

Charity Registration No. 1087766

Company Registration No. 04240017 (England and Wales)

CRANEDALE EDUCATIONAL CHARITABLE TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

CRANEDALE EDUCATIONAL CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees Mr A W A Outhwaite
Mrs M E Outhwaite
Mr J P Midgley
Mr R E France
Mr R H R Innes

Secretary Mrs M E Outhwaite

Charity number 1087766

Company number 04240017

Registered office Manor Farm
Kirby Grindalythe
Malton
North Yorkshire
UK
YO17 8DB

Independent examiner David Walker FCA
124 Acomb Road
Holgate
York
YO24 4EY

Bankers HSBC UK Bank Plc
27 Market Place
Malton
YO17 7LU

CRANEDALE EDUCATIONAL CHARITABLE TRUST

CONTENTS

	Page
Trustees' report	1 - 5
Independent examiner's report	6
Statement of financial activities	7 - 8
Balance sheet	9 - 10
Statement of cash flows	11
Notes to the financial statements	12 - 27

CRANEDALE EDUCATIONAL CHARITABLE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their report and financial statements for the year ended 31 August 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the trust's memorandum and articles of association, the Companies Act 2006 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 (FRS 102) (effective 1 January 2019)".

Objectives and activities

The trust's objects are the advancement of the public benefit of education concerning the natural environment and knowledge of the living world.

The policies adopted in furtherance of these objects is the operation of an educational field centre. There has been no change in this during the year.

The general aims of the trust remain the education, mainly of children, through its field centre, in matters concerning the natural environment.

Objectives for the year were, as previously, the effective running of the field centre and the provision of high quality field courses and services.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the trust should undertake.

The Charitable Trust continues to be a market leader in the provision of high quality field courses and promotes its services to schools and colleges nationwide. Schools from North, South, East and West Yorkshire continue to make up over 50% of the Centre's courses in 2019/20 and an analysis of customer destinations showed a continuing strength in our market niche in all counties with direct or easy access to M1/A1 and M62 motorways. Many schools are therefore travelling in excess of 100 miles to reach the Centre and course enquiries are also being generated overseas.

Closedown: 20th March 2020 – 31st August 2020

The Coronavirus Pandemic brought in our first Lockdown period in the UK on the 23rd March which closed all schools and prevented all school trips. The Charity therefore had to close its doors and all educational income ceased entirely. With no obvious end to Government restrictions in sight the Charity's sole objective was survival. The unknown and uncertainty of this unprecedented situation was alleviated in part by the Government's introduction of a generous Furlough Scheme and all employees apart from the Head of Centre joined that scheme and received 80% of their wages/salaries. The Head of Centre accepted a pay cut but continued in post to administer the business and respond to customer enquiries.

Furlough has been a major factor in the fight for survival during the financial year and has provided reassurance to the Charity's employees that their jobs were, for the time-being, supported and safe. The Trustees were also highly involved in all discussions on the fate of the charity's fragile finances and requested a thorough review and scaling down of all unnecessary expenditure. Many of our suppliers and contractors agreed either a reduction in premium payments or a premium 'holiday' for which the Charity was most grateful. However it was a time of great anxiety over the Charity's finances and very little support came from Central Government until 3rd June when the Charity received a 'Bounce Back Loan' of £50,000 from HSBC. In addition a Discretionary Grant of £10,000 was forthcoming from Ryedale DC on 27th July.

CRANEDALE EDUCATIONAL CHARITABLE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2020**

Other Activities

The Cranedale Educational Charitable Trust continued to promote its activities through targeted advertising in specialist magazines and attendance / exhibiting at educational conferences throughout the country. These conferences give the Cranedale Centre excellent exposure to the schools' market and are potentially useful in generating future bookings.

Cranedale Centre's research, through its Customer Evaluations, clearly shows that the vast majority of new enquiries are generated through its website (www.cranedale.com) or via recommendations from existing customers. The Charity is committed to an ongoing review of its website, using it to promote more one off events and raising investment in site optimisation systems.

The Charity continued to auto-enrol its new employees, where applicable, and all existing eligible employees were participating in the NEST pension scheme in 2019/20.

