

PATTERDALE MOUNTAIN RESCUE
ASSOCIATION LIMITED

UNAUDITED
FINANCIAL STATEMENTS

31 DECEMBER 2021

(A company limited by guarantee)

PATTERDALE MOUNTAIN RESCUE ASSOCIATION LIMITED
(A company limited by guarantee)

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PATTERDALE MOUNTAIN RESCUE ASSOCIATION LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Trustees

Ms H Ash
Mr P G Baker (Treasurer)
Mrs A Bell
Mr M Blakey
Mrs M Childs
Mr M Cox
Mr S Duffy (resigned 27 April 2021)
Mrs J Freeborn (Vice-Chair)
Mr K Hardcastle (Secretary)
Mr C Lewis
Mrs G Mininch
Ms P J Newport
Colonel (Retd) C Sanderson OBE JP DL (Chair)

Company registered number

03255894

Charity registered number

1063329

Registered office

Ogilvie House, Patterdale, Penrith, Cumbria, CA11 0PJ

Company secretary

Mr K Hardcastle

Accountants

Armstrong Watson Audit Limited, 2 Hobson Court, Penrith 40 Business Park, Penrith, Cumbria, CA11 9GQ

PATTERDALE MOUNTAIN RESCUE ASSOCIATION LIMITED

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report together with the financial statements of the company for the year 1 January 2021 to 31 December 2021. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

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

1 - OBJECTIVES AND ACTIVITIES

a. Policies and objectives

The principal object of the company is to promote and sustain Patterdale Mountain Rescue Team, a charitable rescue service for all who suffer sickness, peril or any other adversity on any of the mountains in Great Britain and particularly on the mountains of Cumbria in the vicinity of Patterdale or while boating or bathing in the lakes and rivers or streams in the vicinity.

b. Strategies for Achieving Objectives

All Team members need to be appropriately trained, have the right equipment, and be fully committed to being on call at all times, day and night, to give practical and medical assistance to those in danger on the hills and lake. Team members train and meet regularly to develop and maintain their rescue and first-aid/medical skills, and National Qualifications are gained where appropriate. New entrants follow a strict probationary period. The Team will also liaise with other rescue services, for example: fire, police, ambulance, lifeboat and other mountain rescue teams, at times of major incidents. All members actively promote and support fund-raising, education and community events, as public money is the only source of income. This also helps to provide a positive profile in the local community and to the many tourists who visit the area.

c. Main Activities Undertaken to Further the Charity's Purposes for Public Benefit

The Charity provides a vital emergency service to the general public to enable all to enjoy outdoor activities in the area.

d. Volunteers

All team operations, training, fund-raising and administration are undertaken on a voluntary basis.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

2 - ACHIEVEMENTS AND PERFORMANCE

a. Chairman's Report by Colonel (Retd) C Sanderson OBE JP DL

The beginning of the year was sadly marred by the accident on Red Screes which seriously injured fellow Trustee and Team member, Chris Lewis. Chris is still recovering from his injuries but we look forward to him resuming his Trustee duties in due course.

Patterdale Mountain Rescue Association's own charitable purpose and Charity Commission rules prevented us from raising funds for Chris, but the Lake District Search and Mountain Rescue Association (LDSAMRA) stepped in and their Treasurer, John Bamforth, led a JustGiving fundraising initiative which raised over £1 million.

We have had little turn-over amongst the Trustee body, with Sean Duffy stepping down after nine years service as a Trustee and no new Trustees joining us. Sean has made a tremendous contribution, with his outstanding ability to relate across the Trustees, the Team and the local community being particularly valued. At the end of the year, Jane Newport handed over to Peter Baker as Treasurer after nearly five years in post; the Treasurer's position is by far the most demanding, and Jane has also embraced accounting for the Shop and the Supporters Group. Jane had to overcome considerable challenges to lead our accounting practices into the digital age and, in this last year, coped with an exceptionally heavy workload arising from spontaneous donations in response to Chris Lewis's accident.

