

CMC : PENSARN HARBOUR
(Limited by Guarantee)

FINANCIAL STATEMENTS
for the year ended 31st October 2020

(Unaudited)

Company No: 03324934 (England and Wales)
Charity No: 1062075

CMC : PENSARN HARBOUR
(Limited by Guarantee)

FINANCIAL STATEMENTS
for the year ended 31st October 2020

(Unaudited)

Contents

Page

Company Information	1
Report of the Directors and Trustees	2 to 9
Independent Examiner's Report	10
Statement of Financial Activities	11
Balance Sheet	12
Notes to the Accounts	13 to 18
Detailed Income & Expenditure Account	19
- not part of the statutory financial statements	

CMC: PENSARN HARBOUR**Directors' and Trustees' Report for the year ended 31st October 2020**

The Directors and Trustees present their report and accounts for the year ended 31st Oct 20

Reference and Administrative Information

<u>Charity / Company Name</u>	CMC: Pensarn Harbour
<u>Trading Name</u>	CMC Adventure
<u>Company Number</u>	3324934 (England and Wales)
<u>Charity Number</u>	1062075
<u>Registered Office & Operational Address</u>	Pensarn Harbour Llanbedr Gwynedd North Wales LL45 2HP
<u>Directors and Trustees</u>	P R Kelly - <i>Chairman</i> L G Charker - <i>Hon Treasurer</i> M J D Bishop <i>Resigned 7.3.20</i> C Cook G French A. Houghton A Sanders
<u>Chief Executive / Centre Director</u>	M Downey
<u>Company Secretary</u>	L Addinall
<u>Bankers</u>	HSBC Bank plc 62 High Street Porthmadog Gwynedd LL49 9LN
<u>Independent Examiner</u>	R Morris FCA Lyon Griffiths (Audit and Accounting) Limited 17 Alvaston Business Park Middlewich Road Nantwich Cheshire CW5 6PF

CMC: PENSARN HARBOUR**Directors' and Trustees' Report for the year ended 31st October 2020****Structure Governance and Management**Governing Document

The charity was originally founded as the Christian Mountain Centre in 1966 and operated as an unincorporated trust until it was re-registered on its incorporation, as a private company registered in England and Wales and limited by guarantee, on 27th February 1997. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. The name was changed to "CMC Pensarn Harbour" following the move to much larger premises at Pensarn Harbour Llanbedr, in January 1998. The trading name of "CMC Adventure" was adopted in November 2013.

Recruitment and Appointment of Directors and Trustees

The directors of the company are also charity trustees for the purpose of charity law. Under the requirements of the Memorandum and Articles of Association, the directors are elected to serve for a period of three years, after which they must be re-elected at the next Annual General Meeting.

Mike Bishop resigned from his position as a Trustee on 7th March 2020 and subsequently agreed to continue on the Board as an Advisor.

The Board has a broad skills mix, including business, financial and educational skills. In order to maintain this range, individuals are approached by the Board and invited to volunteer. They may be drawn from the members of the company, for which a voluntary skills register is maintained, or from elsewhere.

Their appointment by the Board must be confirmed by election of the members at the next Annual General Meeting.

Trustee Induction and Training

Potential trustees are usually familiar with the work of the Centre from having stayed there previously.

They are invited to attend at least two Board meetings as observers. This gives them an opportunity to see the work of the Board at first hand and to gain an understanding of how it works and of current issues. If they and the Board are satisfied that the right choice has been made, the Board will invite them to become directors and trustees. The induction and training are very much 'on the job', with the support of the other members of the Board. This method has worked well, with new trustees taking a full part at an early stage. An induction pack has also been prepared which gives new trustees a wide range of reference information on CMC.

CMC: PENSARN HARBOUR

Directors' and Trustees' Report for the year ended 31st October 2020 (continued)

Risk Management

The Board has undertaken a wide-ranging review of various risks to which the charity is exposed, and this is regularly reviewed. The operational risks associated with the activities the Centre undertakes are also subject to external inspection by the various licensing authorities. There are detailed procedures for all these activities and they form the basis of all staff training. These inspections also cover the health and safety of staff and visitors and the preparation and storage of food. There are also procedures to minimise internal control risks, including financial management.

