

Company registration number: 04175683

Charity registration number: 1087001

Heathercombe Brake Trust

(A company limited by share capital)

Annual Report and Financial Statements

for the Year Ended 31 December 2021

Heathercombe Brake Trust

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 12
Statement of Trustees' Responsibilities	13
Independent Auditors' Report	14 to 19
Statement of Financial Activities	20 to 21
Balance Sheet	22
Statement of Cash Flows	23
Notes to the Financial Statements	24 to 37

Heathercombe Brake Trust

Reference and Administrative Details

Trustees	Mr Jonathan Bishop (Chairman)
	Mr James Murray
	Mr Matthew Pitts
	Mr Ian Rees
	Mr Adrian Webb
Senior Management Team	Mr Stephen McIlhenny, Centre Manager
Principal Office	Heatree House
	Manaton
	Newton Abbot
	Devon
	TQ13 9XE
	The charity was incorporated on 08/03/2001.
Company Registration Number	04175683
Charity Registration Number	1087001
Auditor	PKF Francis Clark
	North Quay House
	Sutton Harbour
	Plymouth
	Devon
	PL4 0RA

Heathercombe Brake Trust

Trustees' Report

The trustees (who are also the directors for the purposes of company law) of Heathercombe Brake Trust (the charity) present their annual report and financial statements for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 11 January 2019 and second edition - October 2019.

Trustees

Mr Jonathan Bishop (Chairman)

Mr James Murray (appointed 11 December 2021)

Mr Matthew Pitts

Mr Ian Rees

Mr Adrian Webb

Objectives and aims

Objectives, strategies and activities

Our charity's purposes as set out in the objects contained in the charitable company's Memorandum of Association are:

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

Heathercombe Brake Trust is a Christian Charity with an aim to provide young people with a unique residential experience that improves their lives. The aims of the charity are achieved at Heatree Activity Centre by providing a wide range of high-quality outdoor education, utilising the natural environment of its Dartmoor location and incorporating environmental education alongside a full range of activities designed to provide both team and individual opportunities for development. By providing high standards in every aspect of our operation, we deliver exciting, adventurous, and memorable outdoor learning experiences in accordance with our centre of excellence approach.

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

Heathercombe Brake Trust

Trustees' Report

How our work is delivered

The work of Heathercombe Brake Trust is based at Heatree Activity Centre. It is open all year round and is located in the beautiful setting of Dartmoor National Park. There are four accommodation wings that can cater for over 150 guests as well as staff houses and several outbuildings. Accessibility for disabled guests is important to us and facilities including wet rooms are available. Residential programs form the largest part of our work, although day sessions are also available. Client groups include schools, youth clubs and groups, church groups and families.

Activities include:

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

Environmental education includes:

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

The beneficiaries of the charity participating in the outdoor education activities and programmes provided are mainly primary and early secondary school pupils (Y4 to Y7, the schools are drawn mostly from the South West of England) during term time, and by church and youth groups on week ends and during the school holidays. The residential programme duration is usually either 5 days in the summer or 2-3 days in the low season months.

Heatree has hosted several camps, retreats, seminars, outreach events and training courses for youth organisations. It has designed specialist outdoor learning provision for a wide range of young people with mental and physical health needs in mainstream schools. The Trust has provided additional staffing and support to special schools at no additional cost.

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

Heathercombe Brake Trust

Trustees' Report

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

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

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

Heatree has continued to be severely affected by the outbreak of Covid-19 in England. The centre re-opened in mid-May but outdoor education restrictions remained more stringent than school restrictions so there could be no more than 30 pupils in a group and no group could mix with any other group on site, even when they were two halves of the same class. These restrictions were finally relaxed shortly before the end of the Summer term. Several schools which had been booked to stay at Heatree Activity Centre for a week, had to split their group into two parts and only stay for 2 nights each. This seriously impacted the quality of the experience Heatree was able to deliver and dramatically reduced the income earned during the peak season. During the year 1219 pupils visited Heatree Activity Centre for school residentials and a further 562 pupils attended for day visits. In total 213 members of staff and 1:1 helpers were given free places with these groups.

Covid - 19 restrictions have also had a big impact on the Church, youth groups and other groups booking the centre. The number of guests attending has started to increase again out of the Covid closure, however the numbers are well below pre Covid years. A small number of church, youth and other organisations have enjoyed spending time at Heatree in 2021. These included several church groups, University Christian Union groups, Cubs, a canoe club and a running club, also other young people's groups from across the South West and further afield. These groups brought a total of 692 people of all ages to Heatree, which included 20 free youth leader places and 17 free places for children aged 3 and under.

Only two of the regular summer youth groups were able to attend in 2021 due to the long lead-in time needed to arrange these summer camps and the continuing uncertainty around group accommodation which continued throughout the first half of 2021.

As well as residential visits, Heatree offers a wide range of day activities. During 2021 these were enjoyed by schools only.