Our Secretary, Ken Hardcastle, coped with the exceptional demands arising from Chris Lewis's accident, and continued to lead our Fundraising Group, albeit with significant limitations on face-to-face fundraising operations imposed by Covid. We have also seen the New Defender fundraising campaign culminate in the vehicle's delivery, and towards the end of the year Peter Baker launched the fundraising programme for our new Rescue Boat.

Despite our best efforts we have made little progress in finding or building a boat-house on the lake shore for Scottie, our current Rescue Rib. Suitable land and Ullswater lake access are at a premium, and the requirements for an adequate approach channel and internal building clearance that can cope with the lake's significant high-low water range are significant challenges. We have though renewed our efforts to find or build a vehicle storage facility in the Eamont/Pooley Bridge area in order to facilitate rapid deployments to Ullswater's eastern shore.

Aside from this, the Trustees' Investment Sub-committee conducted a thorough review of our investment needs, taking into account liquidity requirements, investment horizons and risk appetite, and positioned our funds accordingly. These arrangements will be subject to quarterly review.

b. Team Leader's Report by Mr M Rippon

2021 was an exceptional year and we are all immensely grateful to those who have supported Patterdale Mountain Rescue with both practical and moral support during a challenging time.

It is now over a year since Chris Lewis's accident last February, and our thoughts remain with Chris, who is both a Team member and Trustee, and his wife, Carole. We are grateful to everyone who has asked about Chris's progress and especially to those who donated or raised funds in 2021.

On the Covid front, we much appreciate the work of all Team members who have diligently undertaken regular Lateral Flow Tests, balanced virtual and face-to-face training and, with their care and commitment, enabled us to remain fully operational over the last 12 months. This has been a great achievement and one that has been appreciated by those we have found, rescued or otherwise assisted in 2021.

Despite Covid and the challenges it has presented, we have continued to take on and deliver a range of projects to strengthen and build the resilience of the Team:

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

- In late summer, 14 Team members headed over to the Tees Barrage to undertake the Rescue 3 Swiftwater and Flood Rescue Technicians (SRT) Course. The group successfully completed the course and all were awarded this important qualification which will stand us in good stead in any future flood or river rescues.
- The New Land Rover Defender, the first of the new model to be converted for mountain rescue use, entered service in Patterdale in September. It was used to tow the SRT Trailer across to Middlesbrough for the SRT course, and has already been used on several call-outs where it is proving to be a very capable vehicle and a worthy successor to its long-serving predecessor.
- We have reviewed how we record training attendance and made the decision to introduce what is known as the "Cleveland Training App". After a lot of work at the end of 2021, this went live on the 1st of January 2022. The system will allow everyone access to their training records and will accurately record training events, skills covered, attendance, members' certificates, and certificate renewal dates, all at the click of a button.
- On the equipment front, and following our review of crag/tackle sacs, the Medical Group reviewed medical sacs in 2021 and across the board have reduced their weight, as well as creating a specific Health Care Professional's (HCP) sac. We also purchased a second TITAN super-light titanium stretcher with funds made available by LDSAMRA. After a nine-month review, we identified a suitable vital sign monitors (VSM) for our work in the field and have purchased two new VSMs from Schiller at a cost of £13k. These will be installed in vehicles Mobile 1 and 2 and should enter service in early 2022.
- Recruitment is also an important part of what we do; the Team can not be sustained without new members. Probationer assessments were completed in December and we welcomed three new members onto the Team. We currently have a further five making their way through their probation period, and we wish them well. After considering how best to improve the transition from probationer to full Team member status, we have introduced a Point of Contact arrangement that will be headed up by long-serving Team member and former Deputy Team Leader, Sean Duffy.

Our ambitions for the year ahead are:

- To further adopt the culture of "slowing things down" and operating with conscious deliberation at each stage of our operations, and to operate as "teams" within the Team.
- To fully implement and develop the new Training App, along with the introduction of more skills-based training sessions.
- To continue the development of the Zello PTT phone system and then roll this out.
- To explain more fully what Team membership entails to potential new members and their families. Suzie Wilson and Amy Heys are heading up work on a Patterdale "Welcome to the Team" document to support this.
- To continue to explore options for a garage facility for Mobile 3, the public relations trailer, and the SRT equipment trailer.
- To complete the fundraising appeal and acquisition of a new Rescue Boat.

