

Breakthrough - Transformation Trust
Company Limited by Guarantee
Financial Statements
31 August 2022

WESTCOTTS (SW) LLP

Chartered Accountants & Statutory Auditor
26-28 Southernhay East
Exeter
EX1 1 NS

Breakthrough - Transformation Trust

Company Limited by Guarantee

Financial Statements

Year ended 31 August 2022

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Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 August 2022

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 August 2022.

Reference and administrative details

Registered charity name Breakthrough - Transformation Trust

Charity registration number 1148238

Company registration number 07962125

Principal office and registered office Cannamore House
Avonwick
South Brent
Devon
TQ10 9HA

The trustees Deborah Dugdall
David Dugdall (Resigned 28 March 2022)
Angus Dugdall
Philip Reynolds
Jose Luis De Silva
Simeon Bale
Claire Thomson (Resigned 28 September 2022)

Auditor Westcotts (SW) LLP
Chartered Accountants & Statutory Auditor
26-28 Southernhay East
Exeter
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Bankers Barclays Bank PLC
40 Courtenay Street
Newton Abbot
Devon
TQ12 2EA

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2022

Structure, governance and management

Constitution

The charity (Number 1148238) is a company limited by guarantee (Number 07962125), incorporated on 23rd February 2012 and is governed by its Memorandum and Articles of Association. It is administered and led by a Board of Trustees, details of which are given on page 1.

Method of appointment of election of trustees

The management of the charity is the responsibility of the Trustees, who are elected and co-opted under the terms of the Memorandum and Articles of Association.

Trustees are appointed to the Board of Trustees by an open recruitment process, inviting applications with appropriate skills, experience and/or qualifications. The successful applicants are invited to formal interview in accordance with the Safer Recruitment procedures, (this is applied to all voluntary as well as paid positions within the organisation) with the Trustees prior to their appointment at a Board Meeting.

Policies adopted for the induction and training of trustees

All newly appointed Trustees meet with the Trustees and are introduced to the Centres of Operation. They meet with staff and are given a reading list of relevant documentation, policies, systems and procedures.

Organisational structure and decision making

The Board of Trustees are responsible for agreeing the strategic direction of the organisation, ratifying policy and ensuring compliance with internal governance and external regulations and legislation.

The Board of Trustees convenes regularly and where required for extraordinary meetings.

Day-to-day management of the organisation is delegated to the Chief Executive and thereafter to the Executive Team. The Executive Team is defined as the Chief Executive Officer, the Chief Operations Officer, and the Chief Experience Officer.

The charity operates broadly in four areas: therapeutics, families, education, and business. Mental health is led by the Mental Health Lead; other Therapeutics is led by the Strategic Manager for SEND and Safeguarding; Families is led by the Families Lead; Education is led by Heads of Centre; Business is led by the Executive Team.

The charity has four centres in Devon and currently also works in the community using public buildings, and where appropriate makes visits to homes.

Health and safety

Health and Safety is a top priority at Breakthrough – Transformation Trust. There is a trained Health and Safety Trustee and also a trained Health and Safety Lead who oversees all four centres. Each individual centre has its own Health and Safety Representative. The H & S Lead is in the process of revising and, where necessary, re-writing policies and will then be training the new policies into each of the centres.

Safeguarding

As an organisation, Breakthrough – Transformation Trust takes its duty to safeguard all in its care to the highest possible standards. The organisation trains all staff to Group 2 level in Safeguarding (during induction and annually) and currently has 5 staff, including one Trustee, who are trained to Group 3 level in Safeguarding. There is also a Strategic Lead for SEND and Safeguarding, who is our

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Year ended 31 August 2022

Designated Safeguarding Lead (DSL) and a Deputy Designated Safeguarding Lead will shortly be appointed at each centre. All staff as well as new recruits, receive annual training in Level2 Safeguarding, Keeping Children Safe in Education (KCSIE), Prevent Strategy and FGM.

Inspection

There were no inspections this academic year due to Covid, however, there was comprehensive contact and communication with Commissioners, with relevant quality assurance data being submitted regularly.

Objectives and activities

Policies and objectives

- To provide education, therapeutic interventions, independent living skills and family support to children, young people, and families who have experienced serious traumas and life challenges, or who have cognitive-neuropsychological or other disabilities which have resulted in the need to be educated 1:1 or 2:1 in a small setting.