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

When considering its activities, the trustees have considered the Charity Commission's guidance on public benefit, in section 4 of the 2011 Charities Act and the guidance on public benefit and fee charging. The charity relies on the income from fees and charges to cover its operating costs. In setting the level of fees, charges and concessions, the trustees give careful consideration to the accessibility of the centre for those on low incomes. During 2021, trustees took the opportunity to review the existing "Access Busary Fund" to make it more accessible for a larger number of groups. This will now be called the "Quantick Fund" and is designed to support groups that are closely aligned with the memorandum and articles of the trust. It is hoped that The Quantick fund will start in 2022. The trustees will be moving towards a pricing-based model that supports groups that are aligned with the objectives of the trust, such as youth groups.

Heathercombe Brake Trust

Trustees' Report

Achievements and performance

Review of activities

Heatree has continued to demonstrate its popularity and impact by delivering high quality accessible outdoor education to a wide range of groups and organisations, which helps to inspire young people and develop life skills. School bookings accounted for over 72% of total bookings during the period of trade in 2021.

The trustees consider the health, well-being and safety of the staff and guests at Heatree Activity Centre to be of paramount importance and continued to be committed to strict adherence to up-to-date Government and public health guidance in relation to Covid-19 throughout 2021.

The trustees took the following action to safeguard the centre, its staff, users, and customer relationships:

- The Trust continued to use the furlough scheme where possible to retain staff, initially most members of staff were fully furloughed but increasingly the flexi-furlough system was used in order to prepare the centre for the returning visitors.
- Groups who could still not attend in 2021 were not charged and were given the option to have their paid deposits returned. Several of these groups have carried forwards their deposits to 2022.
- The trustees decided to prepare most of the small properties on the site for short term holiday lets to generate a further income. The first letting was secured in December 2020 and has continued steadily through 2021 as more properties became ready. In all over £48,000 extra income has been secured this way. Short term residential lets have generated a further £36,000 during 2021.
- The centre held reserves to subsidise the running of essential operations and to pay staff, for a limited time. A government backed bank loan was secured in August 2020 for £150,000 and a further loan of £100,000 was advanced in April 2021. These reserves are sufficient to carry the business through the 2021-22 winter period, after which point the business should slowly recover.
- As noted above, the trustees applied for a CBILS bank loan for £150,000 to safeguard the centre's finances in July 2020, this was received in August 2020. A further CBILS loan of £100,000 was applied for in April 2021 and received in the same month. Both loans were borrowed for a period of 6 years with no repayments for the first 12 months. Repayments for the first loan started in September 2021 and are due to start in May 2022 on the second loan.
- The trustees considered releasing some of the property assets owned by the Trust in order to replenish the reserves. The property called Brookside was put on the market in June 2021 and there is currently a 'Sale Agreed' on the property with a likely completion date of October 2022.

Camp Courageous

Heatree was unable to offer Camp Courageous events for children with Down's Syndrome or their families for over a year from March 2020. An event was run in November 2021 which was well attended and very popular.

There are plans for at least one event to be held for these families during 2022.

Heathercombe Brake Trust

Trustees' Report

Purchase of an all-terrain wheelchair

Jon Evans, who was the Centre Director until October 2020, successfully completed an off-road marathon on Dartmoor in November 2019 to raise funds for an all-terrain wheelchair for the charity. By the year end £3,069 had been donated by local supporters, businesses, and small trust funds. All money raised was carried forward and has been allocated to the all-terrain wheelchair. The new addition is designed for young people with limited mobility who are not able to safely explore Dartmoor National Park in a standard wheelchair. Jon wrote;

"They may not get to; reach the summit of a tor; take in the view and feel a sense of achievement rise by reaching one of Dartmoor's amazing high points. I believe every young person has the right to explore Dartmoor. This right of inclusion can be made a reality (for wheelchair users) with the assistance of an All-Terrain Mountain Trike. At Heatree Activity Centre we welcome inspiring young people (who use wheelchairs) and I know that they want real adventures. We would anticipate that over 12 young people a year would use the new mountain trike to explore Dartmoor alongside a professional Outdoor Educator."

By the end of 2021 sufficient funds had been raised to purchase this wheelchair and one was ordered in January 2022.

Fundraising Statement

There was no fundraising undertaken during 2021 but further donations were received towards the purchase of the all-terrain wheelchair and towards the living costs of the volunteers on site. Additional unrestricted donations were received towards general funds. A generous £10k donation was received to be included in the Quantick Fund.

The trustees of the centre take the following stance on fundraising.

The Trust does not currently make use of 3rd party fundraising companies or charities and has no plan to do so. All fundraising is undertaken by staff, trustees, or members of the Trust. The campaigns are focused on specific outcomes, such as the purchase of equipment that allows the trust to fulfill its charitable objects, such as the aforementioned wheelchair. The trustees also plan to hold fundraising campaigns to subsidise reduced-cost visits by Christian youth groups who are groups that are in-keeping with the M&As.

Fundraising will mainly be focused upon Christian Funders and grant funding from Trust Funds, also voluntary donations through a Stewardship account and the Friends of Heatree network. Those engaged in fundraising are required to ensure that those with whom they interact in this capacity are of sound mind and are not vulnerable, either by age or infirmity.

All fundraising is in-keeping with the Code of Fundraising Practice. Trustees scrutinize the fundraising procedures used by staff, members, and other trustees to ensure that it is in-keeping with this code of practice. Currently, the Trust has not received any complaints in relation to its fundraising practice.

