

Brathay Trust Trustees' Report and Accounts

for the year ended 31 March 2021



*At Brathay we know everyone has the
capacity to do extraordinary things...*


BRATHAY

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Welcome to Brathay



Andy Watson, Chair of Trustees

It is a privilege to step into Charles Cowling's footsteps as Chair of Trustees and to be joining the Brathay community at such a challenging, yet exciting point in its long history.

Not only is it Brathay's 75th anniversary this year – a noteworthy achievement celebrated by the variety of 'Stories to Tell' submitted online by those whose lives have been impacted by the charity – but it's also a time of unforeseen change.

Covid rocked all our lives and Brathay was no exception. The lockdowns disrupted the charity's residential bookings and face-to-face delivery in communities. This caused massive uncertainty to income, leading to an intense focus on costs and sadly, the need to say goodbye to some colleagues.

That said, it's been hugely encouraging to see how the charity has not only survived but adapted, mainly by utilising skills and a unique offering around wellbeing to meet the needs of young people and their families adversely affected by Covid. Brathay is well-placed to understand the challenges of isolation, furlough, unemployment, poverty and, of course, illness, bereavement and mental health. Covid has heightened it all, and Brathay has done an impressive job, modifying both the content and style of programmes to reach out to those most in need.

Commercially, Brathay has risen to the challenge too. The charity relies heavily on its various social enterprise revenue streams and has done a great job to maintain some – not least offering Covid-safe and affordable accommodation to the public once overnight stays were permitted, and also by re-designing its fee-paying people development programmes for businesses. Residential at Brathay were replaced by innovative interactive digital workshops which received much acclaim from participants, many of them young apprentices embarking on their careers. Training providers and employers will continue to work with our consultants to provide bespoke 'blended learning' programmes, combining digital workshops, immersive residential and delivery in the workplace.

The same flexible approach has been seen with Challenge Events. As the accounts for this period show, these annual fundraisers took a huge hit, but the team persevered going on to host a postponed Windermere marathon in May 2021, smaller in numbers but still one of the UK's highest entry running events post-lockdown. Feedback from participants was excellent.

Brathay is still recovering but recovering well and we are starting to feel more optimistic about the future. As trustees, we couldn't have asked, or expected more, of staff. Many have had to put in extra hours to facilitate last-minute change and all have faced times of uncertainty and social isolation. Thank you to them all, and to all our volunteers, supporters, patrons and online followers.

If Brathay exists to instil positivity and resilience into thousands of young people every year, then high praise indeed for all those staff who are determined to pull together and practise what they preach.

A handwritten signature in black ink, appearing to read 'Andy Watson', with a stylized flourish at the end.

Structure, Governance and Management

Legal structure

Brathay Trust (Brathay) was first constituted as a charity in 1946 and was incorporated as a company limited by guarantee in 1993. We are registered as a charity in England and Wales and governed by a Memorandum and Articles of Association and a Trust Deed.

Company Registration Number: 2814206.
Charity registration number 1021586.

Operations

Brathay's head office is at Brathay Hall, our residential centre in Cumbria set in the heart of the Lake District National Park. We also have a long-established centre in Bradford city centre out of which we deliver a variety of community-based programmes. Our strong community footing extends to Barrow and our outreach work spreads further still, often linked to schools and colleges and allowing us to operate at ground level in some very challenging urban areas.

Brathay has one wholly owned subsidiary, Brathay Services Ltd, which is operated and governed entirely within this structure.

Registered Office

Brathay Hall
Clappersgate
Ambleside
Cumbria
LA22 0HP

Company Secretary

Heather T Dixon

Governance

The governing body is the Board of Trustees. At 31 March there were nine trustees, which has now increased to eleven. There is no upper limit to this number. Trustees of Brathay are also directors under the Companies Act.

The Board of Trustees has responsibility for setting and monitoring Brathay's performance against the strategic objectives set and meets a minimum of four times a year. The trustees have one committee, the Finance and Investment Committee, with other matters being reported directly to the Board.

A Risk and Compliance committee will operate from October 2021.

Additionally, a number of trustees have responsibility for liaising with the leadership team in key areas.

Trustees

Joanna H Coleman
Ann M Crane (Appointed 4 May 2021)
Charles Cowling (Resigned 15 May 2021)
Christopher W Dickinson
Julie A Frizzell (Appointed 15 May 2021)
David Jackman (Resigned 28 January 2021)
Sarah Hodgson Jones
Paul Johnson
Paul Mayson (Appointed 4 May 2021)
Christopher McDonald
Katharine S McIntyre (Resigned 31 December 2020)
Diane Millward (Resigned 15 May 2021)
Marc A Pate
Gillian Prior (Resigned 15 May 2021)
Mark R J Turner (Appointed 15 May 2021)
Andrew S Watson (Appointed 4 May 2021)

Charles Cowling was Chair of Trustees until 15 May 2021 and was succeeded by Andrew Watson. Paul Johnson was Vice Chair of Trustees throughout the year.

Structure, Governance and Management

Finance and Investment Committee

Members

Charles Cowling
Ann M Crane
Christopher W Dickinson
Christopher McDonald
Diane Millward
Gillian Prior
Mark RJ Turner (from 29 July 2021)
Andrew S Watson

All members served the committee from the date of their appointment, or to the date of their resignation, as a Trustee, unless otherwise indicated.

Chair and Treasurer

Katharine S McIntyre was Brathay's Chair of the Finance and Investment Committee and Treasurer until 31 December 2020, at which point Christopher McDonald was elected to the position.

Leadership Team

The trustees delegate the day-to-day management of Brathay to its paid executives. This is delivered by the chief executive and the leadership team who report at least quarterly to trustees. The leadership team comprises:

Godfrey C Owen, Chief Executive
Heather T Dixon, Finance Director
Rachel C Head, Head of Children and Young People's Services.

Contact details

www.brathay.org.uk www.brathay.com
www.brathaychallenges.com
Email: hello@brathay.org.uk
Telephone: 015394 33041

Operations

The Finance and Investment Committee routinely meets five times a year. It considers specific issues in greater detail and makes recommendations on those issues to the Board as a whole.

Additionally it:

- receives reports on operational matters and ensures the implementation of strategic decisions;
- scrutinises the budget and business plans;
- undertakes the annual audit review and monitors the performance of the investment managers;
- reviews, recommends and reports to the Board on issues of financial reporting, major projects, reserves management, investment management, internal financial controls, financial risk management and the monitoring of compliance with relevant law, regulations and good practice;
- is responsible for Brathay's remuneration policy and strategy, ensuring that the remuneration process is professional and impartial, setting the remuneration of the leadership team and ensuring employees are kept informed. As far as possible, salary scales and benefits are benchmarked to national charities and other relevant/local information.

Structure, Governance and Management

Professional advisors

Bankers

Cumberland Building Society
Cumberland House
Cooper Way
Parkhouse
Carlisle
CA3 0JF

Independent auditor

Lamont Pridmore
Chartered Accountants and Statutory Auditor
136 Highgate
Kendal
Cumbria
LA9 4HW

Insurance broker

Marsh Commercial
J36 Rural Auction Centre
Crooklands
Kendal
Cumbria
LA7 7FP

Investment advisors

Sanlam
Windsor House
Cornwall Road
Harrogate
North Yorkshire
HG1 2PW

Legal advisors

Temple Heelis
1 Kent View
Kendal
Cumbria
LA9 4DZ

Thomson Hayton Winkley
114-116 Stricklandgate
Kendal
Cumbria
LA9 4QA

Pension administrator

Old Mutual Wealth
Fifteen
Rosehill Industrial Estate
Montgomery Way
Carlisle
Cumbria
CA1 2RW



Structure, Governance and Management

Trustees' Responsibilities

Trustees (who are also directors of Brathay Trust for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and regulations.

Company law requires trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 (FRS 102);
- make judgments and accounting 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 group 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 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.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Structure, Governance and Management

Trustee Appointments

When recruiting new trustees, the Board looks for members whose skills and backgrounds complement and enhance the existing team. Vacancies are advertised and trustees, staff and other interested parties may nominate a person for consideration.