Organisational Structure

The governance of the charity is the responsibility of the Board of Trustees, which meets 3 times a year (in addition to the Annual General Meeting). Since 2010 the Board has been able to make decisions at a telephone conference call. One or two such telephone (or Skype) conferences are usually held in the intervals between physical meetings of the Board. All Board members are notified of such meetings, which support the Centre Director / CEO and monitor financial and other matters between Board meetings and most are able to join them. During this particular year the Board has not been able to accommodate physical meetings, due to the COVID-19 Pandemic, however it has met more often than usual, on regular Zoom calls.

The operational management of the Centre is the responsibility of the Centre Director / CEO. He deals with the appointment of staff and all day-to-day issues, including financial management, with support, as needed, from the Honorary Treasurer and other Board members.

Objectives and Activities

The principal objects of the charity are to educate young people through outdoor pursuit activities, to develop their physical capabilities and their mental and spiritual awareness and to advance the Christian faith among such persons and their families.

Whilst the objective for the year was to provide high quality outdoor educational experiences supervised by qualified and experienced staff working as a Christian community, this has proved impossible to fulfil for most of the year due to the COVID-19 Pandemic. In fact, there have been no groups able to use the Centre's facilities since March 2020.

The Centre is keen to reopen as soon as possible, ensuring that visitors of all abilities are enabled to participate equally in a variety of activities. In addition, we encourage visitors from all backgrounds and of all means to use the centre by adjusting fees in cases of particular need. The Trustees feel that this enables them to have due regard to the public benefit guidance published by the Charity Commission.

We set out to continue our policy of budgeting for a modest surplus, which was actually achieved despite the incredibly difficult financial circumstances. This was due to a combination of generous gifts, of all sizes; Charitable Grants; Government Grants which included the

CMC: PENSARN HARBOUR

Directors' and Trustees' Report for the year ended 31st October 2020 (continued)

Objectives and Activities (continued)

Furlough Scheme, of which we made use to cover some of our staff costs and the rescheduling / deferring of various contract payments. We also continued to make use of the Financial Failure Insurance, which enables us to hold deposits within our working balances.

When circumstances permit, we will continue to work towards building necessary working capital.

Achievements and Performance

We are continually thankful for all the support we receive throughout the year, which has been so very important during 2020. We have been encouraged by the funds raised through sponsorship efforts; small and large donations; gifts for specific items (some being held over for future year purchases) and for words and prayers of encouragement and support, together with petition signing so that the future of Outdoor Centres is not overlooked.

This year especially, it is no understatement to say that without such support CMC would not be in a position to continue providing the life changing experiences it does.

What we hope to be able to continue to offer in the future cannot and should not be done cheaply; there are risks in what we do and to mitigate these risks takes time, training, commitment and finance.

Our belief is that what we provide will be so essential for so many following the aftermath of the pandemic. The results will be priceless to the individual, their families and friends.

Thank you for your involvement and continued interest.

Buildings and equipment

Ongoing general maintenance is key to ensuring our guests have a positive residential experience with us. This continues to be a challenge in a rural environment where there is not much competition within the trades. The competent trades people are often extremely busy. We have developed good relationships with a number of local tradesmen, including electricians, plumbers and general builders. This work has been coordinated by our Senior Staff. As standards and qualifications continue to increase, we are less able to 'do it ourselves', hence becoming increasingly reliant on external trades. Whilst it may have been thought that the lack of guests throughout 2020 would result in less work being required, this has not proved the case. Pensarn Harbour was mothballed as soon as it became evident that there would be no guests and there were the consequences of an empty property to see to e.g. dampness / mould. Vegetation grew at both sites, which the usual footfall would keep under control etc. Also, with staff furloughed there was not the usual workforce available to undertake routine repairs and maintenance.

Where necessary and where we were able, we continued to repair, replace and maintain outdoor equipment to a high standard.

CMC: PENSARN HARBOUR

Directors' and Trustees' Report for the year ended 31st October 2020 (continued)

Achievements and Performance (continued)

Bookings and Finance

We are extremely grateful for the understanding and the cooperation extended to us by the vast majority of our groups and group leaders. Without the collaboration of our group leaders and their desire to find appropriate solutions to their bookings that were mutually beneficial and not financially punitive for CMC we would not be in such a strong position as we are. We would also like to record our thanks to those group leaders who have personally made donations to support this vital youth work and those organisations who have financially supported us in recognition of what CMC has achieved in the lives of their young people. It is humbling to be held in such regard and we are most grateful for it.