Heatree staff development

The quality of education provided to clients is supported by employing and retaining well qualified and motivated staff who share the ethos of the charity. The majority of the permanent outdoor team at Heatree are qualified teachers. This commitment towards ensuring that staff have strong teaching and learning practices, ensures that Heatree will maintain its outstanding reputation for quality outdoor education.

Heathercombe Brake Trust

Trustees' Report

National Outdoor Learning Award (NOLA)

NOLA was developed at Heatree and in partnership with the Institute for Outdoor Learning (IOL) and was launched in January 2018. This award is now being used nationally and internationally by a wide variety of outdoor education users including schools, colleges, universities, sole traders and outdoor centres. NOLA is being used as framework to influence professional practice standards across the outdoor sector. NOLA is being seen by IOL as a strategic tool that could influence Government outdoor education policy.

Residential visits are an invaluable experience when it comes to developing personal skills and helping to prepare children for independent living. The children participating in these programmes learn much that they can carry with them as useful resources for their future lives. Outdoor education providers can access NOLA resources and order badges through a dedicated website.

Outdoor Activity Instructor Apprenticeship

Following Heatree involvement with the successful development of a Level 3 Outdoor Activity Apprenticeship, there is now a Level 5 Outdoor Learning Specialist Apprenticeship. This is available for apprenticeships starting after February 2022.

Schools Youth and Church groups

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

To quote from one of our visiting groups:

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

"As always, everyone has loved our trip to Heatree. We always feel so welcome and as a returning school it is great to see familiar faces. The staff and environment here are second to none and we all feel completely re-energised for the year ahead. Thank you, this is the highlight of our year."

"Staff were excellent and considered the full range of abilities of the children and adapted activities to enable all to participate fully. They were keen to understand techniques which worked with individuals (from a school for children with special educational needs)."

"I have been to 10 residential in 12 years of teaching. My first time here and it is by far the best"

Changes in depreciation policy

During the year an impairment review was carried out by the trustees resulting in an impairment of £100k in respect of freehold buildings. From 1st January 2021, depreciation rates have also been changed to reflect the revised estimated useful economic lives of certain assets and this has resulted in an increase of £83k in current year's depreciation charge.

Heathercombe Brake Trust

Trustees' Report

Future plans

Through the closure enforced by the Covid-19 pandemic the Trust has taken the opportunity to review the work and vision of the Heatree Activity Centre and how it best meets its charitable aims and objectives.

The key points are listed below:

Heatree is now taking school bookings for full week (Mon-Fri) residentials only, throughout most of the year. Half week bookings will only be available in November, December, January and February. Youth, Church and other groups will continue over weekends and during school holidays.

To meet the aims of the Trust, staff and trustees will ensure that the Christian environment and ethos will be maintained and promoted to groups that use the centre.

We are working to keep the prices offered to our guests as competitive and affordable as possible. In particular, as a charity we are wishing to support those with EHCP and those from backgrounds where higher levels of deprivation could potentially affect access to such opportunities that we provide at Heatree. We have developed the bursary fund to enable children from disadvantaged backgrounds to come and enjoy the Heatree experience, where other funds are not available to make this possible. This fund is raised in two ways, 1.) A percentage of the funds from "Church" and "Other" groups and 2.) through fundraising.

We have continued to maintain, replace, and repair, our equipment and infrastructure during the year. The refurbishment of one building was completed in 2020 which now provides staff accommodation. Two more buildings were prepared for short term letting in 2021, one of these is also now used as staff accommodation, and one other building has been partially refurbished and is due to be completed in 2022. Staff living on site are providing a warden service for the visiting groups and as numbers of volunteers and trainee instructors increase again, these staff will add to the community feel of the centre.

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

Heathercombe Brake Trust

Trustees' Report

Going concern

Following the interruption to the business due to the Covid-19 impact, the centre re-opened on 17th May 2021. Trustees have continued to assess the prospects of the charity over the next 18 months through budgets, cash flow forecasts and discussion with the current auditors.

The impact of the virus on the charity will have long term implications for the charity's operations. Future budgeting is all based on limiting numbers to two schools visiting in any one week. Future predictions now take into account the rapid rise in most overhead costs, particularly in catering, maintenance and energy.

The cash balance (excluding the sale of Brookside) at the end of August 2022 was predicted to be £233,000 which included outstanding loan capital of £210,000. (The actual balance at the end of August was £251,665).

Based on the cashflows and budgets prepared the trustees are of the opinion that the charity is a going concern, and the accounts have therefore been prepared on a going concern basis. The charity's budget for next year includes a rise in peak season school prices against a 5-8% pay rise for all staff. Even with the capital expenditure forecast of £67,300 for Jan-Feb 2023, at least half of which is not time sensitive, the bank balance is not expected to fall below £25k at the lowest point of February 2023. The trustees consider the budgets and forecasts to be fairly robust. At the end of June the management accounts showed a year to date surplus of £9k over that budgeted. The trustees anticipate that this will however drop to a small deficit by the end of the year following the cancellation of three bookings before December.

The Board of Trustees is confident that the charity is a "going concern". This has been discussed regularly at Board meetings and in regular meetings between Chairman and CEO. The financial uncertainty within the UK as a whole, makes forecasting very difficult, however bookings are looking viable for next year and despite scare stories in the media, the majority of schools still value outdoor education as a key component of a good education and are expected to continue to visit.

