

**Embercombe - a company limited by guarantee**

**Annual Report**

**Year Ended 31 March 2022**

Company Registration Number 05943952

Charity Registration Number 1116793

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## **TRUSTEES ANNUAL REPORT**

The Trustees, who are also directors for the purposes of company law, submit their report and the unaudited financial statements of the Trust for the year ended 31 March 2022. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts, and comply with the Company's Memorandum and Articles of Association, the Charities Act 2011, 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), which was published on 16 July 2014. This report includes the Directors Report as required by Company Law.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

Registered Company number: 5943952 (England and Wales)

Registered Charity Number: 1116793

Registered Office:

Embercombe

Higher Ashton

Exeter

Devon

EX6 7QT

### **Trustees**

Charles Anderson (appointed July 2016)

Rosa Sommer Martin (appointed December 2017)

Jacqueline Davis (appointed November 2019)

Ruth Dobson (resigned September 2021)

Jon Rae (resigned May 2021)

### **Bankers**

The Co-Operative Bank

Skelmersdale

WN8 6WT

The objects of the company are to promote all purposes which are charitable under the laws of England and Wales.

## Governing Document

Embercombe is a charitable company limited by guarantee, having no share capital, incorporated under the Companies Act and governed in accordance with the Memorandum and Articles of Association dated 22 September 2006 and amended October 2015. It is a registered charity.

## Chairs Report

The last two years have been quite a time; they were a period of stress, upheaval and change, and the emergence from COVID proved exceptionally challenging for us. The post COVID year was not expected to be as turbulent as it was, but the changes and uncertainty impacted the Trust significantly, with courses having to be moved, cancelled, and changed at short notice. The knock-on effect on costs was also significant, with courses running not fully booked and adjustments having to be made on site.

Significant changes within the board presented an opportunity to refocus our strategy and the opportunities to build a resilient and focused future in pursuit of our mission.

The work of Embercombe is now more relevant than ever. Our courses which follow the twin paths of inner and outer development to engage people in action and service, are needed in a world that is increasingly in crisis.

We are thankful to be in a position where we can make a difference; being part of a growing community of like-minded people with a new Board of Trustees to carry the Trust forward, we are working towards a sustainable and thriving future.

## Reserves

The Board has over the last year monitored the reserve position closely, keeping cash flow forecast and expenditure under constant review. Our reserve policy going forward is to increase and maintain reserves at 6 times the monthly operating cost of the organisation.

The Charity's reserves position at the year-end was as follows:

Reserve					<u>FY21-22</u>	<u>FY20-21</u>
Unrestricted Funds - Reserves					(116,506)	69,797
Fixed Assets					1,158,116	1,185,978
Restricted Funds					11,487	11,487
Endowment Funds					914,993	914,993
Total					1,968,090	2,182,255
Annual operating expenditure					459,852	395,439
Ratio of reserves to annual operating expenditure					0.24	0.18

*(Endowment Funds – The endowment represents the gift of the freehold property to the charity together with expenditure by the previous trust on the property at Embercombe, prior to the company being formed)*

**Small Company Provisions**

This report has been prepared in accordance with the small companies' regime under the Companies Act 2006.

The annual report was Approved by the Trustees of the charity and signed on its behalf by:

**Ellie Tallett** – Chair of Trustees

Date – 26/05/2022

## Trustees Responsibilities

Charity Law in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the situation of the charitable company's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the applicable Charities SORP.
- make judgements that are reasonable and prudent.
- state whether the 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 ongoing concern basis unless it is inappropriate to presume that the charity will continue its operations.

The Trustees are responsible for keeping 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 to 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 or other irregularities.

Embercombe selects and appoints Trustees in line with current Charities Commission guidelines seeking to balance the expertise and professional experience of Board members.

In so far as the Trustees are aware:

There is no relevant accounts information of which the charitable company is unaware.