Without the necessary course fee income, we quickly set about reducing our costs. We were fortunate in being able to take capital repayment holidays on the mortgage for Bryn-y-Moel and other suppliers very helpfully renegotiated terms. Little did we know at the time that the crisis would endure for so long. As the pandemic has progressed, we have been forced to re-visit some of these "payment breaks" to ensure we don't pile up problems for the future.

The relatively new post of Development Director ensured that we had already achieved some understanding of funding opportunities and making grant applications. This was essential in securing significant emergency COVID-19 grant support. We were able to respond quickly to grant funding opportunities well in advance of any statutory help becoming available.

Activities and Public Benefit

Obviously, our ability to engage in Outdoor Activities has been limited. During the summer it became clear that there was not enough demand to make it economically viable to un-furlough our instructors. We therefore drew up plans to re-start our trainee instructor programme as an isolated bubble out here in North West Wales. A large part of the summer was committed to zoom interviews and COVID secure visits, to pick the team required to serve our guests in 2021. Candidates were selected by the end of July and the programme started again in early September. It was essential that the trainee programme be restarted to ensure we had an appropriately sized team for 2021, but also as it forms a significant part of our public benefit. Offering a programme that allows a young person with an interest in the outdoors to gain National Governing Body qualifications and begin a career working in outdoor education benefits society significantly.

Future Plans

In this report last year, we promised further information regarding the future development of CMC at Pensarn Harbour. Little did we know at a Board meeting in early March 2020 that the centre's day to day work would be so interrupted. We have, however, used this time to plan for the future. We are excited to report that we received a donation restricted to the redevelopment of Pensarn Harbour which allowed us to instruct architects to begin the process.

CMC: PENSARN HARBOUR

Directors' and Trustees' Report for the year ended 31st October 2020 (continued)

Achievements and Performance (continued)

Future Plans (continued)

It has been superb to have a new pair of eyes to look at Pensarn and imagine what is possible. A timely legacy has allowed us to have digital surveys completed of Pensarn and a pre-planning application to be submitted. The trustees have recently committed to this new development project, the next step is to gain detailed planning permission. The principal aim will be to improve guest accommodation and increase the number of beds at Pensarn. This will allow us to realise better use of the Bryn-y-Moel centre which will contribute to a more efficiently run Outdoor Centre. The project is likely to be phased and will include a revision of the storage and administrative areas. It is our vision to redevelop the Harbour for the next generation and beyond and provide a higher standard of accommodation and service. To ensure this extensive and exciting project is needs based we will be involving all our stakeholders at the appropriate times.

Personnel

Prior to lockdown we had spent considerable time recruiting a new Hospitality and Catering Co-ordinator and a Maintenance and Facilities Co-ordinator. These vital senior staff positions are essential to the running of CMC. Sadly, the successful candidates were unable to start working with us due to COVID-19 and these posts remain vacant. The recruitment process was an excellent opportunity to request feedback on what CMC was offering potential staff. The feedback received has inspired us to review staff terms and conditions as we work toward a more sustainable future post COVID-19. The team have dealt with the uncertainty of this last year extremely well. They have adapted to undertaking fuller roles and problem solving in situations we never knew we would face. Those who were furloughed and indeed remain furloughed at the time of writing did so with good grace and we are especially grateful for that. Throughout the whole pandemic the staff who have remained un-furloughed have worked tirelessly to ensure CMC remains viable and that we maintain the best of relationships with our group leaders. Formal training and assessment courses remain on hold due to the various lockdowns however, the team have used this time to develop new skills. Ever hopeful that CMC will survive these trying times we will emerge stronger on the other side.

Financial Review

Financial Performance

Despite exceedingly difficult financial circumstances, we managed to achieve a surplus (from unrestricted funds) of £7,394 (compared with £16,415 for last year).

The previous work undertaken on a Medium Financial Strategy provided a focus for the Board's consideration, during the year, of priorities and goals and once some form of stability returns, the Board will consider the longer-term Financial Strategy for the Centre.