My thanks go to everyone who has dedicated their time and energies to supporting us, and most importantly, enabling us to continue to deliver our core services in a challenging year. The work of Trustees and Supporters is particularly valued; their continued guidance and support is appreciated and enables us to focus on the delivery of our primary role, and that is to help those in need of assistance on the fells and lakes.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

3 - FINANCIAL REVIEW

a. Reserves Policy

A. Reasons for the Association's Reserves

The Association has assessed that there are two principal requirements to hold reserves to meet perceived future needs: -

1. The nature of the Team's work is such that there is a risk that significant funds could be needed at short notice to replace items/facilities that are not capable of being insured or to cater for major unforeseen demands.
2. The requirement to maintain the Team's Base, replace vehicles on a regular basis, meet the requirements of Health and Safety legislation, and make due allowance for depreciation have caused the Trustees to make provision for reserves to cover these requirements if net income were to be insufficient for this purpose.

B. The Association's Reserves

1. The Association holds investments in the Cumberland Building Society, Penrith Building Society and Barclays Bank, the income from which has been accumulated within these accounts. The Association also holds accounts with Fidelity International and Rathbones Unit Trust Management. The interest from these is paid into the Barclays Current account.

2. The Association's policy is to maintain a reserve of at least two years' normal running cost expenditure (currently approx £125,000 pa), plus £75,000 contingency (ie £325,000). Holdings in excess of this serve the dual purpose of generating investment income whilst also accumulating to meet significant future capital needs such as the replacement of the Team's rigid inflatable boat (RIB), the possible construction/purchase of a boat-house on Ullswater, and secure garaging for a Team vehicle and associated equipment in the area of Eamont Bridge/Pooley Bridge. Annual depreciation costs of approximately £28,000 pa are shown in the accounts and allowance is made for these asset replacement costs in addition to routine operating costs in arriving at the Reserves target.

C. How the Association will maintain the above Reserves.

Expenditure and fundraising decisions are based on ensuring that the long term as well as day today requirements of the Team are addressed. Regular Trustees meetings, in parallel with sound day to day management of the Association and the Team, and annual review of the long term imperatives of the organisation ensure that the Reserves are appropriate to the needs of the Association.

D. The Monitoring and Review Procedure.

The Treasurer is responsible for the production of monthly management accounts, which are shared with the Chairman and Company Secretary. The Treasurer reports in detail to all Trustee meetings, and the Reserves policy is formally reviewed and monitored, reflecting any changing circumstances, on an annual basis.

Free reserves or readily accessible reserves as of 31 December 2021 were £153,871 which is below the target level of £325,000 due to the purchase of investments of £250,000 which are included in fixed asset investments.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

b. Investment Policy and Performance

The Trustees of Patterdale Mountain Rescue Association (PMRA) have established an investment policy to guide the Association's investment of that proportion of the Association's financial resources set aside as a reserve. A reserve is established in accordance with good financial governance practice and the requirements of the Charities Commission, taking into account the advice received from the Association's accountants. The size of this reserve is reviewed annually by the Trustees. The Trustees will consider whether the funds to be invested for the longer term under this policy should match, exceed, or in exceptional circumstances be less than the reserve. The policy and its implementation will be reviewed annually, prior to the AGM, or more frequently if required.

The reserve is to provide for the long term needs of the Patterdale Mountain Rescue Team, including provision for major infrastructure and equipment projects, and potential shortfalls of in-year income to meet in-year expenditure requirements. The Trustees believe that it is necessary for the reserve funds to be invested on a medium to long term basis (meaning a minimum of three to five years and preferably considerably longer) to provide a return exceeding inflation. The Memorandum of Association of PMRA provides authority for the Trustees to take such investment decisions on behalf of the Association. The Trustees will also act in accordance with the requirements of The Trustee Act 2000.

The Trustees have determined the following investment objectives:-

- 1) To preserve the value of the Association's investments in real terms.
- 2) To provide a weighted average rate of return greater than UK inflation as measured by the Consumer Prices Index and to deliver this return within acceptable levels of risk and volatility.
- 3) To enable a proportion of the invested funds to be made available for use within a time period of no more than three months in case of major unforeseen demands for cash, over and above normal operating expenditure.