2018/19 was a year of reduced income for the Charity as a result of falling person days. It was, therefore, a year of enforced austerity with a reduced expenditure budget set and many non-essential developments were deferred. In 2019-20 the austerity was lifted to allow the Charity to refurbish and redevelop some of its facilities.

Replacement sideboards and a new hot drinks machine were authorised for the dining room and the Student Common Room (Barn) was also updated with a new hot drinks machine, new chairs and a new television and recording facility. Education was another benefactor of increased spending with the acquisition of new tutor laptops and a PC for the Office educational programming.

Achievements and performance

The Financial Year 2019-20 has been a year of great difficulty and anxiety with the advent of the Coronavirus pandemic half way through the trading year. The following overview represents the Charity's trading position and strengths which, it is hoped, will stand the Cranedale Centre in good stead when it hopefully re-emerges from the constraints of the pandemic at some future date, yet to be determined.

Our research shows that a high percentage (in excess of 80%) of our customer schools are requesting to re-book their field-courses but they do so for shorter courses and often for reduced numbers. The timing of field-courses has also changed with changing examination requirements and more and more pressure is now being exerted on the spring and summer weeks as the desired period for fieldstudies.

The need to reduce costs to parents and pressure from school management to reduce disruption to the school timetable is now a very real driver and will be an important factor in our future expectations of person-day totals. Schools have also informed the Centre that transport costs are also a major obstacle to their residential trips.

Despite the above changes in the pattern of bookings, midweek occupancy continues at a moderately high level. Weekend occupancy throughout the year continues to be a less attractive period for teachers but remains viable due to a consistent number of independent schools requesting these periods. The hard to fill, 1 and 2 day, midweek gaps are an unfortunate consequence of 3 and 4 day bookings and continue to be of concern but there is some evidence that the imperative to reduce time out of school has led to more interest in 2 day bookings. The Centre continues to be supported by a very high percentage of customers repeating their bookings from year to year but the challenge for the Centre over the forthcoming years will be to exploit some of the Centre's traditionally slack periods and attract self-tutored groups.

CRANEDALE EDUCATIONAL CHARITABLE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

The Charity operates a very flexible bookings policy allowing for incoming courses to over-lap with outgoing customers and this, in turn, continues to increase the scope for accommodating short stay bookings but the pressure on teaching staff has intensified. This flexibility has now developed into an 'any-day' arrival and departure system to assist schools in working around the constraints of a busy school timetable. This policy, while suiting schools, puts a lot of pressure on the Charity's support staff with an ever increasing number of changeover days. This in turn increases the wage bill for the Charity. A more flexible pricing structure, to sit in-tandem with the flexible booking pattern, is now in place and schools are charged for the exact amount of time they stay at the Centre rather than on a formulaic cost per 24 hour residency.

The Centre continues to be proactive in attracting new customers to fill the vacancies arising. As such, in 2019/20, vacant dates and discounts/special deals continued to be made available on the Centre's website www.cranedale.com. This is the Charity's most effective marketing tool.

Social media is another area that teachers use widely and the Centre is embracing it in its promotional and recruitment activities. Discussion is continuing at management level as to whether The Charity should invest more fully in this medium in the near future.

Financial review

The Charity can confirm that its customer base remains very solid and the high percentage re-booking has been consistent over the last 10 financial years although it is now very noticeable that many of the Charity's customer schools are bringing fewer and fewer students and the Charity's person day totals are falling. The Charity therefore needs to commit to marketing its activities even more vigorously to increase the number of schools using the Centre and therefore increase the size of its revenue stream. This will be essential if it is to be able to withstand difficult financial periods in the future.

It is the policy of the trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to 12 month's expenditure. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the trust's current activities while consideration is given to ways in which additional funds may be raised.

Total reserves are £ 58218 (2019 £ 153764) and therefore the current amount of reserves are less than this amount although it is the intention of the trustees to continue to generate surpluses in the future which will be retained in order adhere to the policy.

The investment policy is to adopt a medium risk strategy based on maximising capital growth and, within this strategy, the trustees set a 4% growth based on the market value of the portfolio. The actual return during financial year was -2.9% (2019 5.09%).

The trustees have assessed the major risks to which the trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The trustees review the major risks which the trust faces on a regular basis with the trust's manager and believe that maintaining the trusts unrestricted reserves as above, combined with a regular review of the trust's finances and financial controls will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate any significant risks.