CMC: PENSARN HARBOUR

Directors' and Trustees' Report for the year ended 31st October 2020 (continued)

Financial Review (continued)

Financial Performance (continued)

At the start of the year, prior to any thoughts about the pandemic, CMC received welcome financial compensation for work being undertaken on the railway.

Once the implications of the pandemic began unfolding, we were able, yet again, to praise God for income which has been forthcoming throughout the year, despite the lack of new bookings.

We were and continue to be so grateful for God's prompting of the hearts of members and friends who have given so generously by way of donations. This will assist in specific purchases when we are again admitting guests, e.g. new mattresses and boats.

Our Development Director has also been successful in obtaining funds from the Moondance Covid-19 Relief Fund (£18,000); The Charities Aid Foundation (£5,000); the Anchor Foundation (£3,500) and the Royal Yachting Association (£3,500) for new sailing boats.

We were also given a Business Rate Relief Grant on both of our properties (£50,000) and made use of the Government's Furlough Scheme for various members of staff, when it was appropriate.

The Centre also took advantage of the Government's Bounce Back Loan (£50,000). This was taken out in May 2020 and the Government pays the interest in the first year.

In addition, considerable work was undertaken to reduce / defer costs wherever possible.

This year the Enable Fund, which was launched with the purpose of covering the cost of subsidies to individuals and groups who would not otherwise have been able to afford to stay at the Centre (see Objectives and Activities above), was used once again for an inner-city school (prior to the pandemic) which is located in an area of high deprivation and its 'at risk' children would not otherwise have been able to benefit from all that the Centre has to offer.

Reserves

The Trustees' policy continues to be to build up net current assets to the point where they are equivalent to two months' worth of expenditure, currently approximately £70,000. However, at the year end there were net current assets of £12,981 which compares with net current liabilities of £45,897 in the previous year.

When appropriate, work will continue to seek to improve this position, helped by the identification of new initiatives within the medium-term Financial Strategy.

Capital funding

A loan of £360,000 over 25 years was taken from HSBC in July 2012 to facilitate the purchase of the Bryn-y-Moel Centre. As at the balance sheet date there was £269,736 outstanding on this loan. During the year the bank was approached requesting a holiday for principal repayments. This was agreed for a period of 6 months.

CMC: PENSARN HARBOUR**Directors' and Trustees' Report for the year ended 31st October 2020 (continued)****Financial Review (continued)**Capital funding (continued)

Private, interest free, loans from members have been accepted in the past to provide working capital.

At the start of the year one loan totalling £1,500 was to be repaid in the year and one loan totalling £5,000 was for a longer period. In the event no loan was repaid.

Tangible fixed assets

Details of acquisitions of fixed assets are set out in note 6 to the accounts. The market value of the freehold properties belonging to CMC at the balance sheet date are believed, by the Trustees, to be at least as great as their purchase costs and subsequent improvement costs. Also, as they are operational assets and continue to be maintained, where necessary, to a high standard of repair, the Trustees again consider it unnecessary to set aside depreciation of the properties for this financial year.

Future obligations

The company has no liabilities, commitments or legally binding obligations outstanding at the balance sheet date other than those disclosed in the annual statement of accounts. In the opinion of the Trustees, the company's assets are fully adequate to meet those obligations.

Trustees / Directors

The directors of the company for Companies Act purposes are its Trustees. The directors who served during the year are listed on page 1.

Statement of Directors' / Trustees' responsibilities

Charity law requires the Directors / Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the surplus or deficit of the company for that period. In preparing those financial statements the Directors / Trustees are required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departure 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 company will continue to operate.

The Directors / Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy, at any time the financial position of the company. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CMC: PENSARN HARBOUR**Directors' and Trustees' Report for the year ended 31st October 2020 (continued)****Statement of Directors' / Trustees' responsibilities (continued)****Risk Management**

The Directors acknowledge that risk management is the responsibility of the Board of Trustees. The Board undertakes a review of all of its key systems of internal control and financial management processes regularly and is satisfied that reasonable assurance can be given that risks have been adequately mitigated. The review is ongoing.

Independent Examiner

Robert Morris of Lyon Griffiths (Audit and Accounting) Limited (Chartered Accountants and Registered Auditors), who serves as our Independent Examiner, has expressed his willingness to continue in office and a resolution to reappoint him will be proposed at the forthcoming Annual General Meeting on 24th April 2021.