Brathay promotes and values diversity within the trustee body, recognising the importance of having a wide range of views, knowledge and experiences leading the organisation. Potential new trustees meet with the chair, chief executive and trustees before being elected to the Board. They are provided with information about Brathay and visit the head office in Ambleside and/or one of our regional offices.

Trustee effectiveness

Following their appointment, each trustee receives a briefing pack and comprehensive induction. This covers their role, duties and accountabilities as a trustee and includes information about Brathay, our policies, structure and work. Particular importance is placed on matters relating to safeguarding and child protection. As part of this process, trustees are encouraged to observe Brathay's work.

Each trustee completes a register of interests and related party transactions; this register is updated annually and whenever any changes occur. New trustees are also invited to attend a Finance and Investment Committee meeting. An effectiveness review is carried out annually, allowing each trustee to comment confidentially on Board effectiveness and the results are considered in the light of best practice in the charity sector.

Risk management

Trustees have overall responsibility for ensuring that Brathay has an appropriate system of control and for taking suitable steps to safeguard Brathay's assets. A summary of the major risks to which Brathay is exposed, and the relevant mitigating factors, is maintained in a risk register. Risks are reviewed twice a year by trustees. They work closely with the leadership team to ensure that Brathay has appropriate policies, systems and procedures to manage the risks facing Brathay.

Key risks

Trustees recognise that Brathay faces significant risk in a wide range of areas including:

- financial risks
- health and safety
- information management
- people
- reputational risks
- safeguarding
- technological risks.

In all cases control measures are in place and regularly reviewed. These controls are designed to reduce the risk to an acceptable level. In considering the biggest risks Brathay faces, as a charity working with a wide range of people, including some of the most vulnerable, the correct management of safeguarding is key. Following on from this, both data and information management need to be robust. Additionally to ensure an on-going and sustainable impact, financial risks must be effectively managed, a major issue as the economy moves through the impact of the pandemic.

Structure, Governance and Management

Objectives, aims and public benefit

Brathay's objectives, as set out in the memorandum and articles of association, are:

- to establish and maintain a centre or centres in any part of Great Britain for the education, including the physical training and moral, intellectual and physical development, of young persons of both sexes from within the United Kingdom;
- to initiate and prosecute, whether at the said centres or elsewhere, investigation and research into questions affecting the education of such persons;
- to instruct the staff of such centres and other persons to qualify them to promote the aforesaid purposes; and
- to promote any other charitable purposes of an educational nature relating to any of the purposes aforesaid.

It should be noted that while the language of the objectives is now very dated, the spirit behind the words remains the same and Brathay seeks to deliver its work in an inclusive manner which recognises and values diversity.

These objectives underpin Brathay's organisational purpose and are encapsulated in Brathay's mission:

'To improve the life chances of children and young people by inspiring them to engage positively in their communities.'

This is achieved by placing wellbeing at the heart of everything we do; the link to public benefit is clear.



Brathay's key objective is to fulfill this mission by delivering its 2020-2025 strategic plan.

The strategy was reviewed in the summer 2020, following the onset of the Covid19 pandemic, and remains highly relevant. The key strands remain unchanged but progress has inevitably been slowed by the current crisis.

Our work focuses on individual and community wellbeing and is upheld by our three key objectives:

1. To establish an organisation that reflects the brand identity of 'One Brathay'
2. To achieve financial sustainability
3. To develop our proposition to align with the modern world.



Structure, Governance and Management

Funding our work

Brathay supports the standards as set out in The Code of Fundraising Practice and has subscribed to the Fundraising Regulator. The code has a number of reporting requirements and we report as follows:

- We do not use third-party organisations to carry out fundraising activities on our behalf. Our processes and practices are designed to ensure compliance with the standards cited.
- There have been no complaints in relation to fundraising activity.
- We take appropriate steps to ensure the data security of personal information of individuals.
- The organisation has appropriate controls to ensure the protection of vulnerable people and others from unreasonable intrusion on a person's privacy and unreasonably persistent approaches or undue pressure to donate, in the course of or in connection with fundraising for Brathay.

Whilst our work with people and organisations is contracted and paid for by corporate organisations, the funding for our work with children and young people is from a much wider range of sources. Some work is directly commissioned, such as by local authorities, whilst other work is paid for by funding from trusts and foundations, corporate sponsorship, surpluses generated from challenge or other events, the trading activities of Brathay's subsidiary, appeals and individual giving.

As well as funding community and residential projects with young people these types of funding also support capital projects.

When funding is received it is not taken as income in the accounts until the programme or project it relates to is delivered. Any amounts received in this way are included as deferred income. This is the case irrespective of the source of the income – for example, any challenge event income linked to delivery of a programme would be deferred.

Income that comes from funders, tenders and events involves considerable upfront time and resource, often with a significant delay between this investment being made and the income showing in the accounts.



Structure, Governance and Management

Brathay's work this year includes projects supported by grants from:

- BBC Children in Need
- Ben's Educational Trust
- CAST Digital
- Hadley Trust
- Cumberland Building Society Foundation
- Cumbria Community Foundation
- ESF Community Fund
- Garfield Weston Foundation
- GiveBradford
- Go Higher West Yorkshire
- The Hedley Foundation
- IGEN Trust
- Peter Cruddas Foundation
- SkillsHouse
- Sovereign Health Care
- TLG Holiday Activity & Food Programme
- Wigan Community Fund
- Youth in Mind

Capital projects have also been supported by:

Cirencester Friendly 125 Foundation, The Manchester Guardian Society Charitable Trust, The Percy Bilton Charity, Yor4Good, Morrisons Foundation and Cumbria Community Foundation - COVID19 Response Fund.

Funding through public events

Ordinarily, the fundraising team also organises a range of annual challenge events open to the public and aimed at raising funds from entry fees and sponsorship from participants. These events also give profile to a wider audience of potential supporters than would otherwise be the case. Income relating to these events is deferred until the event takes place as are third party costs relating to them. The costs of the staff team for designing, developing, delivering and marketing these events are accounted for as they are incurred.

The contribution of fundraising activities is regularly reviewed. There is the obvious direct financial impact as well as the indirect benefit of raising Brathay's profile each year.

Utilising volunteers to help us in our efforts

Our strategy continues to be to deliver good people management practice, with a thriving staff team and volunteer resource.

Volunteers are extremely important to our ability to deliver certain events and projects. We rely on, and are very grateful for, the support of volunteers to deliver key fundraising events such as our challenge events. We also benefit from the services of a wide range of volunteers in other parts of our work including within the community.

Brathay works in partnership with volunteers to ensure they feel valued and have a high quality experience, where possible providing them with personal or organisational development opportunities. The support of volunteers and local communities is key to our success and is very much appreciated.



Structure, Governance and Management

Developing partnerships

Brathay recognises the fundamental importance of effective partnerships in ensuring we deliver our objectives. They do not meet the formal definitions of related parties but are important for an understanding of Brathay's activities.

Partners from all sectors are central to Brathay's work and include funders, customers, local authorities, businesses, schools, colleges, other charities, youth organisations, and community groups.

Partnerships are also central to working with corporate bodies keen to be recognised as caring employers committed to helping staff achieve their full potential, whatever their circumstances. Our partnerships share a joint commitment to achieving social change.

Our key partnerships include:

- Centre for Youth Impact
- F4H
- The Francis C Scott Charitable Trust
- Cumbria Community Foundation
- The Sir John Fisher Foundation
- Miles Moore Ceramics
- University of Cumbria
- Wigan Council
- Barrow Borough Council
- Bradford City Council
- Bradford Consortia of Barnardo's, YMCA and James
- Leeds City Council
- NCS and English Football League
- Bradford and Craven Clinical Commissioning Group
- Cumbria Office of the Police and Crime Commissioner
- Barra Culture and Women's Community Matters
- Theatre by the Lake
- ASICS UK

- The Climbers Shop, Ambleside
- Pete Bland Sports Ltd
- VOOM Sports Nutrition
- Langdale Hotel & Spa
- BAE Systems

For many years, we have worked in partnership with Wigan Council, delivering residentials from their two centres in Cumbria. The Council have taken the decision to use the centres differently going forward and this partnership ended on 30 September 2021.