Heathercombe Brake Trust

Trustees' Report

Reserves policy

The trustees have examined the charity's requirement for reserves, which are unrestricted funds not committed or invested in tangible fixed assets, to provide the charity with a level of operational flexibility. The Board consider it appropriate to hold £120,000, representing a short period of operating costs, as a contingency reserve and given the seasonal nature of the charity's operations, a further £100,000 by way of a cash flow reserve. The trustees consider this to be an appropriate amount to provide the necessary working capital for the charity and to cover unforeseen events.

The total unrestricted reserves of the charity at 31 December 2021 were £1,227,775 (2020: £1,435,569), of which £1,269,915 (2020: £1,528,416) is the Fixed Asset Reserve and £15,317 (2020: £4,717) relates to the Quantick Fund. The total restricted reserves of the charity at 31 December 2021 were £6,649 (2020: £7,125) which relate to Camp Courageous (£3,580) and the all terrain wheelchair fund (£3,069). The unrestricted free reserves at the end of 2021 were -£57,457 (2020: £-97,564). The Board recognises the need for holding free reserves, especially in the current uncertain financial climate. It was recognised that this level of free reserves would not be met by turnover post-Covid, so the Board have decided to utilise some of the income from the sale of Brookside to replenish these.

After paying all costs and providing for working capital the Board's policy is to reinvest any surpluses, together with any donations received, into the further development of the centre, to provide increased and improved facilities for the benefit of the users, in line with charity objectives. The property called Brookside is on the market for sale. The sale is at 'Sale Agreed' stage for the sum of £500,000 and is due to complete in October 2022. This sale will provide sufficient funds to either repay all of the CBILS loans and return the reserves held by the Trust at the previous level of £220,000, or the trustees might decide not to pay back the CBILS loan and will use the funds to underwrite the repayments, cover the winter cash flow and wages and provide funds for any necessary capital expenditure in the future. There are currently no plans for major capital expenditure.

The current reserves policy has ensured that there were sufficient funds available for the charity to continue in operation throughout 2021. As mentioned above, the trustees secured a short-term bank loan of £150,000 under the Coronavirus Business Interruption Loan Scheme (CBILS) to cover the cash flow in 2021 and a further £100,000 CBILS loan was taken out in April 2021. Cash reserves at the end of 2021, including the loan, are £208,651. Bank loan capital repayments started in 2021 and a total of £10,000 had been repaid by the end of the year. Excluding the sale of Brookside, cash reserves were £252,000 at the end of August 2022, with bank loans outstanding of £210,000.

Financial review

The trustees regularly review income, profitability and liquidity, comparing with historical performance and forecasts. The financial management of the centre has focussed on optimising occupancy rates and managing expenditure in line with activity volumes where possible.

At the end of 2021, before the deduction of depreciation and impairment adjustments, funds of £51,908 (2020: - £328,020) were generated in the year. During the year as noted, an impairment review was undertaken, resulting in an additional charge to the Statement of Financial Activities of £100k, along with a revision to the estimated useful life of certain fixed assets, which resulted in an additional in year depreciation charge of £83k.

Heathercombe Brake Trust

Trustees' Report

Structure, governance and management

Constitution

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

Appointment of Trustees

The trustees may from time to time, seek to appoint new trustees. When choosing and appointing new trustees, emphasis is placed on their experience in the wider community and their sharing of the Christian ethos. The number of trustees shall not be less than 3 or more than 9. Trustees are appointed for a term of 3 years and may renew that appointment for successive terms. James Murray was appointed as a Trustee in December 2021.

The process for reappointment of Jonathan Bishop as Chair was discussed and recorded in the minutes of a meeting held in March 2020. It was noted that in The Charity Commission recommendations to the HBT board, best practice is for 3 terms + 1 additional year. However, the Articles of Heathercombe Brake Trust, which were agreed to by the Charity Commission, do not have a limit. At the time of re-election, the charity was facing an extremely difficult time with huge uncertainty as this was right at the start of the Covid 19 pandemic and the board felt that, after reviewing the risks and benefits that it was in the best interests of the charity to ensure stability through this time and voted unanimously for a further term for Jonathan Bishop as Chairman.

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

The Board of Trustees meets four times every year to administer the charity. During lockdown the Board met more regularly remotely.

The pay policy for staff is proposed by the Centre Manager, taking account of the centre and individual performance, affordability and market conditions, including legislative matters such as the statutory minimum and statutory living wage. The policy applies to all staff and is within a set banded pay structure. Two trustees will be responsible for appraisal and performance management of the Centre Manager and pay awards for this role will be benchmarked against the same role in similar organisations and agreed by the trustees. Trustees receive the proposals in the last Board meeting of each financial year and any pay awards are effective from 1st January the following year. Pay awards were made in 2022 but no uplifts were made in 2021.

Key management personnel

The key management personnel of the charity during the year consisted of the trustees and the Centre Manager.