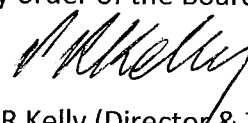
Compliance with legislation

This report has been prepared in accordance with the special provisions of Part 15 of Companies Act 2006 relating to small companies.

Approval of these financial statements

These annual statements were approved by the Trustees on 16th March 2021.

By order of the Board



P R Kelly (Director & Trustee)

Registered Office:

CMC Pensarn Harbour

CMC Pensarn Harbour

Llanbedr, Gwynedd, LL45 2HP

**Report of the Independent Examiner to the Trustees of
CMC : PENSARN HARBOUR**

I report to the charity trustees on my examination of the accounts of the company for the year ended 31st October 2020 set out on pages 11 to 18.

The report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the charitable company's trustees as a body in accordance with section 154 of the Charities Act 2011. My independent examiner's work has been undertaken so that I might state to the charitable company's trustees those matters that I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body for my independent examiner's work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the charitable company's trustees (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view', which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



R Morris FCA
Lyon Griffiths (Audit and Accounting) Limited
17 Alvaston Business Park
Middlewich Road
Nantwich
CW5 6PF

24th March 2021

STATEMENT OF FINANCIAL ACTIVITIES (including Income & Expenditure Account)
for the year ended 31st October 2020

		<u>Unrestricted funds</u>	Restricted	Total	Total
		General	Funds	Funds	Funds
	Notes	Funds		31/10/20	31/10/19
		£	£	£	£
Income and endowments from:					
Donations and legacies	2.1	109,612	11,688	121,300	88,610
Grants	2.2	120,245		120,245	0
Income from investments		26		26	23
Tuck shop trading income		561		561	3,077
Charitable activities -					
Course and hostel income					
Residential	2.3	111,636		111,636	389,463
Non-residential		459		459	2,959
Net rental and hire income		11,437		11,437	1,828
Total income and endowments		353,976	11,688	365,664	485,960
Expenditure on raising funds	3.1				
Publicity costs		6,662		6,662	4,643
Tuck shop trading costs		448		448	3,340
Expenditure on charitable activities					
Course and hostel running costs	3.2	339,472		339,472	461,562
Total expenditure	4	346,582	0	346,582	469,545
Net income (expenditure) before transfers		7,394	11,688	19,082	16,415
Transfer between funds					
Net movement in funds		7,394	11,688	19,082	16,415
Funds balances b/fwd at 1.11.19		529,635	0	529,635	513,220
Fund balances c/fwd at 31.10.20		537,029	11,688	548,717	529,635

		31/10/20		31/10/19	
	Notes	£	£	£	£
Tangible Fixed Assets	6		850,698		839,738
Current Assets					
Stock	7	6,426		7,823	
Debtors and prepayments	8	12,248		11,728	
Cash at bank and in hand		<u>83,862</u>		<u>4,333</u>	
		102,536		23,884	
Liabilities: Amounts falling due within one year	9	<u>-89,555</u>		<u>-69,781</u>	
Net current assets / -liabilities			12,981		-45,897
Total assets less current liabilities			<u>863,679</u>		<u>793,841</u>
Liabilities: Amounts falling due after more than one year	9		-314,962		-264,206
Net assets	10		<u>548,717</u>		<u>529,635</u>
Unrestricted funds	11		537,029		529,635
Restricted funds	12		11,688		0
Total charity funds			<u>548,717</u>		<u>529,635</u>

These accounts are prepared in accordance with the provisions applicable to companies subject to the small companies regime.

For the year ending 31st October 2020 the company is entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies. No members have required the company to obtain an audit of the financial statements for the year ended 31st October 2020 in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibility for complying with the regulations of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

ON BEHALF OF THE BOARD

Approved by the Board of Trustees (Directors) and signed on its behalf on 16 March 2021.



P R Kelly
Director & Trustee



M Downey
Centre Director

The notes on pages 13 to 18 form part of these financial statements.

1 ACCOUNTING POLICIES**1.1 Basis of preparation of accounts**

The accounts are prepared under the historical cost convention and include the results of the charity's operations which are described in the Directors 'and Trustees' Report and all of which are continuing.

The accounts have been prepared in accordance with the Charities Act 2011 and the Companies Act 2006, FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Statement of Recommended Practice: Accounting and Reporting by Charities (FRS 102)

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts are rounded to the nearest £.