Achievements and Performance

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing objectives and activities described in this section.

In essence, Brathay exists to support young people's wellbeing, to enable them to feel good and function well by becoming critically aware and empowered to take steps to develop and improve their lives. With increased awareness they can realise their own capabilities and begin to have more effective life choices. This puts them in a stronger position to shape their own future, make the right steps forward and even perhaps become a positive role model and a source of inspiration to others.

We believe that by helping individuals in this way, our work can also, indirectly, have a long-lasting impact on wider communities.

As we go about the design and delivery of our programmes, we strive always to keep the following elements embedded in all our activities:

1. **Practice:** To ensure that every participant has an inspiring, meaningful and evidence-based experience.
2. **Reputation:** To enhance our reputation for personal development and leadership in our chosen fields so that our expertise is sought after.
3. **People and Culture:** To create an environment that is vibrant, innovative, person centred and focused on results where participants feel valued and supported.
4. **Performance:** To develop our business model to achieve sustainability.

Additionally, each of our activities supports our focus on wellbeing:

- directly through our own programmes;
- through working with adults, either in their professional or family roles, to increase their chances of making a meaningful impact on children and young peoples' lives;
- by generating financial contribution and other resources for us to operate sustainably and achieve our long-term mission both now and in the future.

Our annual delivery in headline numbers

During the Covid pandemic of 2020-21, our annual delivery reduced significantly with programmes either being postponed or moved online. The exception has been the continuous provision of community programmes enabling us to continue supporting vulnerable young people and families adversely affected by the pandemic.

That said, lockdown restrictions still severely limited the number of young people we were able to support. Despite the restrictions, we were still able to reach out to and help over 5,000 families and young people this year alone. As the restrictions are lifted, we look forward to working with even greater numbers than before.

Achievements and Performance

Charitable activities against objectives set

Placing wellbeing at the heart of all we do ensures our achievements align to our objectives, focusing on high quality practice and enhancing our reputation. This can be seen across Brathay as follows:

Children & Young People Services

We work with young people in communities and during residential experiences at our Lake District centre, delivering programmes that increase their wellbeing and supporting them to feel good and function well. By focusing on awareness of the attitudes, behaviours and skills they need, we support them to become empowered to make active choices that will benefit them and the people around them. This helps to build their inner resilience and self-confidence and enhances their overall potential and future life chances.

Leading the way in research

Brathay has a long-established record for leading the way in practice development alongside the design and delivery of our programmes. We view every participant's experience of Brathay as a 'journey' during which they build awareness, evaluate their choices and take positive action.

This simple but powerful process has developed over many years into a highly effective approach to learning. Outcomes are monitored, recorded and evaluated by our own academic researchers and our findings continue to be used to help shape policy and good practice throughout the wider sector, as well as enhancing our professional reputation and impact.

People Development

We work with employees from all business sectors and industry, from apprentices and graduates starting out in their careers through to those at key stages in their self-development as managers and leaders. Our programmes support wellbeing at work, enabling employees to engage with change and develop their talent and coaching and mentoring skills.

Challenge Events

All our outdoor challenge events contribute to our mission. Not only do they improve the wellbeing of those taking part and the families supporting them, but they increase our profile nationwide and provide an opportunity for members of the public to support us financially by sponsoring individual participants. Funds raised by these events supports our work with young people and maintain our infrastructure.



Guest Services

We continue to boost revenue through our greatest physical asset, Brathay Hall by offering venue hire and B&B at weekends and off-peak times. We promote Brathay as an inspirational place to stay and, prior to the pandemic, to develop a variety of family-based dining and social events which all help to bring yet another dimension to our wellbeing agenda.

Achievements and Performance

Making a difference

Despite the restrictions of Covid placed on all our core activity, we have continued to work hard throughout the year in our efforts to make a real difference to children and young peoples' lives.

Other than day trips for short periods between national and regional lockdowns, residential programmes for children were not permitted throughout the financial year.

As an alternative, we:

- supported 3,754 children, young people and family members through a range of community programmes;
- worked with almost 50 children and young people visiting on 'day trips' between lockdowns;
- supported 1,349 delegates through mostly digital/remote talent development and leadership consulting programmes whenever organisations have been able and ready to engage.

These children and young people came from varying backgrounds and geographical locations and through our various Engagement, Development and Leadership programmes. We worked with them in a range of socially distanced settings, both on and off-line. Looking forwards, we will build on the skills and techniques acquired around effective online delivery to offer a truly blended approach of remote learning alongside immersive residential at our centres in the Lake District.

It remains the case that we work with young people of all ages and their families, many of whom are vulnerable, providing early intervention support which focuses on supporting families to feel good and function well. This includes mental health and wellbeing support; parenting and family relationship support, and support for those at risk of exploitation, and/or in unhealthy relationships.

We also work to develop those who are often lacking the confidence to find work or training or affected by substance misuse issues or other significant challenges in their lives.

Broadly speaking, our programmes fall into three categories:

1) Engagement programmes

Through our role as a delivery partner on the national 'See Hear Respond' programme and during the summer and early autumn of 2020, we successfully engaged children and young people who were 'hidden' from society's statutory support services. This included delivering:

- 308 packages of support in a range of ways including therapeutic; reintegration into education, or advice & support;
- face to face and digital support to 138 individuals;
- 60 detached sessions, engaging with 334 young people.

This was an incredible effort when put in the context of Covid 19 and while delivery was at times a real challenge, requiring intense working over a short time frame, supporting a large number of referrals, the commitment of Brathay and our staff to meeting the needs of young people and making this programme work is a testament to the dedication and resilience of both individual staff members and organisational values.

Achievements and Performance

2) Development programmes

Development programmes are delivered throughout our footprint areas. For example, our Yorkshire and Humber team have three commissioned Bradford and Craven 'Youth in Mind' contracts.

The initial contracts have been developing peer mentoring in schools and supporting the Medical Needs Education Service (MNES). Both have achieved significant impact in the lives of young people despite beginning, and operating, within a pandemic.

During the height of the pandemic, the MNES delivered a combination of counselling and youth work activity to support five young people back on-roll at school. Fifteen more young people, who previously had no engagement with education, have now engaged with the MNES team. This includes online lessons and making the transition from home learning to face to face learning in a school environment.

Through this work, we were enabling young people to build relationships with other young people, increasing self confidence and self-esteem and learning to trust professionals. This work was delivered digitally and in schools.

21 schools signed up to the peer mentoring programme, with 20 staff receiving training and toolkits during the height of the pandemic. This was a challenging programme to establish due to the immense pressure schools were under. To support them, we adapted quickly and moved to digital delivery.

We also now lead and coordinate the multi-disciplinary team 'One Trusted Pathway', the front door to mental health provision for children and young people in Bradford and Craven, involving close liaison with the Child and Adult Mental Health Service and the broader Youth in Mind Service.

Prior to the pandemic, we were focused on developing our presence in Cumbria. We received funding for a dedicated team of professionals based in the south of the county, covering Barrow and South Lakes, and this has helped to establish our presence as a partner in supporting young people in the community.

This team was at a different stage in development when Covid-19 struck but, after an initial period of furlough, staff were able to work supporting children and their families through programmes such as the national 'See, Hear, Respond' partnership and working with young people and their families on Walney Island delivering the 'Stronger Families, Successful Futures' programme.

3) Leadership programmes

Our leadership programmes assume young adults are engaged and empowered but need support to take the lead in their own lives as well as for social action. They may become future leaders in schools, communities, or organisations.

For example, based in Cumbria, the Changing Culture Programme supported by the Arts Council supports the next generation of sector leaders and is jointly delivered with the University of Cumbria and Theatre by the Lake.

These are long term programmes, running over several years but again impacted on by Covid-19 restrictions. We have however continued to deliver this work throughout the year, using new and innovative approaches to assist us.

Achievements and Performance

Our work within the corporate sector

Wellbeing features highly in the leadership and development programmes we offer to corporate clients. We have seen an increase in the focus that organisations have put on the wellbeing of their staff to achieve business objectives, added to which, the expectations of shareholders that companies strive to better deliver environmental, social and governance (ESG) responsibilities has changed the relationship that many organisations have with their local communities.