- The objective of providing Family Support is to
 - Ensure attendance
 - Provide support to parents and family members which will in turn support the effective education of the student
 - To provide a protective factor for the family in terms of safeguarding
 - Ensure families have a range of specialist information from families' workers to assist in the support of the family and progression of the student
- The object of therapeutic interventions is to provide a range of psychoeducation tools to enable students to have the mental and cognitive facility to process learning and have sufficient working memory to support learning.
- To provide for the physical, psychological, social and where requested, the spiritual needs of those who use our service.
- To prepare for, and provide, a robust transition for students from Breakthrough Transformation Trust into education, employment, training, volunteering and/or supported living.
- To provide training and coaching to professionals and organisations to help meet the needs of those whose needs challenge their provision.
- To provide a hub of knowledge and good practice from which to share and create initiatives.
- To plan strategically to work in an organised and pragmatic way with volunteers in the future.

Our purpose

- To progress our provision to be inclusive of and to address more needs within the locality and to provide services and interventions where these are not currently in place.
- To establish our presence in the locality so that those in need know where to come for help.

Our vision

This charity exists to empower and equip individuals and families who experience serious life challenges to take competent charge of their lives and contribute to the wider community.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2022

Our core values

Unconditional love

- To accept people as they are
- To be inclusive and non-judgmental
- To be kind and compassionate, in all we think and say
- To speak excellence into people's lives
- To give every student a fresh start each day

Total Commitment

- To be the best that we can be
- To reflect together to analyse and improve practice through concepts, skills and attitudes
- To encourage

Professionalism

- To give our personal best
- To recognise professional excellence and practice lifelong learning
- To accept support from and offer support to colleagues, building and maintaining a unified team
- To be flexible and patient
- To make a difference and leave a powerfully supportive legacy

Strategic report

Meeting needs of service users

The charity has again seen a significant increase in the uptake of its services in the years 2021-2022. As a result, there has been significant recruitment of Teachers and Core Workers as well as central staff who bring specialisms across all the centres.

The remaining Covid restrictions have meant that it has been necessary to be both flexible and creative in the management of provision, particularly where staff or students and their families have been infected. There has been a regular stream of variations of advice from Central Government, all of which has had to be sensitively rolled out to students, families and staff. We have seen an up-take in students willing to attend the centres; some had been adversely affected by anxiety as a result of the pandemic and by what they have seen in the national media. For some students it has been extremely hard to return to the socialisation elements which arise from attending a centre.

Families Workers and Practitioners have had to help parents and students to navigate and overcome their own fears, establishing the fact that 'real life' will require coming out of one's home to learn and to work. An important aspect of the work of Families' Workers and Practitioners is to bridge the gap between the desire some parents have to avoid the harder parts of parenting and the need for parents to be able to assert the need and model the confidence to their children that it is safe to come in to college.

Training and Development

There is a continued and deepening complexity of needs involved for children who are referred to us. We recognised last year the need for more specialised training and we have increased the scope of our Mental Health Team to include Counsellors and a Specialist Intervention Practitioner to address the assessment and programme management for students who exhibit High Risk Behaviours and Harmful Sexualised Behaviours. We now provide AIM Assessment and interventions.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2022

Employees and volunteers

The Board of Trustees would like to record its appreciation of the commitment to the charity of all staff and volunteers.

Breakthrough Transformation Trust is committed to investing in staff training and development throughout all departments. The team provides professional and personal development courses throughout each year, both through internal training and external nationally recognised qualifications. Where appropriate, the charity also engages with external training suppliers to provide courses. This is particularly important for areas of high accountability such as Control and Restraint, First Aid, Fire Marshalling, Group 3 Safeguarding and Health and Safety.

Breakthrough recognises its social and statutory duty to employ persons with additional needs and individuals on Government-assisted work schemes wherever possible and strategic planning has been rolled out to assist in providing openings for these within the organisation.

Our supporters in the community

In addition to the help mentioned in the previous paragraph, the charity has during the period in question, received regular donations from independent supporters. There have also been a number of one-off donations. We would like to express our sincere thanks to everyone who has participated in this support.

Achievements and performance

Review of activities

In setting objectives and planning activities for the year, the Trustees gave careful consideration to ensuring that the charity's activities are to the public benefit, having due regard to the guidance issued by the Charity Commission.