CRANEDALE EDUCATIONAL CHARITABLE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 AUGUST 2020*

Plans for the Future

The future for Cranedale Educational Charitable Trust Ltd is very uncertain at the time of writing and the normal process of forward planning and budgeting has been suspended pending a Government announcement of the timing of a reopening of the educational residential visits sector. When, how and if the Charity can reopen are at present the subject of much speculation and a considerable source of anxiety. The Trustees continue to monitor the situation closely.

Structure, governance and management

The trust was registered with the Charity Commission on 30th July 2001 and is constituted as a company limited by guarantee and is therefore governed by its memorandum and articles of association dated 22nd June 2001.

The trust began to operate on 1 September 2001 when the assets and liabilities of the registered charity also known as the Cranedale Educational Charitable Trust were transferred to the company at their balance sheet value.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr A W A Outhwaite

Mrs M E Outhwaite

Mr J P Midgley

Mr R E France

Mr R H R Innes

The appointment of trustees is governed by the Articles of Association. At the every annual general meeting one third of the trustees who are subject to retirement by rotation, or, if their number is not three or a multiple of three, the number nearest to one third shall retire from office; but if there is only one trustee who is subject to retirement by rotation, he shall retire.

Subject to the provisions of the articles, the trustees to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed trustees on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

If the charity at the meeting at which a trustee retires by rotation, does not fill the vacancy the retiring trustee shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the trustee is put to the meeting and lost.

As a result, A W A Outhwaite and R H R Innes retire from office but, being eligible, offer themselves for re-election.

The charity may by ordinary resolution appoint who is willing to act to be a trustee and may also determine the rotation in which any additional trustees are to retire.

The trustees may appoint a person who is willing to act to be a trustee either to fill a vacancy or as an additional trustee provided that the appointment does not cause the number of trustees to exceed any number fixed by or in accordance with the articles as the maximum number of trustees. A trustee so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the trustees who are to retire by rotation at the meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

CRANEDALE EDUCATIONAL CHARITABLE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

All new trustees are given a copy of the trust's memorandum and articles of association and are provided with booklets CC3 and CC3a from the Charity Commissioners and "Running a Limited company" from Companies House, which give guidance and advice on being a trustee and director.

The trustees have complied with the duty imposed upon them by Section 4 of the Charities Act 2011/2006 to have due regard to guidance published by the Charity Commission.

The Trustees have also had regard to the Charity Commissioners guidance on public benefit.

The trust does not receive any services from volunteers.

The trustees meet regularly to manage the trust's affairs and delegate the day-to-day running of the trust's activities to its operational director, Mr Chris Cassells, general manager, tutors and administrative staff.

The remuneration of the charity's key management personal is agreed at the current market rates applicable to the particular duties performed by the employees concerned.

The Memorandum and Articles of Association authorises the trustees to deposit or invest in the name of the charity and part of the funds as the trustees in their absolute discretion think fit.

The trust has numerous schools and educational facilities who return on a regular basis to the field centre. Although no formal working relationships have been formed with any of these entities.

The trust wholly owns a subsidiary company The Cranedale Centre Limited which provides holidays and associated goods and services of a non educational nature. It also provides the trust with transport facilities. The subsidiary's results are summarised in note 22.

The trustees' report was approved by the Board of Trustees.

Mr A W A Outhwaite

Trustee

Dated: 12 May 2021

CRANEDALE EDUCATIONAL CHARITABLE TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF CRANEDALE EDUCATIONAL CHARITABLE TRUST

I report to the trustees on my examination of the financial statements of Cranedale Educational Charitable Trust (the trust) for the year ended 31 August 2020.

Responsibilities and basis of report

As the trustees of the trust (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the trust 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 trust's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

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

- 1 accounting records were not kept in respect of the trust as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements 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 financial statements to be reached.