Brathay has been well-placed to respond to this with programmes that develop emerging talent, build a sustainable workforce, and unite organisations around a common vision or culture, whilst also delivering specific executive interventions to address issues such as directorate or supply chain alignment.

Brathay's approach to supporting culture change and leadership has enabled many organisations to engage positively with their stakeholders in new and authentic ways. At the same time, many of our clients are able to provide support to our community work through their corporate social responsibility programmes.

We enjoy long lasting relationships with almost all our clients, many of them senior business leaders who came to Brathay as a child or young person, and recognise the impact the experience had on their outlook and capabilities.

Other key achievements up to March 2021

Covid-19 hit us significantly towards the end of the previous financial year, forcing us to cancel or postpone all residential courses, yet at the same time, our community work has made a critical and effective contribution to supporting the young people and communities we serve by continuing to deliver our mission throughout the pandemic.

Here are some examples of what has been able to happen this year:

- 1) Our role as a delivery partner in Cumbria and Bradford, in support of the national Barnardo's 'See Hear Respond' programme, funded by the Department for Education, contributed to reaching 100,000 children, young people and families who were 'hidden children', struggling as a result of Covid 19 but who did not qualify for statutory support.
- 2) We secured two additional contracts with Bradford and Craven CCG 'Youth in Mind' programme realising our ambition to extend our early intervention mental health and wellbeing offer to vulnerable young people.
- 3) Building on the success of our family support work and during the peak of the pandemic, we received confirmation that our 'Families First' Team were the highest performers across the voluntary and community sector partnership in the third quarter of the year.

Achievements and Performance

- 4) Our Challenge Events brand maintained its presence in the marketplace despite being unable to run many of our events this year due to social distancing and other regulations. The Langdale Marathon, 10in10, Brathay 262 and the Windermere Marathon took place, but with fewer entries and in different ways because of the restrictions. We have worked hard to maintain relationships with participants to ensure the events are well positioned for the future.
- 5) Miles Moore Ceramics remain as our 'Artists in Residence' with a studio on site. They are committed to supporting our work but the opportunities to develop this partnership were limited this year.
- 6) We made significant inroads into adapting the focus and course content of some of our programmes to allow us to target new markets post-Covid; for example, wellbeing support packages for our partners F4H and over-worked medical and non-medical staff within the NHS.

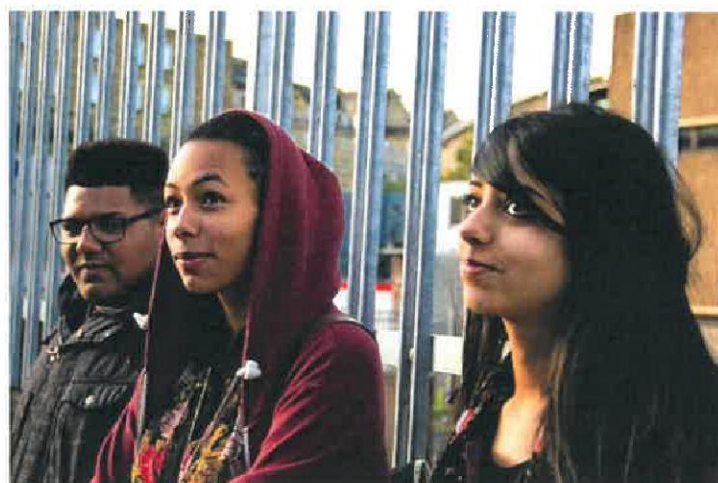
On track with our 5-year strategy

We began 2020 with the launch of a new 5-year strategy that would build on our past successes to increase our impact in the communities we serve. Central to this was the notion of 'One Brathay' with the organisation working more collaboratively and holistically, both externally, extending our reach within the wider community by seeking to develop more effective partnerships with other agencies and also internally, across our different teams and departments.

The strategy remains in place, albeit we have had to make some operational adjustments in the light of the Covid-19 pandemic, but the fundamental principle that no individual can thrive alone is unchanged.

Our 'One Brathay' approach is arguably more relevant now than ever and we have purposefully used lockdown to add to our breadth of knowledge, expertise and resources, offering many of our programmes digitally and adapting some of the learning content to respond to the changing needs of our young people and even our corporate clients.

Our 2020-25 strategy is to achieve financial sustainability via a more streamlined 'One Brathay' organisation – a subtle but profound switch of emphasis that will enable us to maximise impact. Never more so have we felt the need to focus on delivering relevant and engaging programmes – especially those facing difficult times in their lives, be it adversity, inequality, lack of direction, neglect, or exploitation.



Achievements and Performance

The strategy enhances our mission by introducing new ways of working to maximise impact and includes the commitments to:

- Collective thinking; collaborative working
- Seeking partners, developing support systems
- Creating the foundations
- Making it happen
- A commitment to our people
- Ensuring financial sustainability.

It also embodies our vision and purpose:

Feel good, function well: Everything we do and say comes from a shared culture of support to promote well-being.

Use what we learn: We continually develop our practice responding to change and new knowledge.

Be connected: We are committed to embracing the digital world within Brathay and beyond.

Think creatively: We allow our creativity to enhance our working practices and relationships with partners.

Be streamlined: We look at what we do and how we do it to help boost performance and efficiency.

Work collectively: We are evolving as 'One Brathay' providing a seamless and integrated offer to individuals and organisations.

Covid-19 recovery plans

During March 2020 we introduced a Covid-19 recovery plan which incorporated the key elements of the new strategy. We quickly acknowledged that the world was becoming increasingly uncertain and that, as an organisation, we faced some difficult practical and financial challenges around the furloughing of many of our staff, the temporary closure of our Lake District centres and the postponement of our biggest annual fundraising events.

We had no sense how long this crisis would last but, throughout, we sought to be flexible and innovative. The hugely volatile external climate created an environment where we were continually reacting, reorganising and reprioritising, as we worked to minimise the impact of a pandemic on our organisation and those we strive to support.

Whilst much of what we do day to day depends on us being with people, the importance of our work with children, young people and families was more evident than ever and we were able to expand our community engagement, working closely with many in need in the communities we work in throughout lockdown.

Achievements and Performance

Moving on from Covid-19

Brathay continues to make difficult but prudent changes to operate within the 'new normal'. The uncertainty surrounding what this looks like continues and we are stepping cautiously into the new world. The key elements of our recovery plan continue to be:

Achieve financial sustainability – ensuring core costs are in line with reduced income and re-structuring to make us more competitive.

Develop our proposition to align with the modern world – by embracing the digital world more widely and finding new ways of engaging with both our youth and corporate markets to inspire people to choose Brathay.

Establish an organisation that lives and breathes as 'One Brathay' – to be achieved by bringing our teams and resources closer together in a common approach to wellbeing; thinking and operating more collaboratively; setting the intent to be adaptable and agile, and benefitting from more efficient systems and procedures.



Financial review

The accounts, which form part of this report, comply with the requirements of FRS102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland. The trustees consider that in preparing these accounts, they have consistently applied appropriate accounting policies supported by reasonable and prudent judgements and estimates where required.

A resolution to appoint the firm Lamont Pridmore as auditors to the organisation was passed at the Annual General Meeting and they have indicated their willingness to be reappointed as statutory auditor.

Summary

The results for the year are dominated by the impact on our operations created by the Covid 19 pandemic. This incredibly challenging operating environment affected all parts of Brathay's activities. The advent of Covid-19 had an impact in 2019/20 but a much greater effect this year.

Income losses and gains

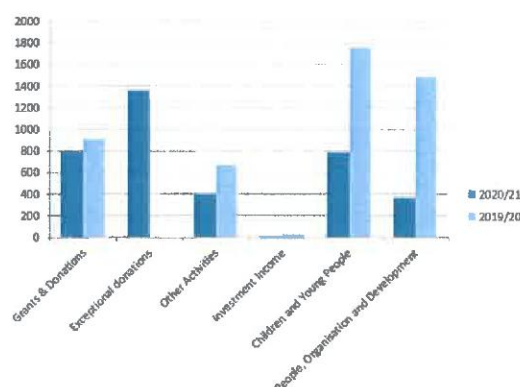
Much of our charitable work, fundraising activities and social enterprise activities were affected by Government restrictions and associated income streams reduced dramatically.