Heathercombe Brake Trust

Trustees' Report

Risk management

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

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

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

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

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

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 18/10/22 and signed on its behalf by:



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

Heathercombe Brake Trust

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Approved by the trustees of the charity on 18/10/22 and signed on its behalf by:



Mr Jonathan Bishop (Chairman)
Trustee

Heathercombe Brake Trust

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

Opinion

We have audited the financial statements of Heathercombe Brake Trust (the 'charity') for the year ended 31 December 2021, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Heathercombe Brake Trust

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Heathercombe Brake Trust

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 13), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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:

As part of our audit planning, through discussions with management, we obtained an understanding of the legal and regulatory framework that is applicable to the group and the sector in which it operates to identify the key laws and regulations affecting the charity.

The key laws and regulations we identified were the General Data Protection Regulations (GDPR), compliance with the Adventure Activities Licensing Authority, Fundraising Regulations for Charities, health and safety and employment laws. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily the Companies Act 2006, the Charities Act, relevant tax compliance regulations in the UK and reporting framework (Charities SORP – FRS102).

We discussed with management how the compliance with these laws and regulations is monitored and we discussed the policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the entity complies with laws and regulations and deals with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the charity's ability to continue trading and the risk of material misstatement in the accounts.

Heathercombe Brake Trust

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

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management and those charged with governance regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- Reviewed legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance; and
- Reviewed board minutes.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which there were none.

We also evaluated the risk of fraud through management override including that arising from management's incentives. The key risks we identified were fraud in revenue recognition and undisclosed related party transactions

In response to the identified risk, as part of our audit work we:

- Used data analytics to test journal entries throughout the year, for appropriateness
- Evaluated the rationale of significant transfers between restricted and unrestricted reserves
- Reviewed income supporting documentation for any restrictions and compared to how it had been recognised in the financial statements
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making those estimates
- Reviewed cashbooks, bank statements, debtors and creditors for potential related party transactions.

In the year, we identified an additional risk associated with fraudulent or erroneous CJRS (Coronavirus Job Retention Scheme) claims. In response to the identified risk, as part of our audit work, we obtained an understanding of how the claims were prepared and assessed the risk associated with this, obtained an understanding of how the terms and conditions of furlough were communicated to employees, reconciled claims back to cash received, and tested a sample of individuals by recalculating the amount of grant the charity were entitled to claim. No issues were identified.

Because of the inherent limitation of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

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

Heathercombe Brake Trust

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

- 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls 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 charity's 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 going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to the events or conditions that may cast a significant doubt on the charity's ability to continue as a going concern. If we then 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 charity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

Heathercombe Brake Trust

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

Use of our report

This 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. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Duncan Leslie (Senior Statutory Auditor)
For and on behalf of PKF Francis Clark, Statutory Auditor

North Quay House
Sutton Harbour
Plymouth
Devon
PL4 0RA

Date: 19/10/2022

Heathercombe Brake Trust

Statement of Financial Activities for the Year Ended 31 December 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £
Income and Endowments from:				
Donations and legacies	2	85,530	-	85,530
Charitable activities	3	464,518	50	464,568
Other trading activities	4	1,026	-	1,026
Investment income	5	17	-	17
Total Income		551,091	50	551,141
Expenditure on:				
Charitable activities	6	(758,885)	(526)	(759,411)
Total Expenditure		(758,885)	(526)	(759,411)
Net expenditure		(207,794)	(476)	(208,270)
Net movement in funds		(207,794)	(476)	(208,270)
Reconciliation of funds				
Total funds brought forward		1,435,569	7,125	1,442,694
Total funds carried forward	19	1,227,775	6,649	1,234,424
	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Donations and legacies	2	221,015	-	221,015
Charitable activities	3	196,093	70	196,163
Other trading activities	4	1,026	-	1,026
Investment income	5	213	-	213
Total income		418,347	70	418,417
Expenditure on:				
Charitable activities	6	(833,336)	-	(833,336)
Total expenditure		(833,336)	-	(833,336)
Net (expenditure)/income		(414,989)	70	(414,919)
Net movement in funds		(414,989)	70	(414,919)
Reconciliation of funds				
Total funds brought forward		1,850,558	7,055	1,857,613
Total funds carried forward	19	1,435,569	7,125	1,442,694

The notes on pages 24 to 37 form an integral part of these financial statements.

Heathercombe Brake Trust

Statement of Financial Activities for the Year Ended 31 December 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

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

The notes on pages 24 to 37 form an integral part of these financial statements.


Heathercombe Brake Trust

(Registration number: 04175683)

Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	1,269,915	1,528,416
Current assets			
Stocks	14	12,881	9,560
Debtors	15	38,370	21,955
Cash at bank and in hand		208,651	125,106
		259,902	156,621
Creditors: Amounts falling due within one year	16	(99,134)	(102,343)
Net current assets		160,768	54,278
Total assets less current liabilities		1,430,683	1,582,694
Creditors: Amounts falling due after more than one year	17	(196,259)	(140,000)
Net assets		1,234,424	1,442,694
Funds of the charity:			
Restricted income funds			
Restricted Funds		6,649	7,125
Unrestricted income funds			
Designated Funds		1,385,538	1,533,133
General Funds		(157,763)	(97,564)
Total unrestricted funds		1,227,775	1,435,569
Total funds	19	1,234,424	1,442,694

The financial statements on pages 20 to 37 were approved by the trustees, and authorised for issue on 18/11/2022 and signed on their behalf by:



 Mr Jonathan Bishop (Chairman)
 Trustee

Heathercombe Brake Trust

Statement of Cash Flows for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net expenditure		(208,270)	(414,919)
Adjustments to cash flows from non-cash items			
Depreciation		159,872	86,899
Impairment charges		100,306	-
Investment income	5	<u>(17)</u>	<u>(213)</u>
		51,891	(328,233)
Working capital adjustments			
Increase in stocks	14	(3,321)	(1,337)
Increase in debtors	15	(16,415)	(14,085)
(Decrease)/increase in creditors	16	(113,208)	103,141
Increase/(decrease) in deferred income	17	<u>76,658</u>	<u>(118,592)</u>
Net cash flows from operating activities		<u>(4,395)</u>	<u>(359,106)</u>
Cash flows from investing activities			
Interest receivable and similar income	5	17	213
Purchase of tangible fixed assets	13	<u>(1,677)</u>	<u>(18,150)</u>
Net cash flows from investing activities		<u>(1,660)</u>	<u>(17,937)</u>
Cash flows from financing activities			
Value of new loans obtained during the period		100,000	150,000
Repayment of capital element of finance leases and HP contracts		<u>(10,400)</u>	<u>(5,094)</u>
Net cash flows from financing activities		<u>89,600</u>	<u>144,906</u>
Net increase/(decrease) in cash and cash equivalents		83,545	(232,137)
Cash and cash equivalents at 1 January		<u>125,106</u>	<u>357,243</u>
Cash and cash equivalents at 31 December		<u><u>208,651</u></u>	<u><u>125,106</u></u>

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

Heathercombe Brake Trust

Notes to the Financial Statements for the Year Ended 31 December 2021

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) (effective January 2019) - (Charities SORP (FRS102)).

Basis of preparation

Heathercombe Brake Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

Following the interruption to the business due to the Covid-19 impact, the centre re-opened on 17th May 2021. Trustees have continued to assess the prospects of the charity over the next 18 months through budgets, cash flow forecasts and discussion with the current auditors.

The impact of the virus on the charity will have long term implications for the charity's operations. Future budgeting is all based on limiting numbers to two schools visiting in any one week. Future predictions now take into account the rapid rise in most overhead costs, particularly in catering, maintenance and energy.

The cash balance (excluding the sale of Brookside) at the end of August 2022 is predicted to be £233,000 which includes outstanding loan capital of £210,000.

Based on the cashflows and budgets prepared the trustees are of the opinion that the charity is a going concern, and the accounts have therefore been prepared on a going concern basis. The charity's budget for next year includes a rise in peak season school prices against a 5-8% pay rise for all staff. Even with the capital expenditure forecast of £67,300 for Jan-Feb 2023, at least half of which is not time sensitive, the bank balance is not expected to fall below £25k at the lowest point of February 2023. The trustees consider the budgets and forecasts to be fairly robust. At the end of June the management accounts showed a year to date surplus of £9k over that budgeted. The trustees anticipate that this will however drop to a small deficit by the end of the year following the cancellation of three bookings before December.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity and based on the cashflows and budgets prepared the trustees are of the opinion that the charity is a going concern, and the accounts have therefore been prepared on a going concern basis.

Heathercombe Brake Trust

Notes to the Financial Statements for the Year Ended 31 December 2021

Income and endowments

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

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Charitable activities

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

Deferred income

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

Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Heathercombe Brake Trust

Notes to the Financial Statements for the Year Ended 31 December 2021

Taxation

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

Tangible fixed assets

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

Depreciation and amortisation

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

Asset class	Depreciation method and rate
Freehold property and major structural alterations	2% straight line
Building works included in freehold property	10% straight line
Plant and machinery	20% straight line
Motor vehicles	25% reducing balance
Fixtures and fittings	25% straight line

Stock

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

Fund structure

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

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

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

Leasing and hire purchase

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

Heathercombe Brake Trust

Notes to the Financial Statements for the Year Ended 31 December 2021

Operating leases

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

Heathercombe Brake Trust

Notes to the Financial Statements for the Year Ended 31 December 2021

2 Income from donations and legacies

	Unrestricted general funds £	Total funds £
Grants, including capital grants; Coronavirus Job Retention Scheme	74,930	74,930
Total for 2021	74,930	74,930
Total for 2020	221,015	221,015

3 Income from charitable activities

	Unrestricted general funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income from charitable activities	464,518	50	464,568	196,163

4 Income from other trading activities

	Unrestricted general funds £	Total 2021 £	Total 2020 £
Property rental income	1,026	1,026	1,026
	1,026	1,026	1,026

5 Investment income

	Unrestricted general funds £	Total 2021 £	Total 2020 £
Interest receivable and similar income;			
Interest receivable on bank deposits	17	17	213