1. Delivery of excellent practice to those whom we serve through therapeutics, families work, education, and within the community - through measurement, reflective practice, and completion of inspections and audits.
 2. Provision of excellent value for money for commissioners, providing a high-quality service, where the quality of teaching and learning, of therapeutic interventions, of assessment, progression and transition, and every aspect of the service is monitored through a Quality of Provision process which will undergo root and branch restructuring now and be developed throughout the next academic year.
 3. Lilcott Farm in North Devon, near Atherington has continued its work with male and female students who are compound trauma victims and also have complex mental health needs. We have continued our work with those who are inpatients as well as in the community. The farm has a range of animals, to include goats, poultry, pigs, rabbits and guinea pigs.
 4. The in-town centre Newton Abbot, is becoming too crowded and we are now in the process of purchasing our new 'Lighthouse' Centre at Kingsteignton near Newton Abbot. This is open for visits from students who will be based there from September 2022 when it officially opens. The new centre, based on a retail park, is close to hundreds of businesses, both national chains and small businesses. This will provide opportunities for students to develop links, to gain supported work experience and, hopefully to open up opportunities for work.
 5. Independent Living Skills are being developed across the organisation, being pivotal for students' ability to live lives that are as independent, safe and well-informed as possible. Students are assessed using two nationally recognised assessment tools and skills are taught to them to address their own most pressing needs. We are then able to transition students who will need continued support into Adult Social Care.
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Year ended 31 August 2022

6. The charity is mindful of its need to be relevant in the sector and the Directors and Senior Leadership Team liaise with the Local Authorities and receive regular updates from Stakeholders and Government.
7. We are increasingly aware of the political agenda for Alternate Provisions in the light of tightened Government spending.
8. We continue to analyse all data and information to explore how we might determine possible specialisms for each centre.
9. We are mindful of the need for the improvement and development of our facilities and additional office facilities
 - a. To continue to maintain all buildings
 - b. To liaise with the Heads of Centre to ensure that there is adequate high quality space for learning and therapeutic interventions
 - c. To continue to develop enhanced outdoor facilities at all centres
- a. Updating hardware and software for IT facilities
- b. Increased provision of musical instruments and resources
- c. Provision of learning resources
- d. Replacement of old vehicles beyond repair and provision of extra second-hand cars as pool vehicles for the transportation of service users

Financial review

The results for the year are shown on page 15. The total income for the year is £4,076,482 (2021: £2,888,648) and the total expenditure is £3,743,467 (2021: £2,500,251) which gives a net movement of funds of £333,015 (2021: £388,397). The unrestricted fund balance at 31 August 2022 is £1,913,926.

The principal source of funding is via Element 3, which is the funding required over and above the place funding to enable a child with high needs to participate in education and learning and covers education, health, and care. The majority is commissioned by Devon County Council.

Reserves policy

Reserves are required in order that the charity is protected against future events, known and unknown and is able to maximise future opportunities and weather any future challenges that could possibly arise.

The charity has a long-term commitment to participant service users and it requires long-term plans. The charity's short-term commitment is up to 1 term; medium-term commitment to be up to 2 terms and long-term commitment to be 3 terms or longer (many courses for post-16 require at least two years to complete the syllabus).

Where it is deemed correct and right to place an individual within our service, it is usual that the Devon County Council 0-25 Special Educational Needs Team, together with, or independent from Devon County Council Children or Adult Social Services will commit to educate them for at least the remainder of that Academic Year, and usually beyond that time. Some young people are commissioned to be with the charity for full weeks, and some for part of the week, but the same principle normally applies. Therefore, there is some stability of income during the Academic Year.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2022

The benefit of a Reserves Policy is:

- To assist in strategic planning, for example, considering how new projects or activities will be funded
- To inform the budget process, for example, is it a balanced budget, or do reserves need to be drawn down or built up?
- To inform the budget and risk management process by identifying any uncertainty in future income streams
- To demonstrate to beneficiaries, donors, funders and the wider public that the charity is being protected from future challenges and changes in economic circumstances

Guiding principles to justify the level of reserves and their use:

- To protect and sustain the charity's activities should income or expenditure become seriously out of line with expectations
- To have a level of funds available to support the payment of mortgages and staff wages in the event of having to downsize the services of the charity while seeking further funding
- To have a sufficient level of funds available to support new long term charitable initiatives in their launch phase and before fundraising support can be fully realised.

Level of Reserves to meet policy objectives:

- To avoid closure if funding difficulties were to happen, the Board of Trustees has agreed to keep a certain level of financial reserves to ensure that all charitable activities can continue for a period of two months. The main concerns are to ensure: that staff can continue working primarily to secure new funding, and that as a last resort, beneficiaries are supported to move on to other services. It has been calculated that reserves of £300,000 are sufficient to cover staff wages plus or mortgage commitment for 1 month. This reserve would be made up in the ratio 1 part cash reserves and 2 parts equity from property owned by the charity.that staff can continue working, primarily to secure new funding, s and 2 parts equity from property owned by the charity.
- It is anticipated that should such an event take place, during the period of grace provided by the existence of reserves, that the activities of the charity may be re-designed.
- If strategic cash reserves fall below £100,000 that would trigger an immediate review of income and expenditure to ensure no further cash loss.