David Walker FCA

Chartered Accountant
124 Acomb Road
Holgate
York
YO24 4EY

Dated: 12 May 2021

CRANEDALE EDUCATIONAL CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Current financial year

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes			
<u>Income from:</u>				
Donations and legacies	3	10,299	126,741	137,040
Charitable activities	4	449,047	-	449,047
Investments	5	2,637	-	2,637
Total income		461,983	126,741	588,724
<u>Expenditure on:</u>				
Raising funds	6	808	-	808
Charitable activities	7	675,774	-	675,774
Total resources expended		676,582	-	676,582
Net gains/(losses) on investments	11	(7,688)	-	(7,688)
Net (outgoing)/incoming resources before transfers		(222,287)	126,741	(95,546)
Gross transfers between funds		126,741	(126,741)	-
Net movement in funds		(95,546)	-	(95,546)
Fund balances at 1 September 2019		153,764	-	153,764
Fund balances at 31 August 2020		58,218	-	58,218

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CRANEDALE EDUCATIONAL CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Prior financial year

		funds 2019 £	2019 £
	Notes		
<u>Income from:</u>			
Donations and legacies	3	4,531	4,531
Charitable activities	4	850,538	850,538
Investments	5	2,900	2,900
Total income		857,969	857,969
<u>Expenditure on:</u>			
Raising funds	6	750	750
Charitable activities	7	844,186	844,186
Total resources expended		844,936	844,936
Net gains/(losses) on investments	11	3,532	3,532
Net (outgoing)/incoming resources before transfers		16,565	16,565
Net movement in funds		16,565	16,565
Fund balances at 1 September 2018		137,199	137,199
Fund balances at 31 August 2019		153,764	153,764

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

CRANEDALE EDUCATIONAL CHARITABLE TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12	133,860		155,720	
Investments	13	104,164		99,156	
		<u>238,024</u>		<u>254,876</u>	
Current assets					
Stocks	14	5,913		6,467	
Debtors falling due after one year	15	72,221		58,563	
Debtors falling due within one year	15	44,246		27,014	
Cash at bank and in hand		65,639		60,331	
		<u>188,019</u>		<u>152,375</u>	
Creditors: amounts falling due within one year					
Obligations under finance leases	17	1,403		1,318	
Taxation and social security		7,018		8,853	
Other creditors	18	308,296		240,805	
		<u>316,717</u>		<u>250,976</u>	
Net current liabilities			(128,698)		(98,601)
Total assets less current liabilities			109,326		156,275
Creditors: amounts falling due after more than one year	19		(51,108)		(2,511)
Net assets			<u>58,218</u>		<u>153,764</u>
Income funds					
Unrestricted funds			58,218		153,764
			<u>58,218</u>		<u>153,764</u>

CRANEDALE EDUCATIONAL CHARITABLE TRUST

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2020

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2020.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 12 May 2021

Mr A W A Outhwaite
Trustee

Company Registration No. 04240017

CRANEDALE EDUCATIONAL CHARITABLE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	23		(24,258)		43,213
Investing activities					
Purchase of tangible fixed assets		(9,057)		(13,813)	
Purchase of investments		(12,689)		(17,239)	
Proceeds on disposal of investments		(7)		(15)	
Interest received		2,637		2,900	
Net cash used in investing activities			(19,116)		(28,167)
Financing activities					
Proceeds of new bank loans		50,000		-	
Payment of obligations under finance leases		(1,318)		(1,234)	
Net cash generated from/(used in) financing activities			48,682		(1,234)
Net increase in cash and cash equivalents			5,308		13,812
Cash and cash equivalents at beginning of year			60,331		46,519
Cash and cash equivalents at end of year			65,639		60,331

CRANEDALE EDUCATIONAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Charity information

Cranedale Educational Charitable Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Manor Farm, Kirby Grindalythe, Malton, North Yorkshire, YO17 8DB, UK.

1.1 Accounting convention

The financial statements have been prepared in accordance with the trust's articles and memorandum of association, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The trust is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include fixed asset investments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements are prepared on the going concern basis. The trustees have a reasonable expectation that the trust will continue in operational existence for the foreseeable future, however, the trustees are aware of certain material uncertainties which may cause doubt on the charity's ability to continue as a going concern.

Government decisions, yet to be made at the date of signing these accounts, on the ability of educational residential sites to reopen fully may affect the centre's ability to continue to trade as a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the trust.

1.4 Income

Income is recognised when the trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

CRANEDALE EDUCATIONAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant which specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.5 Expenditure

Resources expended are accounted for on an accruals basis.