We worked, and continue to work, proactively and flexibly, to ensure costs were minimised whilst retaining the skills and structures needed to bounce back as the pandemic ends. The Job Retention Scheme allowed us to retain essential roles that could not otherwise have been afforded. We focused on developing our digital offering both to adults and children and young people and, when permitted, maximised income from our on-site accommodation. We were also able to continue and develop work in communities where support to children, young people and adults has been crucial during the pandemic. We worked closely with funders and donors and are very grateful to all those who have supported us at this difficult time.

Exceptional income of £1,364k is included within these accounts relating to support directly received as a result of the pandemic, including £932k from the Job Retention Scheme.

We planned, replanned and developed our offerings throughout the year as we sought to navigate a very difficult year. The net deficit for the year, before recognised losses was £150k, well within the framework of our financial plan.

An analysis of Brathay's income is shown below:



Even now, Brathay's principal funding sources continue to be:

- grants and donations received from grant-making trusts and statutory bodies
- amounts invoiced to clients for training, education and development activities.

Fees from our charitable activities includes income for all aspects of work for children and young people and with adults, both at our residential sites and within the communities we work in.

Financial review

Our residential work was directly impacted on by regulations and sector guidance, that even now continue. This has affected both the amount of work we can undertake and the size of the groups we can work with. Our work with adults has also been directly affected in this way. These factors are changing gradually but until they have worked through the system, our income is directly affected.

This is supported by a much wider range of smaller scale income generating activities and this is reflected within other activities. During the year there have been windows when it has been possible to deliver products such as bed and breakfast and self catering and these activities have been extremely important to our social enterprise model.

Income for the year was £3.7m, including £1.4m of exceptional income to provide support during the pandemic. This is a direct result of the impact of Covid 19 on the markets in which we work as illustrated by the £2.1m reduction in our income from charitable activities.

Donations includes monies raised by participants in Brathay Challenge events, the largest of which is the Brathay 10in10, as well as smaller amounts from a wide range of sources. The need to cancel the majority of our events, with a restricted version of others, affected both income from grants and donations (reduced by £127k) and other activities, which includes entry fees. The £267k reduction in other activities also shows the effect of regulations on the hospitality parts of our offering.

The main element of donated goods and services comes from Brathay's use of the Brathay Hall site at a peppercorn rent. This and the support of other donors is invaluable to us.

Costs

As a delivery charity, rather than a grant giving one, our primary costs are people.

Over the course of the pandemic, FTE staff numbers have reduced significantly. In the early part of the year, as part of our response to Covid 19, and our need to manage costs to a sustainable level, a number of roles were made redundant (19 during a 3 month period between late June and September) .

A much smaller number of redundancies followed outside this period as we continued to manage within a constantly changing external environment and worked hard to ensure we had the right roles in place for the future.

Total staff costs for the year were £2,632k including redundancy payments of £42k. There remains a small gender pay gap bias in favour of women.

Brathay also works with a large number of associate trainers and consultants who are not employees. Working with the right balance of associates and staff is key to maintaining a stable operating base. These roles were also affected by the pandemic.

Other key expenditure includes the running and operating costs of our residential sites and office bases which split between direct costs related to delivery of our work and costs of providing standard head office functions including business support services and the executive function. These support costs represent 5% of total costs.

Financial review

Investments and liquidity

The management of investments and liquidity is of key importance to Brathay.

Sanlam Private Investments continue to provide investment management services to Brathay. They report to the trustees on a quarterly basis when investments are reviewed to ensure that the objectives of the portfolio are being met. Investment performance is measured against an appropriate benchmark.

Trustees review the risk profile periodically with the investment managers. The aim of the portfolio is to achieve medium term capital growth by way of investment performance and the reinvestment of dividends to ensure Brathay has sufficient reserves, in line with the reserves policy, and to meet future costs. The policy is relatively risk averse, with a significant proportion of funds held in fixed interest stocks.

At 31 March the value of the investment portfolios was £1,241k the majority of which is held within a portfolio currently managed by Sanlam. The investment portfolio has rebounded from the losses incurred when markets fell at the start of the pandemic and shows some additional growth. Unrealised gains for the year stand at £191k.

Cash is held in savings accounts with the Cumberland Building Society because the return is significantly better for cash than within the portfolio. At the year end cash balances stood at £275k, though they vary significantly month to month. The level of cash held assists in a positive cashflow management strategy and helps to manage the risk inherent in drawing on investments in an otherwise unplanned manner.

During the year, Brathay has managed in such a way that investments have not been drawn on. Trustees expect that there will be a need to use reserves as we manage our way out of the pandemic and £300k of investments have been reclassified as current assets to reflect this.

The cash position is regularly reviewed by Trustees and remains particularly important as we manage out of the pandemic and make the investments in people and activities needed to secure our future.

There are risks associated with investing in equities but the fact that the capital gains can offset the funds utilised by the Trust shows one of the major benefits. Withdrawals from funds are carefully managed to ensure cash withdrawals are made in a controlled way and holding cash outside the portfolio forms part of this strategy.

Trustees are satisfied that investments have performed steadily in what has been a very turbulent year for the market and investment objectives have been met.

The consolidated balance sheet shows a decrease in net current liabilities of £368k as a result of the reclassification of investments. Deferred income remains significant. The nature of Brathay's activities means that deferred income is always likely to be significant.

Reserves

The majority of income Brathay generates is used immediately to deliver services and meet running costs. The markets in which we operate are volatile and one of the key operational risks we face is to ensure we continue to be sustainable. As a result trustees review Brathay's reserve requirements each year.

Financial review

Brathay recognises the need to have an appropriate level of reserves to allow it to operate effectively and to be able to carry on its work in periods of significant challenge, with adequate time to adjust its strategy to new circumstances. The need for reserves arises for the following reasons:

- Unpredictable income streams
- Inflexible cost base which takes time to change
- Pressures on cash flow
- The need to continue to provide services to vulnerable young people during times of operational realignment.
- The need to invest in the necessary infrastructure to support and develop Brathay's charitable work.

In formulating its policy, Brathay has considered the impact of these factors in detail. It has then considered the planned approach to a financial crisis and what this means for reserves. The impact of Covid-19 is such that it is likely to be some time before we meet this level of reserves however we believe it is important to be clear about our ideal position.

Aims

Considering all factors, the aim of trustees is to work to move Brathay over time to a position where free reserves are equal to three times monthly recurring costs (currently estimated as £700k). The objective is that this would give Brathay time to continue its work and adjust its strategy if faced with challenging market conditions. Further details of Brathay's reserves are in note 14 to the accounts.

Reserves at the end of the year totalled £1,865k, all of which are unrestricted. There are no designated reserves with £947k in the trustee reserve. Free reserves, defined as total reserves less tangible fixed assets totalled £388k.

Financial impact of Covid-19

As an organisation working primarily face to face with children, young people and adults primarily – but not exclusively – in a residential setting, the impact of the pandemic on Brathay was both immediate and extremely significant. With the exception of some of our community work, all other income streams ceased at the end of March 2021 and were able to continue only intermittently throughout the current financial year. Some are still only gradually resuming.

As explained in the 2020 accounts, Trustees and the leadership team took immediate steps to review Brathay's operations and put in place a recovery plan to ensure the survival of the organisation to allow us to deliver our charitable mission in to the future.

This approach continued throughout the year with regular reviews of the impact of our actions and further development of our plans and activities.

Key elements of our approach remain:

- Review Brathay's strategy for 2020- 2025. We believe our strategy is more relevant than ever and this has set the framework for our recovery plan.
- Minimise costs in the short term whilst planning for the future. This included immediate shut down of our centres and use of the Government's Job Retention Scheme.
- Be realistic not overoptimistic about the future and plan accordingly.
- Recognise the impact of Covid-19 on the scale and nature of residential delivery and drive forward our plans for other forms of delivery.