The Trustees have taken all steps that they ought to have taken, to make themselves aware of any relevant accounts information and to establish that the independent examiner is aware of that information.

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



**CHARITY COMMISSION**  
FOR ENGLAND AND WALES

## Independent examiner's report on the accounts

### Section A

### Independent Examiner's Report

**Report to the  
trustees/directors/  
members of**

Embercombe

**On accounts for the year  
ended**

31 March 2022

**Charity no.:**

1116793

**Company no.:**

05943952

**Set out on pages**

14-39

I report to the charity trustees on my examination of the accounts of the Company for the year ended **31 / 03 / 2022**

**Responsibilities and  
basis of report**

As the charity's trustees of the Company (who are also the directors of the company for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

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

**Independent  
examiner's statement**


I have completed my examination. I confirm that no material matters have come to my attention (other than that disclosed below \*) which gives me cause to believe that:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 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
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

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

*\* Please delete the words in the brackets if they do not apply.*

**Signed:**



**Date:** 31/10/2022

**Name:**

Emma Charlotte

**Relevant professional qualification(s) or body (if any):**

ACIE

**Address:**

The Fox, 18 Castle Park, Hemyock, Devon EX15 3SA

<b>Embercombe</b>						
<b><u>Statement of Financial</u></b>						
<b><u>Activities</u></b>						
<b><u>for the Year Ended 31</u></b>						
<b><u>March 2022</u></b>						
					Year Ended	Year Ended
					31-Mar-22	31-Mar-21
		Unrestricted	Restricted	Endowme		
		Funds	Funds	nt Funds	Total Funds	Total Funds
	Notes	£	£	£	£	£
Income from:						
Donations	2	7,370			7,370	7,855
Charitable Activities	3	227,012			227,012	324,149
Investment Income	4	17			17	0
Grant Income	5	11,289			11,289	115,088
Other						
					0	0
Total Incoming resources		245,688	0	0	245,688	447,092
Expenditure on						
<b>Raising Funds</b>						
<b>Charitable activities</b>	6/7	(467,995)			(467,995)	(395,439)
Separate Material Item						
of Expense	8					
Other	9	8,143			8,143	0
Total resources						
expended		(459,852)	0	0	(459,852)	395,439
<b><u>Net</u></b>						
<b><u>Incoming/(Outgoing)</u></b>						
<b><u>Resources before</u></b>						
<b><u>transfers</u></b>	17	(214,165)	0	0	(214,165)	51,653
Gross transfers between						
funds					0	
<b><u>Net</u></b>						
<b><u>Incoming/(Outgoing)</u></b>						
<b><u>Resources</u></b>		(214,165)	0	0	(214,165)	51,653
<b><u>Reconciliation of Funds</u></b>						
<b>Total funds brought</b>						
<b>forward</b>		1,255,775	11,487	914,993	2,182,255	2,130,602

<b>Total Funds Carried Forward</b>		1,041,610	11,487	914,993	1,968,090	2,182,255
<b>Note -</b>						
<b>Of the Total Funds Carried Forward,</b>						
<b>the amount invested in fixed assets is:</b>		1,158,116		914,993	2,073,109	2,100,971

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

All income and expenditure derive from continuing activities.

<b>Embercombe</b>						
<b>Balance Sheet</b>						
<b>As at 31 March 2022</b>						
					Year Ended	Year Ended
					31-Mar-22	31-Mar-21
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Total Funds
	Notes	£	£	£	£	£
<b>Fixed Assets</b>						
Tangible Assets	13	1,158,116		914,993	2,073,109	2,100,971
<b>Current Assets</b>						
Stock		400			400	378
Debtors	14	10,481			10,481	79,766
Cash at bank		990	11,487		12,477	92,944
Total Current Assets		11,871	11,487		23,358	173,088
<b>Current Liabilities</b>						
Creditors - amounts falling due within one year	15	-98,555	0		-98,555	-61,803
<b>Net Current Assets</b>		-86,684	11,487		-75,197	111,285
<b>Total Assets less Current Liabilities</b>		1,071,432	11,487	914,993	1,997,912	2,212,256
Creditors - amounts falling due after more than one year		-29,822			-29,822	-30,000
<b>Net Assets</b>		1,041,610	11,487	914,993	1,968,090	2,182,256
<b>Funds</b>						
Unrestricted funds					1,041,610	1,255,776
Restricted funds					11,487	11,287
Endowment funds					914,993	914,993
<b>Total Funds</b>	17				1,968,090	2,182,256