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

Charitable activities include expenditure associated with the field centre and educational programmes and include both direct and support costs relating to those activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Straight line over 20 years
Fixtures and fittings	Straight line over 10 years, 5 years if leased asset

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the trust. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

CRANEDALE EDUCATIONAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

CRANEDALE EDUCATIONAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Critical accounting estimates and judgements

In the application of the trust's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2020 £	2020 £	2020 £	2019 £
Donations and gifts	299	-	299	4,531
Government support	10,000	126,741	136,741	-
	<u>10,299</u>	<u>126,741</u>	<u>137,040</u>	<u>4,531</u>
Donations and gifts				
Cranedale Centre Limited	-	-	-	1,000
Other	299	-	299	3,531
	<u>299</u>	<u>-</u>	<u>299</u>	<u>4,531</u>

CRANEDALE EDUCATIONAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

3 Donations and legacies

(Continued)

Grants receivable for core activities

Ryedale Council Discretionary Grant	10,000	-	10,000	-
Coronavirus Job Support Scheme	-	126,741	126,741	-
	<u>10,000</u>	<u>126,741</u>	<u>136,741</u>	<u>-</u>

4 Charitable activities

Field centre 2020
£

Field centre 2019
£

Field Centre	449,047	850,538
--------------	---------	---------

5 Investments

Unrestricted funds
2020
£

Unrestricted funds
2019
£

Rental income	600	600
Income from listed investments	4	4
Interest recieved on group company loan	1,937	2,221
Interest receivable	96	75
	<u>2,637</u>	<u>2,900</u>

The rental income received arises from the letting of various parts of the centre's premises to the charitable trust's wholly owned subsidiary, Cranedale Centre Limited.

6 Raising funds

2020
£

2019
£

Investment management	808	750
	<u>808</u>	<u>750</u>

CRANEDALE EDUCATIONAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

7 Charitable activities

	Field centre operation 2020 £	Field centre operation 2019 £
Staff costs	297,323	339,994
Depreciation and impairment	30,917	31,299
Educational Purchases	44,025	83,819
Repairs & Renewals	10,280	25,189
Motor Expenses & Travel	60,049	107,877
Teaching Staff Telephone	687	1,466
Light, Heat & Power	35,978	43,599
Sundry Expenses	4,441	4,015
Rent & Rates	32,249	32,494
Insurances	11,737	12,223
Books & Maps	-	49
Laundry	12,004	14,911
	<u>539,690</u>	<u>696,935</u>
Share of support costs (see note 8)	93,971	106,173
Share of governance costs (see note 8)	42,113	41,078
	<u>675,774</u>	<u>844,186</u>

All the charitable activities relate to the operation of the educational field centre.

CRANEDALE EDUCATIONAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Support costs

	Support costs £	Governance costs £	2020 £	2019 £	Basis of allocation
Staff costs	68,001	24,603	92,604	100,290	Time spent
Depreciation	-	-	-	1,300	Useage
Telecommunications	5,584	-	5,584	5,528	Total Expenditure
Printing & Stationery	2,303	-	2,303	3,587	Total Expenditure
Advertising	3,991	-	3,991	4,092	Total Expenditure
Staff Training	620	-	620	1,047	Total Expenditure
Conference expenses	-	-	-	2,241	Total Expenditure
Sub contract labour	674	-	674	1,335	Total Expenditure
Cleaning & General Maintenance	6,547	-	6,547	6,062	Total Expenditure
IT Costs	6,251	-	6,251	7,431	Total Expenditure
Audit fees	-	2,750	2,750	3,250	Governance
Accountancy	-	182	182	1,345	Governance
Legal and professional	-	-	-	585	Governance
Bank Charges	-	177	177	232	Governance
HP & Lease Charges	-	231	231	316	Governance
Bookkeeping	-	14,170	14,170	8,610	Governance
	<u>93,971</u>	<u>42,113</u>	<u>136,084</u>	<u>147,251</u>	
Analysed between					
Charitable activities	<u>93,971</u>	<u>42,113</u>	<u>136,084</u>	<u>147,251</u>	

Governance costs includes payments to the auditors of £2,750 (2019 - £3,250) for the independent examination of the financial statments and £182 (2019- £1,345) for other services.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the trust during the year.