We made significant organisational changes by reducing our staffing levels significantly and restructuring our Leadership Team to focus on developing and delivering our new operational plans.

Financial review

Our recovery plan showed a very substantial deficit for the year, the actual deficit of £150k was well within the budget set. It remains the fact that this is a significant draw on our reserves and that the impact of the pandemic is still being felt.

We have a robust plan and budget for the 2022 financial year, but again are budgeting for a deficit. Management accounts to date show that we are well ahead of the financial position set out and we will continue to carefully negotiate the need to balance recovering investments with business critical expenditure on people and our assets.

Our shared focus is on:

- Bringing teams and departments together to concentrate on a common approach to wellbeing.
- Having a single united aim of developing our practice and development.
- Reviewing how we do what we do to ensure efficiency.
- Having an 'agile' organisation.

The longer-term view

At the time of the last accounts, we had not expected the pandemic to last throughout the 2020/21 financial year and beyond. A global pandemic that is utterly unpredictable and beyond our influence continues however we have a robust and flexible recovery plan. We monitor performance closely and are currently well ahead of budget.

Moving on from Covid-19, we recognise there will be significantly more issues in society related to the wellbeing of children, young people, and families. These will be in addition to long term social challenges already within society. There will be a greater gap between the haves and have-nots which will have long term impact on opportunity for young people as they grow up. We will always work our hardest to ensure we are there to support them.

Going Concern

The accounts have been prepared on a going concern basis. Trustees have carefully considered the steps that Brathay has taken and the actions necessary to ensure a stable future. Brathay has sufficient reserves to manage the liquidity of the organisation on an on-going basis.

A rigorous and detailed planning process has been completed. The delivery of plans is regularly reviewed and closely monitored in order to ensure effective business management. Trustees recognise there may continue to be an occasional need to utilise investments as a result of historical losses already sustained.

Post balance sheet events

Covid-19 will continue to affect our markets until normality is restored following the pandemic however there are no significant post balance sheet events to report.

By order of the Board of Trustees

A. S. Watson

Director and Chair of the Board of Trustees

Approved by the Board of Trustees on 23 October 2021



Independent Auditor's Report to the Trustees and Members of Brathay Trust

Year ended 31 March 2021

Opinion

We have audited the financial statements of Brathay Trust (the 'charitable company') for the year ended 31 March 2021 which comprise the consolidated Statement of Financial Activities, consolidated Balance Sheet, consolidated Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Directors' Report included within 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 the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

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

Responsibilities of directors

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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit in respect of fraud are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with the trustees.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are: 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) (Charities SORP (FRS 102)), FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Companies Act 2006.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur.

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- We examined supporting documents for all material balances, transactions and disclosures.
- We applied analytical procedures to identify any unusual or unexpected relationships.
- We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Lamont BSc FCA (Senior Statutory Auditor)

For and on behalf of
Lamont Pridmore
Chartered Accountants & Statutory Auditor
136 Highgate
Kendal
Cumbria
LA9 4HW

23 October 2021

Consolidated Statement of Financial Activities

(incorporating the Income and Expenditure account) for the year ended 31 March 2021

	Note	Unrestricted Funds £'000	Other Reserves £'000	Total 2021 £'000	Total 2020 £'000
Income from:	3				
Grants & donations		787	0	787	914
Exceptional grants and donations		1,364	0	1,364	0
Charitable activities		1,158	0	1,158	3,251
Other activities		403	0	403	670
Investment income		19	0	19	27
Total		3,731	0	3,731	4,862
Expenditure on:	4				
Raising funds		131	0	131	321
Charitable activities		3,746	0	3,746	4,824
Other		4	0	4	12
Total		3,881	0	3,881	5,157
Net income/(expenditure) before other recognised gains and losses		(150)	0	(150)	(295)
Transfer between funds		0	0	0	0
Net gains/(losses) on investments		191	0	191	(111)
Net movement in funds		41	0	41	(406)
Reconciliation of funds					
Fund balances brought forward		877	947	1,824	2,230
Fund balances carried forward at		918	947	1,865	1,824

All activities are continuing and there are no recognised gains or losses other than those recorded in the Statement of Financial Activities.

In accordance with the provisions of the Companies Act 2006, a Statement of Financial Activities dealing with the results of the charity only has not been presented. Gross income of the charity of £3,355,000 and net expenditure of £3,505,000 has been dealt with in the accounts of the charity.

The notes on pages 34 to 47 form part of these financial statements.

Trustees' Report and accounts 2020-21

Company Registration Number: 2814206; Charity registration number 1021586;

Consolidated Balance Sheet

as at 31 March 2021

		Group		Charity	
	Notes	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Fixed assets					
Tangible assets	8	1,477	1,618	1,477	1,618
Investments	9	941	1,033	941	1,033
		2,418	2,651	2,418	2,651
Current assets					
Stock	10	0	4	0	4
Debtors	11	502	501	358	279
Investments	12	300	0	300	0
Cash at bank and in hand		279	288	99	212
		1,081	793	757	495
Current liabilities					
Creditors: amounts falling due within one year	13	(1,413)	(1,490)	(1,088)	(1,192)
		(332)	(697)	(331)	(697)
Net Current liabilities					
		2,086	1,954	2,087	1,954
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	13	(222)	(130)	(222)	(130)
		1,864	1,824	1,865	1,824
Net assets					
Charitable funds					
Trustee reserve		947	947	947	947
Other reserves		918	877	918	877
Total charitable funds	14	1,865	1,824	1,865	1,824

These financial statements were approved by the Board of Trustees on 23 October 2021, and were signed on its behalf by:

Andrew Watson
Director & Chair of the Board of Trustees
Christopher McDonald
Director & Treasurer of the Board of Trustees



The notes on pages 34 to 47 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 March 2021



	Notes	2021 £'000	2020 £'000
Net cash inflow from operating activities	15	(135)	217
Returns on investment and servicing of finance		7	17
Capital expenditure and financial investment		(82)	(134)
Financing		202	45
Increase/(decrease) in cash in the year		(8)	145

The notes on pages 34 to 47 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2021

1 Company Status

Brathay Trust (Brathay) is a charitable company limited by guarantee (incorporated in the UK). The liability in respect of the guarantee, as set out in the Memorandum of Association, is limited to £1 per member of the company. The members of the company, who are also directors, are the trustees.

Company Registration Number: 2814206. Charity registration number 1021586

The registered office is:

Brathay Hall
Clappersgate
Ambleside
Cumbria
LA22 0HP

2 Accounting Policies

Basis of Preparation

The financial statements are prepared in accordance with the following and on a going concern basis

- applicable UK accounting standards
- the historical cost convention, as modified by the inclusion of investments at market value,
- the Statement of Recommended Practice Accounting and Reporting by Charities FRS 102, ('the SORP'), the Companies Act 2006 and the Charities Act 2011

Brathay Trust meets the definition of a public benefit entity under FRS102.

Going Concern

The trustees and officers have considered their obligation to prepare financial statements on an appropriate basis, having specific regard to Brathay's net liability position. This results from income being received in advance of projects being delivered, as

has been the position for many years, and is part of normal operations.

The trustees have also assessed the impact of budgets, working capital needs, cash and investments. As a result they are of the opinion that Brathay has sufficient reserves to be able to meet its obligations as they fall due and accordingly the accounts have been prepared on a going concern basis.

Basis of Consolidation

The consolidated accounts of the group incorporate the accounts of the charity and its subsidiary undertaking both of which are prepared to 31 March 2021. The trading results of the subsidiary undertaking as shown in note 16 are consolidated on a line-by-line basis within the consolidated Statement of Financial Activities. A separate Statement of Financial Activities for the charity is not presented as permitted by the SORP and the Companies Act 2006.

Income

Donations, other than for specific projects and fundraising appeals, are accounted for at the time of receipt. Donations for specific projects or appeals are deferred until the projects to which they relate are delivered. All deferred income is accounted for in note 13.

Donations in kind are included within voluntary income and are included at their estimated market value.

Income from capital grants is accounted for when entitlement to the grant becomes unconditional. Until that point it is deferred. Capital grants are accounted for within the restricted reserve.

