</u>	<u>(51,772)</u>
<b>Cash flows from financing activities</b>			
Interest payable and similar charges		(5,807)	(5,807)
Repayment of capital element of finance leases and HP contracts	18	(30,562)	(30,562)
Net cash flows from financing activities		<u>(36,369)</u>	<u>(36,369)</u>
Net increase in cash and cash equivalents		12,865	46,477
Cash and cash equivalents at 1 January		<u>307,449</u>	<u>260,972</u>
Cash and cash equivalents at 31 December		<u>320,314</u>	<u>307,449</u>

All of the cash flows are derived from continuing operations during the above two periods.

# **Heathercombe Brake Trust**

## **Notes to the Financial Statements**

**Year Ended 31 December 2018**

### **1 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

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

#### **Statement of compliance**

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.

#### **Basis of preparation**

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 notes.

#### **Going concern**

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the Charity.

#### **Income and endowments**

##### ***Charitable activities***

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

##### ***Deferred income***

Deferred income represents non-refundable deposits received for bookings in future periods. These are deferred and released into incoming resources in the period in which the activity takes place. In the event that the activity is cancelled and not rebooked the deposit is recognised immediately in incoming resources.

# Heathercombe Brake Trust

## Notes to the Financial Statements

Year Ended 31 December 2018

### 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 Charity and compliance with constitutional and statutory requirements.

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

All expenditure is inclusive of irrecoverable VAT.

### Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### Tangible fixed assets

Individual fixed assets costing £500 or more are capitalised, items costing less are written off in the year of purchase.

### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
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

### Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving items.

# Heathercombe Brake Trust

## Notes to the Financial Statements

Year Ended 31 December 2018

### Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

### Leasing and hire purchase

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

### 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.

## 2 Income from charitable activities

Unrestricted funds	Restricted funds	Total 2018	Total 2017
£	£	£	£
<u>1,018,797</u>	<u>7,310</u>	<u>1,026,107</u>	<u>946,668</u>

## 3 Income from other trading activities

	Unrestricted funds	Total 2018	Total 2017
	£	£	£
Property rental income	<u>1,026</u>	<u>1,026</u>	<u>3,595</u>
	<u>1,026</u>	<u>1,026</u>	<u>3,595</u>

## 4 Investment Income

	Unrestricted funds	Total 2018	Total 2017
	£	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	<u>206</u>	<u>206</u>	<u>44</u>

# Heathercombe Brake Trust

## Notes to the Financial Statements

Year Ended 31 December 2018

### 5 Other income

	Unrestricted funds £	Total 2018 £
Insurance claim	70,623	70,623

### 6 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	Total 2018 £	Total 2017 £
Provisions, Housekeeping and activity	111,101	-	111,101	120,112
Catering and hospitality temporary staff costs	6,392	-	6,392	3,242
Miscellaneous staff costs	-	8,695	8,695	9,655
Stationery and advertising	-	5,734	5,734	4,640
Telephone	-	16,929	16,929	17,643
Motor and travel	-	20,253	20,253	17,259
Repairs, renewals and replacements	-	47,431	47,431	34,791
Bank charges	-	433	433	276
Rates	-	15,662	15,662	10,406
Insurance	-	19,402	19,402	20,723
Heat and light	-	53,662	53,662	56,973
Interest on hire purchase contracts	-	5,807	5,807	5,807
Wages and salaries	-	523,980	523,980	451,027
National insurance	-	32,198	32,198	29,855
Staff training	-	26,506	26,506	29,155
Pension cost	-	10,438	10,438	6,248
Bad debts	-	340	340	-
Depreciation	-	69,609	69,609	81,762
(Profit)/ loss on disposal of fixed assets	-	70,184	70,184	1,066
Governance costs	-	10,442	10,442	11,603
	<u>117,493</u>	<u>937,705</u>	<u>1,055,198</u>	<u>912,243</u>

£1,048,888 (2017 - £907,066) of the above expenditure was attributable to unrestricted funds and £6,310 (2017 - £5,177) to restricted funds.

Included in the expenditure analysed above, there are governance costs of £10,442 (2017 - £11,603) which relate directly to charitable activities. See note 7 for further details.

# Heathercombe Brake Trust

## Notes to the Financial Statements

Year Ended 31 December 2018

### 7 Analysis of governance and support costs

#### Governance costs

	Unrestricted funds £	Total 2018 £	Total 2017 £
Audit fees			
Audit of the financial statements	7,200	7,200	7,058
Other fees paid to auditors	3,242	3,242	244
Legal fees	-	-	4,301
	<u>10,442</u>	<u>10,442</u>	<u>11,603</u>

Other fees paid to auditors in 2017 and 2018 relate to the prior auditor, Bishop Fleming.