The trustees consider that there are no material uncertainties that may cast significant doubt on the charity's ability to continue as a going concern. The charity is a public benefit entity.

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Fixed assets are not capitalised where the purchase cost is below £500.

Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Freehold Property	Nil (2% straight line basis prior to 1.11.2002)
Course Equipment	25% straight line basis
Fixtures, Fittings & Equipment	25% straight line basis
Motor vehicles	20% straight line basis

The Centre properties are operational assets according to charity law, being fundamental to the ongoing work of the Centre. As they are continually maintained to a high standard of repair, the Trustees consider it unnecessary to set aside any further sum by way of depreciation, as this would represent an excessive charge for these properties in the financial year.

1.3 Value added tax

CMC continues to be an educational establishment under VAT regulations. It therefore remains exempt from VAT, which is not recoverable and as such is included in the relevant costs in the Statement of Financial Activities.

1.4 Stock

Stock is valued at a lower cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.5 Debtors

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

1.6 Liabilities

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

1.7 Operating leases

Rentals paid under operating leases are charged to the income and expenditure account as they fall due.

1.8 Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Restricted funds are subjected to restrictions in their expenditure imposed by the donor or through the terms of an appeal. The main fund held by the charity is the General Fund (unrestricted).

2 INCOME AND ENDOWMENTS

- 2.1 Voluntary income and donations are accounted for as received by the charity; they are generated by providing information about the work of the centre to its visitors, supporters and general public by means of printed and electronic publications. No permanent endowments have been received in this financial period, but these are dealt with through the Statement of Financial Activities when received.
- 2.2 Grant income, including government grants, is recognised as received. No performance conditions apply to grants received in this financial period. Government grants received in this financial period all related to coronavirus support and consisted of £50,000 business rate related grants and £47,245 furlough scheme grants.
- 2.3 Course and hostel income is shown gross after adjustments for deferred income relating to deposits for future courses.

EXPENDITURE

- 3.1 Expenditure on raising funds includes the costs incurred in purchasing items for the Tuck Shop (including souvenirs), which are then sold on to visitors and friends, and the cost of fundraising and publicity, through which donations are generated.
- 3.2 All other costs, including governance costs and support costs, are allocated to the one charitable activity which is the running of courses at the hostel at Pensarn Harbour and the premises at Bryn-y-Moel. Included are fees to the independent examiner of £2,300 (2019 = £2,300) re the examination and £1,000 (2019 - £1,000) re other services.

4 TOTAL EXPENDITURE

	Staff Costs £	Depreciation £	Other Costs £	Total 30/10/20 £	Total 30/10/19 £
Course & hostel running costs	193,675	30,104	115,693	339,472	461,562
Tuck shop trading costs			448	448	3,340
Fundraising & publicity			6,662	6,662	4,643
12 months to 31.10.20	193,675	30,104	122,803	346,582	
12 months to 31.10.19	211,252	26,275	232,018		469,545

Note: The Tuck Shop trading unit is operated as an ancillary facility at the Pensarn Hostel for the benefit of users and any profits are all ploughed back into the mainstream activity of the company.

5 STAFF COSTS & TRUSTEES EXPENSES**5.1 Staff costs comprised**

	30/10/20 £	30/10/19 £
Wages and Salaries	178,542	194,107
Social Security Costs	7,725	9,883
Pension costs *	7,408	7,262
	<u>193,675</u>	<u>211,252</u>

* Note: The charity operated a defined contribution scheme for staff costing £5,088 in the year. In addition the charity contributed to a personal pension plan for one employee at a cost of £2,320 in the year. It is anticipated that payments will continue at the same rate during the coming year.