To deliver this policy, the Trustees determined that the management of the funds invested as above should be entrusted to one/more professional investment management companies, selected on the basis of a long track record of successful management of major sums of money. Monitoring of the management company/companies is delegated by the Trustees to the Investment Sub-committee, with any recommendations for change to be formally approved by two of the officers of the Association including the Chair (or in the absence of the Chair, the Vice-Chair) and the Treasurer (or in the absence of the Treasurer, the Secretary.)

Changes to the policy shall be subject to approval at a formal meeting of the Trustees.

The Trustees have further determined that the fund or funds selected for investment should maintain a balanced portfolio across a range of investment classes including UK and overseas equities, government and high quality commercial bonds, property and cash, all subject to the advice of their professional investment manager/s.

c. Going Concern

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

4 - STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Trust deed.

The company is constituted under a Trust deed dated 27 September 1996 and is a registered charity number 1063329

The principal object of the company is to promote and sustain Patterdale Mountain Rescue Team, a charitable rescue service for all who suffer sickness, peril or any other adversity on any of the mountains in Great Britain and particularly on the mountains of Cumbria in the vicinity of Patterdale or while boating or bathing in the lakes and rivers or streams in the vicinity.

b. Method of Appointment or Election of Trustees

The Trustees are elected by the charity's members at the Annual General Meeting (AGM). At each AGM one third of the Trustees shall retire from office by rotation, however, they shall be eligible for re-election.

A Chairman and Vice-Chairman may, if willing, serve in their respective posts for a maximum of six consecutive years, subject to a bi-annual review, recommendation by the Trustees to members attending the AGM, and election by those Members at each AGM.

c. Policies Adopted for the Induction and Training of Trustees

New Trustees are asked to read a copy of the Charity's Articles of Association, advised on the policy, procedure and responsibilities of the Charity under the Charities Act, and briefed on their responsibilities as Trustees.

Measures are implemented to ensure that, in accordance with Charity Commission guidance, the Association's Trustees:

- understand their role.
- ensure delivery of the Association's purpose and use resources solely for that purpose.
- work effectively as individuals and as a team, making decisions collectively where necessary.
- exercise effective control, with clear processes, and with due care, skill and prudence.
- manage risks effectively.
- engage expert external professional support where necessary.
- behave with integrity and ensure the Association complies with relevant law and regulations.
- and are open and accountable, minuting meetings and reporting publicly.
- Declarations of Trustees' actual/potential conflicts of interest are declared and recorded annually, and managed appropriately.
- Trustees are annually reminded of Charity Commission guidance on Trustees' duties and responsibilities and the relevant Code and Principles of operation.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

d. Organisational Structure and Decision making

The Charity Trustees are all volunteers and are responsible for general control and management of the Charity. Regular meetings are held by the Trustees and also by Team members to discuss finance, training and other relevant issues.

e. Risk Management

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirms that systems have been established to enable regular reports to be produced so that necessary steps can be taken to lessen these risks.

The core management responsibility of the Trustees is effective risk management. In support of this, at each meeting of the Trustees, the following risk areas are reviewed and, where necessary, mitigation measures identified and managed:

- Financial management
- Fund-raising
- Investment management
- Expenditure control
- Governance competence and process
- Accountability

The Team similarly reviews key risk areas, namely:

- Team member selection and training
- Management of operational deployments
- Equipment, including vehicles, communications and information systems
- Medical support
- Litigation
- Reputation

5 - MEMBERS' LIABILITY

The Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

6 - PUBLIC BENEFIT

The Trustees of Patterdale Mountain Rescue Association Limited believe they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

TRUSTEES' RESPONSIBILITIES STATEMENT

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees, on 3 May 2021 and signed on their behalf by:



.....
Colonel (Retd) C Sanderson OBE JP DL
Chairman

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**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF PATTERDALE MOUNTAIN RESCUE ASSOCIATION LIMITED (the 'company')

I report to the charity Trustees on my examination of the accounts of the company for the year ended 31 December 2021.