Notes to the Financial Statements

For the year ended 31 March 2021

Income from fees and grants for delivering charitable activities is accounted for on the basis of the amount receivable for services delivered in the year. Income received in advance of the delivery of the activity to which it relates is deferred. Income of this sort is accounted for within the restricted reserve.

Income from other activities, including entry fees for events, rents, accommodation and bar sales is accounted for as the service, supply or event to which they relate is delivered.

Investment income is accounted for as receivable.

Expenditure

All expenditure is accounted for on the accruals basis as it is incurred and irrecoverable VAT is allocated to the category to which it relates. Some central support costs are allocated to expenditure categories on a basis that is consistent with the use of those resources.

The costs of generating funds and cost of charitable activities include an element of indirect support costs. Support costs represent the staff costs incurred in providing direct support to Brathay's programmes. These include costs relating to central finance, human resources, IT, health and safety and corporate communications. They have been apportioned between the costs of generating funds and cost of charitable activities on a basis consistent with the use of those resources.

Defined contribution pension schemes

Pension contributions are charged to the Statement of Financial Activities as incurred.

Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation charged to date. Brathay capitalises assets with an initial cost in excess of £1,000 and depreciation is calculated to write off the cost of each asset on a straight-line basis over its expected economic life. The lives used are as follows:
Improvements to leasehold property: the lesser of 25 years, the life of the lease or the useful economic life of the asset.

Equipment, fixtures and fittings and motor vehicles: 2-10 years

No impairment review is required and finance costs are not capitalised within the cost of the asset.

Financial Instruments

Brathay only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. They are initially recognised at transaction value and subsequently measured at amortised cost.

Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors.

Financial liabilities held at amortised cost comprise trade and other creditors.

Investments

Investments are stated at market value. Movements in unrealised gains and losses on revaluation of fixed asset investments are included under 'gains on investments' in the Statement of Financial Activities.

Notes to the Financial Statements

For the year ended 31 March 2021

Note 1 and 2

Stock

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell.

Reserves

Unrestricted funds

General funds are available for use at the discretion of the Trustees in furtherance of the objectives of the Charity and which have not been designated for other purposes.

Designated funds are unrestricted funds, which have been applied or reserved by the Trustees for a specific purpose. The aim and use of each designated fund is set out in note 14.

The trustee reserve is an expendable endowment which trustees have the power to convert into 'income'. Distinguishable from 'income' by the absence of a positive duty on the part of the trustees to apply it for the purposes of the charity, unless and until this power to convert into 'income' is actually exercised. Trustees apply the income from the Trustee Reserve at their discretion.

Restricted funds

Restricted funds are those which are to be used in accordance with specific restrictions of the donors or which have been raised by the Charity for particular purposes. There are currently no restricted funds.

Notes to the Financial Statements



3 Income

	Year ended 31 March 2021	Year Ended 31 March 2020
	£'000	£'000
Grants and donations		
Grants for charitable programmes	410	480
Grants for capital projects	26	16
Donations	231	246
Donated capital goods and services	120	127
Donated goods and services	0	45
	787	914
Exceptional grants and donations	1,364	0
	2,151	914
 Charitable activities		
Fees for Training, Education and Development:		
Children and young people	786	1,762
People and organisation development	372	1,489
	1,158	3,251
 Other activities		
Trading income	190	388
Rents receivable	108	128
Fees from events	78	137
Other	27	17
	403	670
 Investment income		
Dividends receivable	17	25
Interest receivable		
short term bank deposits	2	2
	19	27

During the financial year 2020-2021 Brathay received exceptional grants and donations of £1,364,000 to provide support during the pandemic. £932,000 came from the Government's Job Retention Scheme and the remainder from grant giving Trusts and Foundations, Local Govt support schemes and a private donor

Notes to the Financial Statements



4 Analysis of expenditure

	Direct Costs £'000	Support Costs £'000	Year ended 31 March 2021 £'000	Year Ended 31 March 2020 £'000
Raising funds				
Voluntary income	31	9	40	103
Activities	66	6	72	177
Investment management	(1)	0	(1)	6
Governance costs	15	5	20	35
	111	20	131	321
Charitable activities				
Training, education and development				
Children and young people	2,424	119	2,543	2,614
Adults	1,147	56	1,203	2,210
	3,571	175	3,746	4,824
Other	0	4	4	12
Total expenditure	3,682	199	3,881	5,157

5 Net income for the year

The net income for the year is stated after charging:

	Year ended 31 March 2021 £'000	Year Ended 31 March 2020 £'000
Auditor's remuneration - audit	10	10
Depreciation - owned assets	180	189
Depreciation - leased assets	26	27

Operating lease commitments

	Payment due on leases expiring		
	within one year £'000	within 2 to 5 years £'000	Total £'000
Land & buildings	11	22	33
Other	25	36	61
	36	58	94

Notes to the Financial Statements



6 Trustee and staff information

Trustees remuneration and expenses

No remuneration was paid to trustees or any persons connected with a Trustee (2019-20: nil). Expenses reimbursed to trustees amounted to £nil (2019-20: nil). In addition, on occasion, Brathay provides accommodation at the head office to trustees attending board meetings.

Professional indemnity insurance

Brathay has a professional indemnity policy for £2m, including trustees' liability cover, for which the premium was £3,593 (2019-20: £3,266).

Staff costs

	Year ended 31 March 2021 £'000	Year Ended 31 March 2020 £'000
Wages and salaries	2,344	2,568
National Insurance costs	180	205
Pension costs	108	117
	2,632	2,890

The above staff costs include termination payments for 11 staff £42,000 (2019-20: £nil)

Brathay has two defined contribution pension schemes both of which comply with the requirements of auto enrolment. Additionally Brathay pays into personal pension plans for a small number of employees. Brathay contributes 5% (2019-20: 5%), of employees basic salary to these schemes, after the first three months of employment. At 31 March 2020 outstanding pension contributions totalled £15,761 (2019-20: £19,271).

Staff numbers

The average monthly number of employees, analysed by function, was:

	Year ended 31 March 2021 No	Year Ended 31 March 2020 No
Fundraising, business development & marketing	14	14
Charitable activities	83	93
Management and support	8	10
	105	110

This is based on the number of staff employed by Brathay and excludes any associates who are paid via the payroll.

The staff numbers above are head count. The movement in full time equivalent has decreased from 112.28 in March 2020 to 87.93 in March 2021

Notes to the Financial Statements



6 Trustee and staff information continued

Employees earning over £60,000

	Year ended 31 March 2021 No	Year Ended 31 March 2020 No
£70,000 - £ 79,999	1	1
£60,000 - £ 69,999	0	1

Brathay contributed a total of £3,339 (2019-20: £6,731) to defined contribution pension schemes for the employees shown above.

Key management personnel

The key management personnel are the trustees and the leadership team (listed on page 5). The total employee benefits of the Leadership team, including employer pension contributions was £179,743 (2019-20: £295,780)

7 Related party transactions

There were no material transactions with related parties (2019-2020: £nil).

8 Tangible fixed assets

Analysis of movement in tangible fixed assets

	Improvements to short leasehold property £'000	Group and charity Equipment, fixtures and motor vehicles £'000	Total £'000
Cost			
at 1 April 2020	2,848	1,138	3,986
Additions	23	42	65
Disposals	0	0	0
At 31 March 2021	2,871	1,180	4,051
Depreciation			
at 1 April 2020	1,492	876	2,368
Charge for year	132	74	206
Disposals	0	0	0
At 31 March 2021	1,624	950	2,574
Net Book Value			
at 31 March 2021	1,247	230	1,477
at 31 March 2020	1,356	262	1,618
Net book value of assets held under finance leases			
at 31 March 2021	0	67	67
at 31 March 2020	98	124	222

Notes to the Financial Statements



9 Fixed asset investments

Investments are held to ensure Brathay has sufficient reserves and to meet future costs through capital growth and return on the investments.