Strategic considerations on the level of reserves:

To support long term strategic objectives and improve the charity's overall financial security, in the event of the negative impact of any financial challenges, the Board of Trustees have agreed to review reserves annually, streamlining expenditure, and not detracting from the quality, quantity or nature of the service.

Investment policy and performance

The charity is investing in the upgrading and development of its properties so that there is more room for the demand which it is experiencing for its services. Reserves were, during the accounting year ending 31st August 2022, held in an accessible bank account where the interest rate was <0.5%. Funds were required to be held in an account with quick, penalty-free availability in order that we should be able to purchase and install safety features at Brocks Farm. Future investments will be strategically planned after consultation with financial advisors.

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Year ended 31 August 2022

Attitude to risk:

Breakthrough Transformation Trust relies on its income from commissioners to support operating costs. The key risks to the long-term sustainability of the charity are:

- (i) changes in Government policy regarding non-registered Alternative Provision
- (ii) changes in Central Government or Local Government regulations which would adversely affect a funding stream
- (iii) ensuring that Element 3 Funding costs are accurately calculated
- (iv) catastrophic mishandling of funds or fraud
- (v) a catastrophic safeguarding or health and safety breach, which would call into question the trustworthiness and competence of the charity
- (vi) a catastrophic global event such as a pandemic which may result in a range of irreversible staffing deficits; loss of students through sickness or a long period of time whereby college would be closed and therapeutic education and families work adversely affected.

- Strict measures are in place so that Trustees work together with Accountants, Auditors and external advisers to mitigate financial risks.

- Strict measures are in place so that there are sufficient members of staff and directors who can ensure safeguarding and health and safety are maintained to the highest possible standards, to review and analyse data and to train, refresh and improve facilities and resources accordingly.

Time Horizon

The Board of Trustees of Breakthrough Transformation Trust have the intention that the charity should exist into perpetuity and that investments and funds should be handled wisely so that it can both develop and consolidate reliably. Therefore, it is intended to adopt a long-term investment time horizon.

Reviewing and Reporting

The Trustees will regularly consider whether there is a need to revise its Policy Statement and keep under review the arrangements under which finances are invested.

The charity has now grown to the point at which, subject to income remaining in the current regions, a yearly Audit is required.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 27 to the financial statements.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2022

Trustees' responsibilities statement

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

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP (FRS 102);
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The Trustees' Annual Report and the Strategic Report were approved on 11 May 2023 and signed on behalf of the board of trustees by:

Deborah Dugdall
Trustee

Philip Reynolds
Trustee

Breakthrough - Transformation Trust

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Independent Auditor's Report to the Members of Breakthrough - Transformation Trust

Year ended 31 August 2022

Opinion

We have audited the financial statements of Breakthrough - Transformation Trust (the 'charity') for the year ended 31 August 2022 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 August 2022 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;
- 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 financial statements are 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.

Breakthrough - Transformation Trust

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Independent Auditor's Report to the Members of Breakthrough - Transformation Trust *(continued)*

Year ended 31 August 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

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.

Opinions 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 the knowledge and understanding of the charity 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 in relation to which 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.

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Independent Auditor's Report to the Members of Breakthrough - Transformation Trust *(continued)*

Year ended 31 August 2022

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) 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:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustees and other management. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- The Trust is subject to laws and regulations that govern the preparation of the financial statements, including financial reporting legislation. The company is also subject to other laws and regulations where the consequences of non-compliance could have a material impact on the amounts or disclosures within the financial statements, including employment, anti-bribery, and anti-money laundering.
- Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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Independent Auditor's Report to the Members of Breakthrough - Transformation Trust *(continued)*

Year ended 31 August 2022

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

- 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control 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 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 the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we 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.

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.