This report is made solely to the company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the company's Trustees those matters 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 company and the company's Trustees as a body, for my work or for this report.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the company (and 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 the company's accounts 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

I have completed my examination. I can 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 (FRS 102).

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.

Signed: 

Dated: 13 May 2022

Karen Rae FCCA

Armstrong Watson Audit Limited
Chartered Accountants and Statutory Auditors
Carlisle

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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME FROM:					
Donations and legacies	2	136,489	70,434	206,923	168,114
Other trading activities	3	9,632	4,102	13,734	11,468
Investments	4	9,623	-	9,623	8,793
TOTAL INCOME		155,744	74,536	230,280	188,375
EXPENDITURE ON:					
Raising funds	5,3	11,159	1,790	12,949	12,567
Charitable activities	8,7,6	106,846	51,602	158,448	75,182
TOTAL EXPENDITURE		118,005	53,392	171,397	87,749
NET INCOME BEFORE INVESTMENT GAINS		37,739	21,144	58,883	100,626
Net gains on investments	13	20,371	-	20,371	7,774
NET INCOME BEFORE TRANSFERS		58,110	21,144	79,254	108,400
Transfers between Funds	17	21,823	(21,823)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		79,933	(679)	79,254	108,400
NET MOVEMENT IN FUNDS		79,933	(679)	79,254	108,400
RECONCILIATION OF FUNDS:					
Total funds brought forward		1,295,604	22,175	1,317,779	1,209,379
TOTAL FUNDS CARRIED FORWARD		1,375,537	21,496	1,397,033	1,317,779

The notes on pages 14 to 24 form part of these financial statements.

PATTERDALE MOUNTAIN RESCUE ASSOCIATION LIMITED

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REGISTERED NUMBER: 03255894

**BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Note	£	2021 £	£	2020 £
FIXED ASSETS					
Intangible assets	11		2,271		3,569
Tangible assets	12		636,978		618,375
Investments	13		590,279		319,908
			<u>1,229,528</u>		<u>941,852</u>
CURRENT ASSETS					
Stocks	14	6,354		7,632	
Debtors	15	44,881		26,433	
Cash at bank and in hand		120,039		345,358	
			<u>171,274</u>	<u>379,423</u>	
CREDITORS: amounts falling due within one year	16	(3,769)		(3,496)	
NET CURRENT ASSETS			<u>167,505</u>		<u>375,927</u>
NET ASSETS			<u><u>1,397,033</u></u>		<u><u>1,317,779</u></u>

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BALANCE SHEET (continued)
AS AT 31 DECEMBER 2021

	Note	£	2021 £	£	2020 £
CHARITY FUNDS					
Restricted funds	17		21,496		22,175
Unrestricted funds	17		1,375,537		1,295,604
TOTAL FUNDS			1,397,033		1,317,779

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

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 3 May 2022 and signed on their behalf, by:



Colonel (Retd) C Sanderson OBE JP DL

The notes on pages 14 to 24 form part of these financial statements.

PATTERDALE MOUNTAIN RESCUE ASSOCIATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Patterdale Mountain Rescue Association Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

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

1.3 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES (CONTINUED)

1.4 Expenditure

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

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

1.5 Intangible fixed assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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

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

Freehold property	-	Straight line over 50 years
Freehold land	-	is not depreciated
Plant and machinery	-	20% reducing balance
Motor vehicles	-	10% and 20% reducing balance
Fixtures and fittings	-	over 3 years straight line

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (CONTINUED)

1.8 Interest receivable

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

1.9 Stocks

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

1.10 Debtors

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

1.11 Cash at Bank and in hand

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

1.12 Liabilities and provisions

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

1.13 Grants

Grants are credited to the Statement of financial activities incorporating income and expenditure account as the related expenditure is incurred.