No employee earns more than £60,000. The average number of staff employed by the charity during the year was as follows:

	30/10/20	30/10/19
Charitable activities	18	13
Fundraising and publicity	0	0
	<u>18</u>	<u>13</u>

The key management personnel of the charity are trustees and the Chief Executive Officer, together with the Senior Instructor, Development Director, House Manager and Centre Administrator. The total employee benefits of the key management personnel were £84,993 (2019 = £112,072)

5.2 No remuneration was paid to Trustees in the period.

6 TANGIBLE FIXED ASSETS

	Freehold Property Pensarn & Bryn-y-Moel £	Course Equipment £	Centre Fittings & equip. £	Motor Vehicles £	TOTAL £
Cost					
B/fwd 1.11.19	793,403	95,901	177,647	14,000	1,080,951
Additions	# 23,713	3,292	14,059		41,064
Less: re Disposals					
Carried Forward 31.10.20	<u>817,116</u>	<u>99,193</u>	<u>191,706</u>	<u>14,000</u>	<u>1,122,015</u>
Depreciation					
B/fwd 1.11.19	25,041	80,359	132,860	2,953	241,213
Charge for the period		6,676	20,628	2,800	30,104
Less: re Disposals					
Carried Forward 31.10.20	<u>25,041</u>	<u>87,035</u>	<u>153,488</u>	<u>5,753</u>	<u>271,317</u>
Net book values					
At 31.10.20	792,075	12,158	38,218	8,247	850,698
At 31.10.19	768,362	15,542	44,787	11,047	839,738

Footnote:

Work was commissioned during the year regarding the possible upgrading / modernisation of Pensarn Harbour. These costs, mainly met by specific donations, have been capitalised. Further spending, enhancing the value of the buildings, is highly likely.

7 STOCK comprises

	30/10/20 £	30/10/19 £
Goods for resale (Tuck Shop)	1,532	1,649
Food	114	2,450
Cleaning Materials	1,070	589
Brochures	1,166	1,050
Oil	2,544	2,085
	<u>6,426</u>	<u>7,823</u>

8 DEBTORS & PREPAYMENTS

Due within one year		
Trade debtors	0	220
Prepayments	4,598	4,598
Other debtors (Tax repayment claim)	7,650	6,910
Other debtors		
	<u>12,248</u>	<u>11,728</u>
	30/10/20 £	30/10/19 £

Notes to the accounts for the year ended 31st October 2020 (continued)

12 RESTRICTED FUNDS

Movements on these during the year were as follows:

	As at 30/10/19 £	Income £	Exp £	Inter - fund Transfers £	As at 30/10/20 £
Equipment Purchase Fund	0	11,688		0	11,688

The Equipment Purchase Fund represents donations received to fund specific costs:

Purchase of sailing boats £7,000
 Replacement mattresses £2,500
 Addition to Pontoon £1,250
 Gift Aid £938

13 RELATED PARTY TRANSACTIONS

Donations received without conditions from the trustees and other related parties totalled £33,377 (2019 - £3,700)

14 COMMITMENTS

	Total 30/10/20 £	Total 30/10/19 £
1 Capital expenditure authorised and contracted for	0	6,600
2 Capital expenditure authorised but not contracted for	0	0
3 Leasing payments - due in the next year	15,945	16,796
4 Leasing payments - due in two to five years	16,053	32,570

15 STATUS, BRANCHES & CONNECTED CHARITIES

The charity is a company limited by guarantee and a registered charity. The liability of each member is limited to £10. As at 31st October 2020 there were 84 members (31.10.19 = 72)

The company is registered with the Charity Commission as a charity (number 1062075) and is exempt from taxation in accordance with Section 478 of the Corporation Tax Act 2010. It has no branches and no other charities are connected to it.

Notes to the accounts for the year ended 31st October 2020 (continued)

9 LIABILITIES: Amounts falling due within one year comprise -

Trade creditors	16,841	11,117
Customers' Monies held	56,166	33,336
Other creditors and accruals	5,274	7,308
Bank 25 year repayment mortgage	9,774	16,520
Working capital loans	1,500	1,500
Bounce Back Loan	0	0
	89,555	69,781
after more than one year		
25 year repayment mortgage	259,962	259,206
Working capital loans	5,000	5,000
Bounce Back Loan	50,000	0
	314,962	264,206

Footnotes:

1. Deposits are no longer held in a separately designated bank account, but combined into the main account for the centre.

Financial failure insurance was taken out in November 2017 to reflect this new policy.

2. The bank mortgage is from HSBC Bank plc and is secured by a debenture and legal charge on the company's freehold property at Pensarn and Bryn-y-Moel. The liability shown includes £176,037 due after more than five years (2019 = £185,891).

It should be noted that, due to Covid restrictions, the Bank agreed a repayment holiday starting in May.