### 8 Net incoming/outgoing resources

Net incoming resources for the year include:

	2018 £	2017 £
Operating leases - other assets	4,439	6,054
Audit fees	7,200	6,500
Other non-audit services	3,242	244
Loss on disposal of tangible fixed assets	70,184	1,066
Depreciation of fixed assets	<u>69,609</u>	<u>81,763</u>

### 9 Trustees' remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the Charity during the year (2017: nil).

During the year 8 trustees (2017: 8 trustees) were reimbursed travel expenses of £1,645 (2017: £2,175) in connection with their role as a trustee.

A donation of £55 was received from a trustee during the year towards a child's attendance at the Centre. There were no restrictions made on this donation.



# Heathercombe Brake Trust

## Notes to the Financial Statements

Year Ended 31 December 2018

### 10 Staff costs

The aggregate payroll costs were as follows:

	2018 £	2017 £
<b>Staff costs during the year were:</b>		
Wages and salaries	523,981	451,027
Social security costs	32,198	29,855
Pension costs	10,437	6,248
	<u>566,616</u>	<u>487,130</u>

The monthly average headcount of persons (including senior management team) employed by the Charity during the year was as follows:

	2018 No	2017 No
Management	2	2
Support	34	32
	<u>36</u>	<u>34</u>

Contributions to the employee pension schemes for the year totalled £10,437 (2017 - £6,248).

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the Charity as noted in the Trustees' Report on page 8, were £79,315 (£9,609 of this consisted of pension and social security costs) (2017 - £78,271 with £8,911 consisting of pension and social security costs).

### 11 Auditors' remuneration

	2018 £	2017 £
Audit of the financial statements	<u>7,200</u>	<u>7,058</u>

# Heathercombe Brake Trust

## Notes to the Financial Statements

Year Ended 31 December 2018

### 12 Taxation

The Charity is a registered charity and is therefore exempt from taxation.

### 13 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Plant and machinery £	Total £
<b>Cost</b>					
At 1 January 2018	2,072,631	108,212	2,134	97,944	2,280,921
Additions	96,782	34,320	19,200	23,293	173,595
Disposals	(81,502)	-	-	-	(81,502)
Transfers	(177,104)	-	-	177,104	-
At 31 December 2018	<u>1,910,807</u>	<u>142,532</u>	<u>21,334</u>	<u>298,341</u>	<u>2,373,014</u>
<b>Depreciation</b>					
At 1 January 2018	549,597	83,331	1,234	79,467	713,629
Charge for the year	37,697	13,735	3,726	14,451	69,609
Eliminated on disposals	(11,318)	-	-	-	(11,318)
Transfers	(10,626)	-	-	10,626	-
At 31 December 2018	<u>565,350</u>	<u>97,066</u>	<u>4,960</u>	<u>104,544</u>	<u>771,920</u>
<b>Net book value</b>					
At 31 December 2018	<u>1,345,457</u>	<u>45,466</u>	<u>16,374</u>	<u>193,797</u>	<u>1,601,094</u>
At 31 December 2017	<u>1,523,034</u>	<u>24,881</u>	<u>900</u>	<u>18,477</u>	<u>1,567,292</u>

The transfer from freehold land and buildings to plant and machinery represents the reclassification of the biomass boiler.

# Heathercombe Brake Trust

## Notes to the Financial Statements

Year Ended 31 December 2018

### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2018 £	2017 £
Plant and machinery	<u>162,936</u>	<u>166,478</u>

### 14 Stock

	2018 £	2017 £
Consumables and goods for resale	<u>9,095</u>	<u>4,532</u>

### 15 Debtors

	2018 £	2017 £
Trade debtors	23,199	42,392
Prepayments	1,623	5,581
Other debtors	<u>9,300</u>	<u>6,823</u>
	<u>34,122</u>	<u>54,796</u>

### 16 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	12,081	12,669
Hire purchase and finance leases	30,361	30,561
Other taxation and social security	2,966	7,683
Other creditors	11,691	5,695
Accruals and deferred income	<u>63,404</u>	<u>45,741</u>
	<u>120,503</u>	<u>102,349</u>

	2018 £
Deferred income at 1 January 2018	30,450
Resources deferred in the year	49,115
Amounts released from previous periods	<u>(30,450)</u>
Deferred income at 31 December 2018	<u>49,115</u>

# Heathercombe Brake Trust

## Notes to the Financial Statements

Year Ended 31 December 2018

### 17 Creditors: amounts falling due after one year

	2018	2017
	£	£
Hire purchase and finance leases	<u>5,294</u>	<u>35,656</u>

### 18 Obligations under leases and hire purchase contracts

The total value of future minimum lease payments was as follows:

	2018	2017
	£	£
Within one year	30,361	30,561
In two to five years	<u>5,294</u>	<u>35,656</u>
	<u>35,655</u>	<u>66,217</u>

### Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£	£
<b>Other</b>		
Within one year	4,439	5,246
Between one and five years	<u>1,110</u>	<u>5,549</u>
	<u>5,549</u>	<u>10,795</u>

### 19 Commitments

At the year end the Charity had committed to expenditure of £22,668 for water system repairs and maintenance and £7,295 for heating and plumbing works to A the Woods.