Heathercombe Brake Trust

Notes to the Financial Statements for the Year Ended 31 December 2021

6 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	2021 £	2020 £
Provisions, Housekeeping and activity	30,835	-	30,835	27,908
Catering and hospitality temporary staff costs	4,847	-	4,847	4,147
Miscellaneous staff costs	-	158	158	563
Stationery and advertising	-	1,222	1,222	2,852
Telephone	-	13,084	13,084	12,770
Motor and travel	-	2,998	2,998	4,494
Repairs, renewals and replacements	-	58,527	58,527	29,166
Bank charges and loan interest	-	1,368	1,368	296
Rates	-	5,568	5,568	28,562
Insurance	-	17,409	17,409	20,606
Heat and light	-	44,305	44,305	36,957
Interest on hire purchase contracts	-	-	-	1,058
Wages and salaries	-	300,279	300,279	537,762
Staff training	-	936	936	7,800
Pension cost	-	8,696	8,696	12,968
Depreciation	-	159,872	159,872	86,899
Impairment charges	-	100,306	100,306	-
Governance costs	-	9,001	9,001	18,528
	<u>35,682</u>	<u>723,729</u>	<u>759,411</u>	<u>833,336</u>

Included in the expenditure analysed above, there are governance costs of £9,001 (2020: £18,528) which relate directly to charitable activities. See note 7 for further details.

Heathercombe Brake Trust

Notes to the Financial Statements for the Year Ended 31 December 2021

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds £	Total 2021 £	Total 2020 £
Audit fees			
Audit of the financial statements	5,250	5,250	10,380
Other fees paid to auditors	2,880	2,880	7,774
Legal fees	871	871	374
	<u>9,001</u>	<u>9,001</u>	<u>18,528</u>

8 Net incoming resources

Net outgoing resources for the year include:

	2021 £	2020 £
Audit fees	5,250	10,380
Other non-audit services	2,880	7,774
Depreciation of fixed assets	159,872	86,899
Impairment charges	<u>100,306</u>	<u>-</u>

9 Trustees' remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year (2020: nil).

During the year 2 trustees (2020: 2 trustees) were reimbursed travel expenses of £404 (2020: £178) in connection with their role as a trustee.

Heathercombe Brake Trust

Notes to the Financial Statements for the Year Ended 31 December 2021

10 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	283,982	477,843
Social security costs	16,297	34,039
Pension costs	8,696	12,968
Redundancy costs	-	25,880
	<u>308,975</u>	<u>550,730</u>

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

	2021 No	2020 No
Management	1	2
Support	<u>20</u>	<u>28</u>
	<u>21</u>	<u>30</u>

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

The total employee benefits of the key management personnel of the charity as noted in the Trustees' Report on page 8, were £36,375 (£4,026 of this consisted of pension and social security costs) (2020 - £83,104 with £10,391 consisting of pension and social security costs). During the year ended 31 December 2020 £9,146 was paid to key management personnel in respect of redundancies.

11 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>5,250</u>	<u>10,380</u>
Other fees to auditors		
All other non-audit services	<u>2,880</u>	<u>7,774</u>

Heathercombe Brake Trust

Notes to the Financial Statements for the Year Ended 31 December 2021

12 Taxation

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

13 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost					
At 1 January 2021	1,922,503	196,632	21,334	324,433	2,464,902
Additions	-	-	-	1,677	1,677
At 31 December 2021	<u>1,922,503</u>	<u>196,632</u>	<u>21,334</u>	<u>326,110</u>	<u>2,466,579</u>
Depreciation					
At 1 January 2021	651,350	140,197	11,730	133,209	936,486
Impairment charges	100,306	-	-	-	100,306
Charge for the year	<u>127,079</u>	<u>19,390</u>	<u>2,176</u>	<u>11,227</u>	<u>159,872</u>
At 31 December 2021	<u>878,735</u>	<u>159,587</u>	<u>13,906</u>	<u>144,436</u>	<u>1,196,664</u>
Net book value					
At 31 December 2021	<u>1,043,768</u>	<u>37,045</u>	<u>7,428</u>	<u>181,674</u>	<u>1,269,915</u>
At 31 December 2020	<u>1,271,153</u>	<u>56,435</u>	<u>9,604</u>	<u>191,224</u>	<u>1,528,416</u>

Heathercombe Brake Trust

Notes to the Financial Statements for the Year Ended 31 December 2021

Impairment

Buildings

During the year the trustees undertook a review of the estimated useful life of certain building works which had previously been depreciated in line with the charity's freehold buildings depreciation policy of 2% straight line. The assets reviewed were not considered to have an estimated useful life of 50 years and at the start of the year were impaired to their fair value by the trustees. Furthermore, the trustees have agreed to revise the depreciation rates on these assets to 10% straight line. The amount of impairment loss included in profit or loss is £100,306 (2020 - £Nil). The impairment loss is included in expenditure on charitable activities.

14 Stock

	2021 £	2020 £
Consumables and goods for resale	<u>12,881</u>	<u>9,560</u>

15 Debtors

	2021 £	2020 £
Trade debtors	26,870	1,158
Other debtors	<u>11,500</u>	<u>20,797</u>
	<u>38,370</u>	<u>21,955</u>

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	43,341	10,000
Trade creditors	121	2,016
Other taxation and social security	2,651	3,621
Other creditors	1,849	3,908
Accruals and deferred income	<u>51,172</u>	<u>82,798</u>
	<u>99,134</u>	<u>102,343</u>

17 Creditors: amounts falling due after one year

	2021 £	2020 £
Bank loans	<u>196,259</u>	<u>140,000</u>

Included in the creditors are the following amounts due after more than five years:

Heathercombe Brake Trust

Notes to the Financial Statements for the Year Ended 31 December 2021

	2021 £	2020 £
After more than five years by instalments	<u>6,211</u>	<u>20,000</u>

Bank loans and overdrafts after five years

The bank loan balance consists of two Coronavirus Business Interruption Loans which have repayment terms of 6 years. For both loans no capital repayments are due for the first 12 months, the balances are then repayable over the remaining 5 years by monthly instalments. Interest is charged at 2.18% above bank base rate. These loans are unsecured.