Trustees AWA Outhwaite and ME Outhwaite, husband and wife, purchased various goods and services, at full commercial rates and under normal commercial terms, from the trust during the year as follows:

Cleaning services £4,833 (2019- £7,845)

Domestic services £4,878 (2019- £5,432)

Motor insurance £4,700 (2019- £3,763)

The amounts outstanding at the year end were £nil (2019 £nil).

CRANEDALE EDUCATIONAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

10 Employees

Number of employees

The average monthly number of employees during the year was:

2020 Number	2019 Number
39	39
<u>39</u>	<u>39</u>

Employment costs

	2020 £	2019 £
Wages and salaries	360,531	400,387
Social security costs	16,893	25,888
Other pension costs	12,503	14,009
	<u>389,927</u>	<u>440,284</u>

No employees received remuneration including any benefits of more than £60,000.

11 Net gains/(losses) on investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Revaluation of investments	<u>(7,688)</u>	<u>3,532</u>

CRANEDALE EDUCATIONAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Tangible fixed assets

	Leasehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 September 2019	404,122	343,412	747,534
Additions	-	9,057	9,057
Disposals	-	(2,550)	(2,550)
At 31 August 2020	404,122	349,919	754,041
Depreciation and impairment			
At 1 September 2019	318,377	273,437	591,814
Depreciation charged in the year	15,079	15,838	30,917
Eliminated in respect of disposals	-	(2,550)	(2,550)
At 31 August 2020	333,456	286,725	620,181
Carrying amount			
At 31 August 2020	70,666	63,194	133,860
At 31 August 2019	85,745	69,975	155,720

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £1,320 (2019 - £1,320) for the year.

	2020 £	2019 £
Fixtures and fittings	2,420	3,740

An impairment review of the charity's fixed assets has been undertaken. The net realisable value of the assets concerned has been assessed by estimating their market value. Their value in use has been determined by evaluating present value of the future benefits expected to arise from the continued use of the assets concerned.

It has been agreed that the improvements to the leasehold property will be acquired by the landlord at their written down value at the time of the landlord's terminating the trust's operating lease.

CRANEDALE EDUCATIONAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

13 Fixed asset investments

	Listed investments £	Cash in portfolio	Other investments	Total £
Cost or valuation				
At 1 September 2019	94,200	67	4,889	99,156
Additions	12,689	13,500	-	26,189
Valuation changes	(2,799)	-	(4,889)	(7,688)
Investment Income	-	4	-	4
Charges	-	(808)	-	(808)
Disposals	-	(12,689)	-	(12,689)
At 31 August 2020	104,090	74	-	104,164
Carrying amount				
At 31 August 2020	104,090	74	-	104,164
At 31 August 2019	94,200	67	4,889	99,156

	Notes	2020 £	2019 £
Other investments comprise:			
Investments in subsidiaries	22	-	4,889

Fixed asset investments revalued

The investments have been stated at their open market value at the end of the accounting period. This valuation was prepared by AVIVA the portfolio managers.

CRANEDALE EDUCATIONAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

14 Stocks

	2020 £	2019 £
Raw materials and consumables	5,913	6,467

15 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	-	10,000
Other debtors	35,146	7,033
Prepayments and accrued income	9,100	9,981
	44,246	27,014

	2020 £	2019 £
Amounts falling due after more than one year:		
Amounts owed by subsidiary undertakings	70,041	50,041
Other debtors	2,180	8,522
	72,221	58,563

Total debtors	116,467	85,577
----------------------	----------------	---------------

16 Loans and overdrafts

	2020 £	2019 £
Bank loans	50,000	-
Payable after one year	50,000	-
Amounts included above which fall due after five years:		
Payable by instalments	10,000	-

On 1st June 2020 the trust was advanced a loan of £50,000 under the coronavirus Bounce Bank Loan Scheme. Repayable in instalments over 5 Years after an initial 12 months interest and repayment free. Interest is payable at 2.5%.