3. Private interest free loans from members have been accepted in the past to provide working capital. At the start of the year one loan totalling £1,500 was to be repaid in the year. In the event this loan was not repaid.

4. Advantage was taken of the Government's Bounce Back Loan of £50,000. This was interest free for the first year.

Repayments start in December 2021. It is repayable after 10 years. The liability shown includes £28,357 due after 5 years.

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets	Net current Assets / liabilities	Long term loans	30/10/20	30/10/19
	£	£	£	£	£
Unrestricted - general fund	850,698	1,293	314,962	537,029	529,635
Restricted funds	0	11,688		11,688	0
	850,698	12,981	314,962	548,717	529,635

11 UNRESTRICTED FUNDS

Movements on these during the year were as follows:

	As at 30/10/19	Income	Exp	Inter - fund Transfers	As at 30/10/20
	£	£	£	£	£
General Accumulated Fund	529,635	328,976	346,582	5,400	517,429
# Future Developments Designated Fund		25,000		-5,400	19,600
Total Unrestricted Funds	529,635	353,976	346,582	0	537,029

Footnote:

CMC Adventure was grateful to receive a Legacy during the year of £25,000. It is the desire to retain these funds, if possible, towards the potential upgrading / modernisation of Pensarn Harbour. Some costs for this preliminary work have already been spent and are included within the capitalisation costs shown at 6 above.

DETAILED INCOME AND EXPENDITURE ACCOUNT (UNRESTRICTED FUNDS)
for the year ended 31st October 2020

	31/10/20		31/10/19	
	£	£	£	£
INCOME				
Course & Hostel fees		112,095		392,422
Tuck shop - net profit / loss		113		-263
Rental & Hire income		11,437		1,828
Interest received		26		23
Donations & Gifts		109,612		88,610
Government Grants (Including Furlough scheme)		97,245		
Charitable Foundation Grants (Moondance & CAF)		23,000		
		<u>353,528</u>		<u>482,620</u>
EXPENDITURE				
Course / Activity costs				
Course / Equipment / Repairs	5,878		10,321	
Course outings	0		3,166	
Instructor staff training / expense	6,964		16,455	
Vehicle expenses	5,455		10,587	
Vehicle hire	5,743		12,902	
Licensing	1,712		3,815	
Activities Staff Salaries & NIC	86,867		72,982	
Freelance / Associate Instructors	207		22,149	
		<u>112,826</u>		<u>152,377</u>
Hostel / Base Overhead Costs				
Base staff salaries, NIC & Pension Contributions	106,808		138,270	
Mortgage / Bank Loan Interest	10,297		11,956	
Utilities (Rates & Water)	3,182		4,362	
General Insurance	8,006		7,209	
Light & Heat	15,019		22,267	
Telephone & Post	6,870		6,469	
Office Expenses	5,914		6,653	
Recruitment Advertising	600		729	
Professional Fees	3,300		3,313	
Trustees' Expenses	0		322	
Property Upkeep - Repairs	17,328		17,583	
Property Upkeep - Cleaning	467		2,411	
Property Upkeep - Equip / Maint / Replacement	2,831		4,324	
Customer Services - Food	11,658		46,879	
Customer Services - Laundry	898		6,543	
Finance - Bank Charges	1,084		1,280	
Financial Failure Insurance	2,280		2,340	
Bad & Doubtful Debts	0		0	
		<u>196,542</u>		<u>282,910</u>
Depreciation				
Property	0		0	
Course Equipment	6,676		6,192	
General / Office Equipment	20,628		17,283	
Motor Vehicle	2,800		2,800	
		<u>30,104</u>		<u>26,275</u>
		<u>339,472</u>		<u>461,562</u>
Fundraising & Publicity				
Website	1,702		1,928	
Brochures & Printing	263		984	
Advertising, Exhibitions etc.	4,697		1,731	
		<u>6,662</u>		<u>4,643</u>
		<u>346,134</u>		<u>466,205</u>
SURPLUS / DEFICIT ON RESTRICTED FUNDS				
before transfers		7,394		16,415
Less Transfers to / from Restricted Funds				
re: Donation for cash flow in Winter (Boiler Replacement Fund)				16,625
TOTAL SURPLUS / DEFICIT ON UNRESTRICTED FUNDS FOR YEAR		<u>7,394</u>		<u>33,040</u>