### Pension commitments

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. Commitments provided for in the accounts amounted to £2,966 (2017 - £856).

# Heathercombe Brake Trust

## Notes to the Financial Statements

Year Ended 31 December 2018

### 20 Funds

	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2018 £
<b>Unrestricted funds</b>					
<b>General</b>					
Free reserves	-	1,090,652	(898,812)	40,177	232,017
<b>Designated</b>					
Renewals fund	74,989	-	-	(74,989)	-
Fixed asset reserve	1,501,075	-	(139,793)	239,812	1,601,094
Contingency reserve	120,000	-	-	(120,000)	-
Seasonal cash reserve	100,000	-	-	(100,000)	-
Access fund	-	-	(10,283)	15,000	4,717
	<u>1,796,064</u>	<u>-</u>	<u>(150,076)</u>	<u>(40,177)</u>	<u>1,605,811</u>
<b>Total Unrestricted funds</b>	<u>1,796,064</u>	<u>1,090,652</u>	<u>(1,048,888)</u>	<u>-</u>	<u>1,837,828</u>
<b>Restricted funds</b>					
Camp Courageous	-	7,018	(6,018)	-	1,000
Other restricted funds	-	292	(292)	-	-
<b>Total restricted funds</b>	<u>-</u>	<u>7,310</u>	<u>(6,310)</u>	<u>-</u>	<u>1,000</u>
<b>Total funds</b>	<u>1,796,064</u>	<u>1,097,962</u>	<u>(1,055,198)</u>	<u>-</u>	<u>1,838,828</u>

### Access Fund

At the beginning of the year the trustees set aside £15,000 into the Access fund. The Access fund is a hardship/deprivation fund available to needy and deprived groups, with a focus on disadvantaged children in a Christian environment. During the year £10,283 of the fund was allocated to two groups, the balance of £4,717 being carried forward for use in 2019.

### Restricted funds

The Charity established a legacy project on its 25th anniversary called Camp Courageous. The Charity raised funds in the year to provide free places at the camp at Heatree for families from South Devon with children suffering from Down's Syndrome. At the year end £1,000 remained unspent and was carried forward into 2019.

# Heathercombe Brake Trust

## Notes to the Financial Statements

Year Ended 31 December 2018

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2017 £
<b>Unrestricted funds</b>					
<i>General</i>					
Free reserves	-	945,130	(825,303)	(119,827)	-
<i>Designated</i>					
Renewals 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 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>Total unrestricted funds</b>	1,758,000	945,130	(907,066)	-	1,796,064
<b>Restricted funds</b>					
Camp Courageous	-	5,177	(5,177)	-	-
<b>Total funds</b>	<u>1,758,000</u>	<u>950,307</u>	<u>(912,243)</u>	<u>-</u>	<u>1,796,064</u>

### 21 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	1,601,094	-	1,601,094
Current assets	362,531	1,000	363,531
Current liabilities	(120,503)	-	(120,503)
Creditors over 1 year	(5,294)	-	(5,294)
<b>Total net assets</b>	<u>1,837,828</u>	<u>1,000</u>	<u>1,838,828</u>

### 22 Analysis of net funds

	At 1 January 2018 £	Cash flow £	At 31 December 2018 £
Cash at bank and in hand	307,449	12,865	320,314
Finance leases and hire purchase contracts	(66,217)	30,562	(35,655)
<b>Net debt</b>	<u>241,232</u>	<u>43,427</u>	<u>284,659</u>

# **Heathercombe Brake Trust**

## **Notes to the Financial Statements**

**Year Ended 31 December 2018**

### **23 Related party transactions**

#### **Related party transactions**

Jonathan Bishop, Chair of trustees, is a group leader for Dartmoor Christian Camp (DCC). During the year DCC applied to the Access fund for 29 discounted school aged child places on the basis of deprivation. The amount of funding received by DCC from the Access fund amounted to £8,813 and was used by DCC to fund the attendance of these children at the Centre. Within the group attending were 11 other members of Jonathan Bishop's family. Neither Jonathan Bishop nor his family members received any discounts in relation to the 2018 visit.

Jonathan Bishop and Matthew Pitts, trustees, are both directors of Cornerstone Academy Trust. During the year an activity break costing £25,390 (2017: £24,021) was provided to Broadclyst Primary School, part of the Academy Trust, at normal rates. There were no amounts outstanding at the year end (2017: -).

The Charity made purchases of £1,860 for IT services during the year from Clystnet, the Chair of Cornerstone Academy Trust, Henry Massey, owns this company.

Jonathan Bishop, is a group leader for Whipton Chapel. During the year the group attended the centre for an activity costing £2,478 (2017: £3,986) at normal rates. At the year end Whipton Chapel owed Heathercombe Brake Trust £2,478 (2017: £1,538).

#### **Controlling party**

The Charity is under the control of the trustees and there is not considered to be an ultimate controlling party.