CRANEDALE EDUCATIONAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

17 Finance lease commitments

Future minimum lease payments due under finance leases:

	2020 £	2019 £
Within one year	1,520	1,520
Within two and five years	1,139	2,658
	<u>2,659</u>	<u>4,178</u>
Less: future finance charges	(148)	(349)
	<u>2,511</u>	<u>3,829</u>

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

18 Other creditors falling due within one year

	2020 £	2019 £
Payments received on account	274,718	184,249
Trade creditors	3,203	15,481
Other creditors	23,393	17,504
Accruals and deferred income	6,982	23,571
	<u>308,296</u>	<u>240,805</u>

19 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans	16	50,000	-
Obligations under finance leases	17	1,108	2,511
		<u>51,108</u>	<u>2,511</u>

CRANEDALE EDUCATIONAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds		
	Incoming resources	Balance at 1 September 2019	Incoming resources	Resources expended	Balance at 31 August 2020
	£	£	£	£	£
Coronavirus Job Retention Scheme	-	-	126,741	(126,741)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

CRANEDALE EDUCATIONAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	64,854	60,135

The Cranedale Centre's freehold land is owned by Shipton Estates Limited of which Mr A W A Outhwaite, a trustee of the trust, is director and major shareholder. The centre is occupied under an operating lease, dated 1 January 2018, for 3 years, on a full repairing and insuring basis, at a rental of one acorn, if so demanded.

On 4 January 2012 the trust entered into assured shorthold tenancies in respect of 4 domestic properties owned by Shipton Estates Limited to be occupied by the centre's tutors, the rents payable are at a full market rent and have been assessed by an independent surveyor. The total rents paid amounted to £24,000 (2019- £24,000) with amounts outstanding at the year end of £nil (2019- £nil).

A loan of £24,000 was advanced to Shipton Estates Limited on 14 December 2017 and is repayable in instalments over four years, interest is payable at 6.67% the amount owing at the year end was of £8523 (2019- £14571).

The trust wholly owns a subsidiary company The Cranedale Centre Limited which provides holidays and associated goods and services of a non educational nature.

Goods and services were purchased from the company during the year, on normal commercial terms, totalling £59,968 (2019- £107,763) with amounts outstanding at the year end of £nil (2019- £nil).

Goods and services were sold to the company during the year, on normal commercial terms, totalling £4,200 (2019- £4,200) with amounts outstanding at the year end of £nil (2019- £nil).

The trust receives a rent from the company, in respect of a 12 month licence, renewable yearly, for the company to occupy and use, including trading from and the hiring out of, various areas of the Cranedale Centre, payable at a sum of £600 per annum (2019- £600).

Donations under the Gift Aid scheme were also made to the trust, by the company, during the year totalling £nil (2019- £1,000). The amount owing at the year end was £0 (2019- £ 0).

The trust has supported it's wholly owned subsidiary during the year and has an unsecured loan due from the company which has a balance at 31 August 2020 of £70041 (2019- £60041).

The loan is repayable in full on 13 July 2021, and interest is payable at 2% above HSBC base rates, per annum.

CRANEDALE EDUCATIONAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Subsidiaries

These financial statements are separate trust financial statements for Cranedale Educational Charitable Trust for the year ending 31 August 2020.

Separate company financial statements are prepared in compliance with Companies Act 2006. Consolidated financial statements for the group are not required to be prepared in accordance with Companies Act 2006 and the Charities Act.

Separate financial statements for the trusts subsidiary, Cranedale Centre Limited are prepared and can be obtained from the registered office.

Details of the trust's subsidiaries at 31 August 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Cranedale Centre Limited	UK	Educational Services	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Cranedale Centre Limited	(14,746)	(5,857)

The investments in subsidiaries are all stated at fair value.

23 Cash generated from operations	2020 £	2019 £
(Deficit)/surplus for the year	(95,546)	16,565
Adjustments for:		
Investment income recognised in statement of financial activities	(2,637)	(2,900)
Fair value gains and losses on investments	7,688	(3,532)
Depreciation and impairment of tangible fixed assets	30,917	32,599
Movements in working capital:		
Decrease in stocks	554	909
(Increase)/decrease in debtors	(30,890)	2,082
Increase/(decrease) in creditors	65,656	(2,510)
Cash (absorbed by)/generated from operations	(24,258)	43,213

CRANEDALE EDUCATIONAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 Analysis of changes in net funds

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	60,331	5,308	65,639
Loans falling due after more than one year	-	(50,000)	(50,000)
Obligations under finance leases	(3,829)	1,318	(2,511)
	<u>56,502</u>	<u>(43,374)</u>	<u>13,128</u>