1.14 Fund accounting

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	93,426	61,439	154,865	120,762
Legacies	-	-	-	15,224
Grants	20,000	8,745	28,745	5,000
Supporters club income	23,063	250	23,313	27,128
	<u>136,489</u>	<u>70,434</u>	<u>206,923</u>	<u>168,114</u>
Total donations and legacies				
	<u>136,489</u>	<u>70,434</u>	<u>206,923</u>	<u>168,114</u>
Total 2020	107,488	60,626	168,114	
	<u>107,488</u>	<u>60,626</u>	<u>168,114</u>	

3. TRADING ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Charity trading income				
Website and event sales	9,632	4,102	13,734	11,468
	<u>9,632</u>	<u>4,102</u>	<u>13,734</u>	<u>11,468</u>
Fundraising trading expenses				
Purchases and expenses	4,083	1,790	5,873	3,584
Fundraising costs	1,017	-	1,017	2,292
	<u>5,100</u>	<u>1,790</u>	<u>6,890</u>	<u>5,876</u>
Net income from trading activities	4,532	2,312	6,844	5,592
	<u>4,532</u>	<u>2,312</u>	<u>6,844</u>	<u>5,592</u>

4. INVESTMENT INCOME

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
From UK listed investments	8,493	-	8,493	7,104
Bank and building society interest receivable	1,130	-	1,130	1,689
	<u>9,623</u>	<u>-</u>	<u>9,623</u>	<u>8,793</u>
Total 2020	8,793	-	8,793	
	<u>8,793</u>	<u>-</u>	<u>8,793</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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5. COSTS OF RAISING FUNDS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Cost of annual report	3,794	-	3,794	4,594
Newsletters	2,265	-	2,265	2,097
	<u>6,059</u>	<u>-</u>	<u>6,059</u>	<u>6,691</u>
<i>Total 2020</i>	<u>6,691</u>	<u>-</u>	<u>6,691</u>	

6. DIRECT COSTS

	Unrestricted activities 2021 £	Restricted activities 2021 £	Total 2021 £	Total 2020 £
Amortisation	1,298	-	1,298	324
Depreciation	27,911	-	27,911	33,591
Provision of mountain rescue	71,429	49,636	121,065	47,207
Profit on disposal of fixed assets	(782)	-	(782)	(14,586)
	<u>99,856</u>	<u>49,636</u>	<u>149,492</u>	<u>66,536</u>
<i>Total 2020</i>	<u>66,536</u>	<u>-</u>	<u>66,536</u>	

7. SUPPORT COSTS

	Activities £	Total 2021 £	Total 2020 £
Telephone	2,204	2,204	2,709
Office costs	3,669	3,669	2,193
Media costs	250	250	317
	<u>6,123</u>	<u>6,123</u>	<u>5,219</u>
<i>Total 2020</i>	<u>5,220</u>	<u>5,220</u>	

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8. GOVERNANCE COSTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Accountancy and other professional costs	2,833	-	2,833	3,426

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets: - owned by the charity	27,911	33,591
Amortisation of intangible fixed assets	1,298	324

10. STAFF COSTS

The company has no employees other than the Trustees, who did not receive any remuneration (2020 - £NIL).

11. INTANGIBLE FIXED ASSETS

	Website £
Cost	
At 1 January 2021 and 31 December 2021	3,893
Amortisation	
At 1 January 2021	324
Charge for the year	1,298
At 31 December 2021	1,622
Carrying amount	
At 31 December 2021	2,271
At 31 December 2020	3,569

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**NOTES TO THE FINANCIAL STATEMENTS
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12. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 January 2021	733,111	121,944	196,234	36,703	1,087,992
Additions	-	18,305	26,402	2,125	46,832
Disposals	-	(9,696)	-	-	(9,696)
At 31 December 2021	733,111	130,553	222,636	38,828	1,125,128
Depreciation					
At 1 January 2021	211,024	89,709	132,181	36,703	469,617
Charge for the year	13,212	10,044	3,947	708	27,911
On disposals	-	(9,378)	-	-	(9,378)
At 31 December 2021	224,236	90,375	136,128	37,411	488,150
Net book value					
At 31 December 2021	508,875	40,178	86,508	1,417	636,978
At 31 December 2020	522,087	32,235	64,053	-	618,375

13. FIXED ASSET INVESTMENTS

	Listed securities £
Market value	
At 1 January 2021	319,908
Additions	250,000
Change in market value	20,371
	<hr/>
At 31 December 2021	590,279
	<hr/> <hr/>
Investments at market value comprise:	
	2021 £
	2020 £
Listed investments	590,279
	<hr/>
	319,907
	<hr/>

All the fixed asset investments are held in the UK.