**Company Registration Number 05943952**

**Charity Registration Number 1116793**

For the financial year ending March 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

**Ellie Tallett** – Chair of Trustees

Date – 26/05/2022

<b>Embercombe</b>			
<b>Statement of Cash Flows</b>			
<b>At 31 March 2022</b>			
		Year Ended	Year Ended
		31-Mar-22	31-Mar-21
		£	£
Net cash provided by/(used in) operating activities	23	(78,588)	32,836
Cash Flows from Investing Activities			
Interest		0	0
Purchase of tangible fixed assets		(1,879)	0
Net Proceeds from sale of fixed assets		0	0
Ex Gratia and Redundancy Payments		0	0
Sub total		0	0
Change in cash and cash equivalents in the year		(80,466)	32,836
Cash and cash equivalents at the beginning of the year		92,944	60,108
Cash and cash equivalents at the end of the year		12,477	92,944
		0	0

## **Notes to the Financial Statements**

### **Embercombe, For the Year Ended 31 March 2022**

#### **Accounting Policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention with items being recognised at cost or transaction value unless otherwise stated in the notes to these accounts.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP FRS 102 effective 1 January 2019), with FRS 102 and with the requirements of the Companies Act 2006 and the Charities Act 2011.

The Charity constitutes a policy benefit entity as defined by FRS 102.

##### **Critical accounting estimates and areas of judgement**

The items in the financial statements where the Trustees have had to make significant judgements and estimates include:

- The estimates of the useful economic lives of the tangible fixed assets used to determine the depreciation charge
- The basis on which support costs have been allocated across the various expenditure headings
- The accounting for the Linhay property which was valued at lower cost and not realisable value and supported by a professional validation

##### **Assessment of on-going concern**

Proceeds from the sale of cottages, coupled with the minimisation of senior management overheads, leads the Trustees to conclude that a going concern assumption continues to be appropriate for the preparation of the financial statements.

##### **Income**

All income is included in the Statement of Financial Activities when the Charity is legally entitled to the income, the amount can be quantified with reasonable accuracy, and it is probable that the income will be recovered.

**Expenditure** is accounted for on an accruals basis and has been classified under headings that integrate all costs related to the category. Expenditure comprises direct costs and support costs. Where costs cannot be directly attributed to headings, they have been allocated to activities on a basis consistent with the use of resources. Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued expenditure.

##### **Support Costs**

Support costs represent indirect charitable expenditure and include governance costs. Support costs include salaries of office-based staff, facilities and premises costs, insurance and bank charges, information systems, communications, and other general services.

Support costs are allocated to other headings on a reasonable basis.

### **Tangible fixed assets**

Depreciation is provided at the following annual rates to write off each asset over its estimated useful life as follows:

#### **Land and Buildings**

*Straight line over 10 to 50 years on buildings only*

#### **Plant and Machinery**

*20% on reducing balance*

### **Debtors**

Debtors are recognised at their settlement amount less any provision for non-recoverability.

### **Creditors and Provisions**

Creditors and provisions are recognised when there is an obligation which is likely to result in the transfer of economic resources and the amount of such transfer can be estimated reliably. The amount recognised is the amount which the charity anticipates it will pay to settle the obligation.

### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. Donations	Year Ended 31/03/2022				Year Ended 31/03/2021			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	£	£	£	£	£	£	£	£
Donations	7,370	0	0	7,370	7,855	0	0	7,855
3. Charitable Activities	Year Ended 31/03/2022				Year Ended 31/03/2021			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	£	£	£	£	£	£	£	£
Charitable Activities	227,012	0	0	227,012	324,149	0	0	324,149
4. Investment Income	Year Ended 31/03/2022				Year Ended 31/03/2021			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	£	£	£	£	£	£	£	£
Deposit Account Interest	17	0	0	17	0	0	0	0

5. Separate Material Item of Income	Year Ended 31/03/2022				Year Ended 31/03/2021			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	£	£	£	£	£	£	£	£
Grant Income	11,289	0	0	11,289	115,088	0	0	115,088
Unrestricted fund income equates to proceeds of sale. Endowment fund costs equate to acquisition cost of assets less accumulated depreciation.								
6. Expenditure on Charitable Activities	Year Ended 31/03/2022				Year Ended 31/03/2021			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	£	£	£	£	£	£	£	£
Programme costs - Facilitators, travel, food, cleaning, and equipment	155,595			0	146,266			146,266
Facilities improvements, repairs, refurbishment, and depreciation	63,960			0	55,657			55,657
Marketing and PR	5,647			0	8,813			8,813
Fixed Asset Impairment - EBC Settlement	0			0	0			0
Support Costs (Note 7)	242,793			0	184,703			184,703
	467,995	0	0	0	395,439	0	0	395,439

7. Support and Governance Costs	Year Ended 31/03/2022				Year Ended 31/03/2021			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	£	£	£	£	£	£	£	£
Wages and Social Security	178,357			0	134,020			134,020
Pension	4,147			0	1,897			1,897
Repairs, Renewals and Facility Improvements	130			0	0			0
Utilities	8,516			0	14,160			14,160
Other Costs	41,670			0	28,473			28,473
Accountancy – governance	6,987			0	4,000			4,000
Other Professional – governance	2,486			0	1,653			1,653
Reporting Accountant Fees – governance	500			0	500			500
	242,793	0	0	0	184,703	0	0	184,703
8. Separate Material Item of Expense	Year Ended 31/03/2022				Year Ended 31/03/2021			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	£	£	£	£	£	£	£	£
Remedial costs on freehold properties prior to sale	0			0	0			0
	0	0	0	0	0	0	0	0

9. Other Expenditure			Year Ended	Year Ended						
			31-Mar- 22	31-Mar-21						
			£	£						
Adjustment to FY20-21 accounts			(8,143)	0						
			0	0						
			(8,143)	0						
10. Net Incoming/(Outgoing) Resources										
Net resources are stated after charging/(crediting):			Year Ended	Year Ended						
			31-Mar- 22	31-Mar-21						
			£	£						
Depreciation - owned assets			29,741	31,353						
Surplus on disposal of fixed assets			0	0						
			29,741	31,353						

11. Trustees' Remuneration and Benefits											
No trustee received any remuneration or other benefits in respect of their role as trustee (2021 : Nil)											
Travel expenses totalling NIL were reimbursed in FY20 (NIL in 2019)											
12. Staff Costs			Year Ended	Year Ended							
			31-Mar-22	31-Mar-21							
			£	£							
Wages and Salaries			176,609	127,342							
Social Security Costs			1,748	6,678							
			178,357	134,020							
Pension contributions of £4,147 were paid in the period under an auto enrolment scheme (2020 : £1,399)											
No bonuses costs were incurred in the period (2020 : Nil)											

The average number of employees during the year was as follows:			Year Ended	Year Ended							
			31-Mar-22	31-Mar-21							
Operations - Full Time Equivalent			4	4	9 P/T						
No employee earned more than £60,000 in either financial year.											
13. Tangible Fixed Assets		Land and Buildings	Plant and Machinery	Totals							
		£	£	£							
<b>Cost</b>											
At 1 April 2021		2,305,097	68,067	2,373,164							
Additions		1,779	100	1,879							
Disposals		0	0	0							
At 31 March 2022		2,306,876	68,167	2,375,043							