18 Commitments

Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. Commitments provided for in the accounts amounted to £2,651 (2020: £2,134).

Heathercombe Brake Trust

Notes to the Financial Statements for the Year Ended 31 December 2021

19 Funds

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2021 £
Unrestricted funds					
<i>General</i>					
Free reserves	(97,564)	540,491	(498,707)	(1,677)	(57,457)
<i>Designated</i>					
Fixed asset reserve	1,528,416	-	(260,178)	1,677	1,269,915
Quantick fund	4,717	10,600	-	-	15,317
	<u>1,533,133</u>	<u>10,600</u>	<u>(260,178)</u>	<u>1,677</u>	<u>1,285,232</u>
Total unrestricted funds	<u>1,435,569</u>	<u>551,091</u>	<u>(758,885)</u>	<u>-</u>	<u>1,227,775</u>
Restricted funds					
Camp Courageous	4,106	-	(526)	-	3,580
Wheelchair fund	3,019	50	-	-	3,069
Total restricted funds	<u>7,125</u>	<u>50</u>	<u>(526)</u>	<u>-</u>	<u>6,649</u>
Total funds	<u>1,442,694</u>	<u>551,141</u>	<u>(759,411)</u>	<u>-</u>	<u>1,234,424</u>

Quantick Fund

The Quantick fund (previously known as the Access fund) is a hardship/deprivation fund available to needy and deprived groups, with a focus on disadvantaged children in a Christian environment. During the year income of £10,600 was received and no payments were made, the balance of £15,317 will be carried forward for use in 2022.

Restricted funds

The charity established a legacy project on its 25th anniversary called Camp Courageous. In previous years the charity raised funds to provide free places at the camp at Heatree for families from South Devon with children suffering from Down's Syndrome. During the year £526 was spent and the balance of £3,580 is carried forward into 2022.

During the year the charity continued to raise money toward the purchase of a wheelchair with a further £50 being received, the balance of £3,069 at the year end is carried forward into 2022.

Heathercombe Brake Trust

Notes to the Financial Statements for the Year Ended 31 December 2021

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2020 £
Unrestricted funds					
<i>General</i>					
Free reserves	248,676	418,347	(746,437)	(18,150)	(97,564)
<i>Designated</i>					
Fixed asset reserve	1,597,165	-	(86,899)	18,150	1,528,416
Quantick fund	4,717	-	-	-	4,717
	<u>1,601,882</u>	<u>-</u>	<u>(86,899)</u>	<u>18,150</u>	<u>1,533,133</u>
Total unrestricted funds	<u>1,850,558</u>	<u>418,347</u>	<u>(833,336)</u>	<u>-</u>	<u>1,435,569</u>
Restricted					
Camp Courageous	4,106	-	-	-	4,106
Wheelchair fund	2,949	70	-	-	3,019
	<u>7,055</u>	<u>70</u>	<u>-</u>	<u>-</u>	<u>7,125</u>
Total restricted funds	<u>7,055</u>	<u>70</u>	<u>-</u>	<u>-</u>	<u>7,125</u>
Total funds	<u>1,857,613</u>	<u>418,417</u>	<u>(833,336)</u>	<u>-</u>	<u>1,442,694</u>

20 Analysis of net assets between funds

	Unrestricted general funds £	Unrestricted designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	-	1,269,915	-	1,269,915
Current assets	237,936	15,317	6,649	259,902
Current liabilities	(95,793)	-	-	(95,793)
Creditors over 1 year	<u>(199,600)</u>	<u>-</u>	<u>-</u>	<u>(199,600)</u>
Total net assets	<u>(57,457)</u>	<u>1,285,232</u>	<u>6,649</u>	<u>1,234,424</u>

Heathercombe Brake Trust

Notes to the Financial Statements for the Year Ended 31 December 2021

21 Analysis of net debt

	At 1 January 2021 £	Financing cash flows £	At 31 December 2021 £
Cash at bank and in hand	125,106	83,545	208,651
Debt due within one year	(10,000)	(30,000)	(40,000)
Debt due after more than one year	(140,000)	(59,600)	(199,600)
Loan repayments	-	(10,400)	(10,400)
Net debt	<u>(24,894)</u>	<u>(16,455)</u>	<u>(41,349)</u>

22 Related party transactions

Related party transactions

There were no donations received from trustees during 2021 (2020: Jonathan Bishop, Chair of trustees, donated £1,468 to the charity, this donation was unrestricted).

Jonathan Bishop and Matthew Pitts, trustees, are both directors of Cornerstone Academy Trust.

The charity made purchases of £96 (2020: £432) for IT services during the year from Clystnet, the Chair of Cornerstone Academy Trust, Henry Massey, owns this company.

Controlling party

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