Analysis of movement in investments

	UK unit trusts, listed stocks and shares £'000	Group and charity	
		Cash £'000	Total £'000
Market value			
at 1 April 2020	944	89	1,033
Additions	799	0	799
Revaluation	191	0	191
Reclassification to current assets	(300)	0	(300)
Disposals	(714)	(68)	(782)
At 31 March 2021	920	21	941
Historical cost at 31 March 2021	1,097	89	1,186

Analysis of movement by category

	Total 31 March 2021 £'000	Total 31 March 2020 £'000
Listed investments		
Fixed interest	356	383
Equities	403	377
Property	56	25
Alternatives	103	159
	918	944
Cash on deposit	22	89
	940	1,033

Analysis of movement by location

	Total 31 March 2021 £'000	Total 31 March 2020 £'000
Investments in the UK	486	455
Investments outside the UK	455	578
	941	1,033

Notes to the Financial Statements



9 Fixed asset investments continued

Material investments

The value of the following investments exceeded 5% of the total market value.

	31 March 2021		31 March 2020	
	Proportion	Value	Proportion	Value
	%	£'000	%	£'000
Fixed interest	38	356	37	383
Equities	43	403	36	377
Alternatives	11	103	15	159
Cash	2	22	9	89

10 Stock

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Consumable stock	0	4	0	4

11 Debtors

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	257	361	79	108
Other taxes and social security	0	0	34	32
Other debtors	0	0	0	0
Amounts owed by subsidiary undertaking	0	0	0	0
Prepayments	114	102	114	102
Accrued income	131	38	131	37
	502	501	358	279

Notes to the Financial Statements



12 Current asset investments

Investments are held to ensure Brathay has sufficient reserves and to meet future costs through capital growth and return on the investments.

Analysis of movement in investments

	Group and charity		
	UK unit trusts, listed stocks and shares	Cash	Total
	£'000	£'000	£'000
Market value			
at 1 April 2020	0	0	0
Additions	0	0	0
Reclassification from fixed assets	300	0	300
Revaluation	0	0	0
Disposals	0	0	0
At 31 March 2021	300	0	300
Historical cost at 31 March 2021	0	0	0

Analysis of movement by category

	Total	Total
	31 March 2021	31 March 2020
	£'000	£'000
Listed investments		
Fixed interest	116	0
Equities	132	0
Property	18	0
Alternatives	34	0
	300	0

Analysis of movement by location

	Total	Total
	31 March 2021	31 March 2020
	£'000	£'000
Investments in the UK	155	0
Investments outside the UK	145	0
	300	0

Material investments

The value of the following investments exceeded 5% of the total market value.

	31 March 2021		31 March 2020	
	Proportion %	Value £'000	Proportion %	Value £'000
Fixed interest	39	116	37	383
Equities	44	132	36	377
Alternatives	11	34	15	159

Notes to the Financial Statements



13 Creditors

Amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Loans and finance leases	45	85	45	85
Trade creditors	113	170	52	157
Taxes and social security	129	186	38	110
Amounts owed to subsidiary undertaking	0	0	314	118
Other creditors	16	22	16	22
Accruals	81	66	81	66
Deferred income	1,029	961	542	634
	1,413	1,490	1,088	1,192

Amounts falling due in more than one year

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Loans and finance leases	222	130	222	130
	222	130	222	130

Analysis of loans & finance leases

	Loans	Finance leases	Totals
	£'000	£'000	£'000
Due within 1 year	15	30	45
Due in 2 - 5 years	150	72	222
Over 5 years	50	0	50
	215	102	317
Interest payable over the term of the agreements	18	7	25
Total commitment	233	109	342
Interest rate	2% above base rate	7%	

Notes to the Financial Statements



13 Creditors continued

Analysis of deferred income

Group	Voluntary income £'000	Charitable activities £'000	Total £'000
Deferred income at 1 April 2020	80	901	981
Income released during the year	(129)	(1,422)	(1,551)
Income deferred during the year	81	1,518	1,599
Deferred income at 31 March 2021	32	997	1,029

Charity	Voluntary income £'000	Charitable activities £'000	Total £'000
Deferred income at 1 April 2020	137	526	663
Income released during the year	(115)	(1,105)	(1,220)
Income deferred during the year	13	1,086	1,099
Deferred income at 31 March 2021	35	507	542

14 Total charitable funds

Unrestricted reserves

	Group and charity		
	Trustee reserve £'000	Other reserves £'000	Total £'000
At 1 April 2020	947	877	1,824
Income	0	3,731	3,731
Expenditure, gains and losses	0	(3,484)	(3,484)
Transfer between funds	0	0	0
Depreciation	0	(206)	(206)
At 31 March 2021	947	918	1,865

The transfer between funds represents the readjustment of trustee reserve back to the level previously agreed upon by trustees

Other reserves	2021 £'000	2020 £'000
General reserve	918	871
Designated funds Brathay Explore	0	6
	918	877

Restricted reserves

None

Notes to the Financial Statements



14 Total charitable funds continued

Analysis of net assets between reserves

Fund balances at 31 March 2021 are represented by

	Trustee reserve £'000	Other reserves £'000	Total reserves £'000
Tangible fixed assets	0	1,477	1,477
Fixed asset investments	947	(6)	941
Net current (liabilities)	0	(332)	(332)
Creditors due after more than one year	0	(222)	(222)
Total reserves	947	917	1,864

15 Notes to the consolidated cash flow statement

	Year ended 31 March 2021 £'000	Year Ended 31 March 2020 £'000
Reconciliation of net incoming resources to net cash flow from operating activities		
Net outgoing resources	(150)	(295)
Investment income	(19)	(27)
Investment fund charges	(1)	6
Interest payable	11	10
Depreciation	206	216
(Increase)/ decrease in stocks	4	9
(Increase)/decrease in debtors	(1)	52
Increase/(decrease) in creditors	(185)	291
Capital donation	0	(45)
	(135)	217
Analysis of cash flows		
	Year ended 31 March 2021 £'000	Year Ended 31 March 2020 £'000
Returns on investment and servicing of finance		
Dividends received	17	25
Interest received	1	2
Interest paid	(11)	(10)
	7	17
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(65)	(318)
Net monies (invested in)/drawn from fixed/current asset investments	(17)	184
	(82)	(134)

Notes to the Financial Statements



15 Notes to the consolidated cash flow statement continued

	Year ended 31 March 2021 £'000	Year Ended 31 March 2020 £'000
Financing		
Management fee on payment of endowment fund	2	(5)
Cash inflow from loans	200	50
	202	45
Analysis of movement in net cash and liquid resources		
	Opening balance £'000	Cash flows £'000
		Closing balance £'000
Cash at bank and in hand and net cash and liquid resources	288	(8)

16 Trading subsidiary

Brathay has one trading subsidiary, Brathay Services Limited, a company incorporated in England and Wales. Brathay holds 100% of the issued share capital of Brathay Services Limited, being four £1 ordinary shares. The investment is shown at cost of £4.

Brathay Services Limited delivers Brathay's professional development work. In addition to this it provides accommodation for participants and guests. Turnover in the year was £678,341 (2019-2020: £2,530,014) from which Brathay Services Limited made a profit of £302,404 (2019-2020: £926,035) which was donated to Brathay. The company's aggregate capital and reserves at 31 March 2021 in full was £4 (2019-2020: £4).

17 Post balance sheet events

Brathay was seriously impacted by the Covid-19 pandemic and with a substantial proportion of our work involving face to face contact the impact on income has been significant. A substantial number of staff were furloughed in early March 2020 and a recovery plan was implemented, further details can be found in the Trustees' Report.

Brathay Trust
Income and Expenditure Account



for the year ended 31 March 2021

	2021	2020
	£'000	£'000
Income from:		
Grants & donations	787	914
Exceptional grants and donations	1,364	0
Charitable activities	674	1,114
Other activities	209	277
Investment income	19	27
Brathay Services Ltd donations	302	926
Total	3,355	3,258
Expenditure on:		
Raising funds	131	321
Charitable activities	3,375	3,249
Other	(1)	(17)
Total	3,505	3,553
Net income/ (expenditure) for the year before other recognised gains and losses	(150)	(295)
Nets gains/(losses) on investments	191	(111)
Net income/(expenditure) for the year after other recognised gains and losses	41	(406)