<b>Depreciation</b>											
At 1 April 2021		217,741	54,452	272,193							
Charge for year		26,918	2,823	29,741							
Eliminated on disposal		0	0	0							
At 31 March 2022		244,659	57,275	301,934							
<b>Net Book Value</b>											
At 31 March 2022		2,062,217	10,892	2,073,109							
At 1 April 2021		2,087,356	13,615	2,100,971							
14. Debtors: Amounts Falling Due Within One Year			Year Ended	Year Ended							
			31-Mar-22	31-Mar-21							
			£	£							
Trade Debtors			10,481	3561							
HMRC Debtor				76090							
Other Debtors			0	115							
			10,481	79766							

15. Creditors: Amounts Falling Due Within One Year			Year Ended	Year Ended						
			31-Mar-22	31-Mar-21						
			£	£						
Trade Creditors			8,642	3813						
Taxation, Social Security and Pension			2,023	7592						
VAT Creditor			32,753	9416						
Other Creditors - Accruals and Deferred Income			55,137	40982						
			98,555	61,803						
16. Movement in deferred income account			Year Ended	Year Ended						
			31-Mar-22	31-Mar-21						
			£	£						
Balance at the start of the reporting period			30,812	22,688	Income is deferred where customer payments have been received for activities in future periods. The deferred income is released in the relevant period to be matched against costs incurred					
Amounts added in current period			130,510	199,126						

Amounts released to income from previous periods			-108,185	-191,002						
Balance at the end of the reporting period			53,137	30,812						
17. Movement in Funds	At 1 April 2021	Net movement in funds	Transfers between funds	At 31 March 2022						
	£	£	£	£						
<b>Unrestricted funds</b>										
General Fund	1,255,775	(214,164)	0	1,041,611						
<b>Restricted Funds</b>										
<b>Catalyst Bursary</b>	11,271	0	0	11,271	To help those on a low income to participate on Catalyst					
<b>Start</b>	216	0	0	216	For transport to enable refugees from Exeter to come and volunteer at Embercombe					
	11,487	0	0	11,487						
<b>Endowment Funds</b>	914,993	0	0	914,993	The endowment fund represents the gift of the freehold property to the trust together with expenditure by the previous trust on the property at Embercombe, prior to the company being formed.					
<b>Total Funds</b>	2,182,255	(214,164)	0	1,968,091						

		Incoming Resources	Resource s Expende d	Movemen t in Funds						
18. Net movement in funds, included in the above are as follows:		£	£	£						
<b>Unrestricted funds</b>		245,688	(459,852)	(214,164)						
<b>Total Funds</b>		245,688	(459,852)	(214,164)						
19. Analysis of net assets between funds		Fixed Assets	Current Assets	Current Liabilities						
Unrestricted		1,158,116	11,871	(128,376)						
Restricted			11,487							
Endowment		914,993								
		2,073,109	23,358	(128,376)						
20. Related Party Transactions	During the year to 31 March 2022, no fees were paid to Trustees.									

21. Share Capital and Members Liability	The company is limited by guarantee. In the event of the company being wound up, the liability of each member is limited to £1.									
22. Control	The Charity is under the effective control of its Trustees.									
23. Reconciliation of net movement in funds to net cash flows from operating activities			Year Ended	Year Ended						
			31-Mar-22	31-Mar-21						
			£	£						
Net movement in funds			(214,165 )	51,854						
Decrease/(Increase) in stock			-22	-78						
Decrease/(Increase) in debtors			69,285	-71,745						
Increase/(Decrease) in creditors			36,573	21,452						
Depreciation charge			29,741	31,353						
			(78,588)	32,836						