14. STOCKS

	2021 £	2020 £
Finished goods	6,354	7,632

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NOTES TO THE FINANCIAL STATEMENTS
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15. DEBTORS

	2021 £	2020 £
Other debtors	43,776	22,940
Prepayments and accrued income	1,105	3,493
	<u>44,881</u>	<u>26,433</u>

16. CREDITORS: Amounts falling due within one year

	2021 £	2020 £
Other creditors	1,522	1,246
Accruals and deferred income	2,247	2,250
	<u>3,769</u>	<u>3,496</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds						
General Funds - all funds	1,295,604	155,744	(118,005)	21,823	20,371	1,375,537
Restricted funds						
Fixed Assets fund	1,021	-	(205)	-	-	816
Rescue Boat fund	-	13,193	(1,753)	-	-	11,440
Rescue Vehicle fund	21,154	811	(142)	(21,823)	-	-
Torches fund	-	300	(300)	-	-	-
Crowdfunder Vital Signs Monitor fund	-	2,431	(37)	-	-	2,394
Titanium Stretcher fund	-	6,015	(1,319)	-	-	4,696
Red Screes Casualty Chris Lewis fund	-	51,786	(49,636)	-	-	2,150
	22,175	74,536	(53,392)	(21,823)	-	21,496
Total of funds	1,317,779	230,280	(171,397)	-	20,371	1,397,033

Fixed asset restricted funds represents purchases of fixed assets from specific grants where restrictions apply.

The Landrover fund represents a fund for the purchase of a new Landrover and modifications to the vehicle. The acquisition and modification of the new Landrover fulfilled the restriction and has therefore been transferred to unrestricted assets.

The Red Screes Casualty Chris Lewis fund represents donations on behalf of Chris Lewis which have been remitted directly to him.

The rescue boat fund represents funds raised towards the purchase of an RIB lifeboat.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 January 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/(out) £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2020 £</i>
General Funds - all funds	1,208,101	123,693	(86,244)	42,280	7,774	1,295,604
Restricted funds						
Fixed Assets fund	1,278	-	(257)	-	-	1,021
Rescue Vehicle fund	-	64,682	(1,248)	(42,280)	-	21,154
	<u>1,278</u>	<u>64,682</u>	<u>(1,505)</u>	<u>(42,280)</u>	<u>-</u>	<u>22,175</u>

SUMMARY OF FUNDS - CURRENT YEAR

	<i>Balance at 1 January 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/(out) £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2021 £</i>
General funds	1,295,604	155,744	(118,005)	21,823	20,371	1,375,537
Restricted funds	22,175	74,536	(53,392)	(21,823)	-	21,496
	<u>1,317,779</u>	<u>230,280</u>	<u>(171,397)</u>	<u>-</u>	<u>20,371</u>	<u>1,397,033</u>

SUMMARY OF FUNDS - PRIOR YEAR

	<i>Balance at 1 January 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/(out) £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2020 £</i>
General funds	1,208,101	123,693	(86,244)	42,280	7,774	1,295,604
Restricted funds	1,278	64,682	(1,505)	(42,280)	-	22,175
	<u>1,209,379</u>	<u>188,375</u>	<u>(87,749)</u>	<u>-</u>	<u>7,774</u>	<u>1,317,779</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Intangible fixed assets	2,271	-	2,271
Tangible fixed assets	629,115	7,863	636,978
Fixed asset investments	590,279	-	590,279
Current assets	157,640	13,634	171,274
Creditors due within one year	(3,769)	-	(3,769)
	<u>1,375,537</u>	<u>21,496</u>	<u>1,397,033</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Intangible fixed assets	3,569	-	3,569
Tangible fixed assets	617,353	1,022	618,375
Fixed asset investments	319,907	-	319,908
Current assets	358,272	21,153	379,423
Creditors due within one year	(3,497)	-	(3,496)
	<u>1,295,604</u>	<u>22,175</u>	<u>1,317,778</u>