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Independent Auditor's Report to the Members of Breakthrough - Transformation Trust *(continued)*

Year ended 31 August 2022

Use of our report

This report is made solely to the charity's members, 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 members 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Wright (Senior Statutory Auditor)

For and on behalf of
Westcotts (SW) LLP
Chartered Accountants & Statutory Auditor
26-28 Southernhay East
Exeter
EX1 1 NS

18 May 2023

Breakthrough - Transformation Trust

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 August 2022

		2022		2021
		Unrestricted	Total funds	Total funds
	Note	funds		
		£	£	£
Income				
Donations and legacies	5	3,991	3,991	1,951
Charitable activities	6	4,069,704	4,069,704	2,882,852
Investment income	7	30	30	375
Other income	8	2,757	2,757	3,470
Total income		<u>4,076,482</u>	<u>4,076,482</u>	<u>2,888,648</u>
Expenditure				
Expenditure on charitable activities	9	3,743,467	3,743,467	2,500,716
Other expenditure	11	–	–	(465)
Total expenditure		<u>3,743,467</u>	<u>3,743,467</u>	<u>2,500,251</u>
Net income and net movement in funds		<u>333,015</u>	<u>333,015</u>	<u>388,397</u>
Reconciliation of funds				
Total funds brought forward		1,580,911	1,580,911	1,192,514
Total funds carried forward		<u>1,913,926</u>	<u>1,913,926</u>	<u>1,580,911</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

Prior year fund comparatives are disclosed in note 25.

The notes on pages 18 to 30 form part of these financial statements.

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Statement of Financial Position

31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	16	3,796,146	2,737,913
Current assets			
Debtors	17	56,288	15,165
Cash at bank and in hand		333,380	619,787
		389,668	634,952
Creditors: amounts falling due within one year	18	602,607	534,881
Net current liabilities		(212,939)	100,071
Total assets less current liabilities		3,583,207	2,837,984
Creditors: amounts falling due after more than one year	19	1,669,281	1,257,073
Net assets		1,913,926	1,580,911
Funds of the charity			
Unrestricted funds		1,913,926	1,580,911
Total charity funds	21	1,913,926	1,580,911

These financial statements were approved by the board of trustees and authorised for issue on 11 May 2023, and are signed on behalf of the board by:

Deborah Dugdall
Trustee

Company registration number: 07962125

The notes on pages 18 to 30 form part of these financial statements.

Breakthrough - Transformation Trust

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 August 2022

	2022 £	2021 £
Cash flows from operating activities		
Net income	333,015	388,397
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	96,626	68,086
Other interest receivable and similar income	(30)	(375)
Interest payable and similar charges	46,488	36,531
Gains on disposal of tangible fixed assets	(1,475)	(465)
Accrued (income)/expenses	(79)	915
<i>Changes in:</i>		
Trade and other debtors	(41,123)	1,583
Trade and other creditors	43,950	239,877
Cash generated from operations	477,372	734,549
Interest paid	(46,488)	(36,531)
Interest received	30	375
Net cash from operating activities	430,914	698,393
Cash flows from investing activities		
Purchase of tangible assets	(1,158,709)	(915,238)
Proceeds from sale of tangible assets	5,325	465
Net cash used in investing activities	(1,153,384)	(914,773)
Cash flows from financing activities		
Proceeds from borrowings	436,063	317,180
Net cash from financing activities	436,063	317,180
Net (decrease)/increase in cash and cash equivalents	(286,407)	100,800
Cash and cash equivalents at beginning of year	619,787	518,987
Cash and cash equivalents at end of year	333,380	619,787

The notes on pages 18 to 30 form part of these financial statements.

Breakthrough - Transformation Trust

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2022

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Cannamore House, Avonwick, South Brent, Devon, TQ10 9HA.

2. Statement of compliance

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

3. Accounting policies

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue. The accounts have been prepared on the going concern basis.

Consolidation

The charity is not required to prepare consolidated accounts in accordance with the Charities Act 2011, and has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the charity and its subsidiary undertakings comprise a small group.

Breakthrough - Transformation Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Income

All income is included in the Statement of Financial Activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted. The turnover is stated after discounts and is exempt from VAT.
- income from investments is included in the year in which it is receivable.

Breakthrough - Transformation Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

3. Accounting policies *(continued)*

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the Statement of Financial Activities.

Breakthrough - Transformation Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	1% straight line
Plant and machinery	-	25% reducing balance
Fixtures and fittings	-	20% straight line
Motor vehicles	-	25% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

Breakthrough - Transformation Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

4. Limited by guarantee

Breakthrough - Transformation Trust is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required, not exceeding £1, to the assets of the charitable company in the event of it being wound up whilst a member, or within one year after ceasing to be a member.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Donations				
Donations	3,991	3,991	1,951	1,951

6. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Service fees	4,061,259	4,061,259	2,877,261	2,877,261
Student lunches	8,208	8,208	5,056	5,056
Other income	237	237	535	535
	<u>4,069,704</u>	<u>4,069,704</u>	<u>2,882,852</u>	<u>2,882,852</u>

7. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Bank interest receivable	30	30	375	375

8. Other income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Gain on disposal of tangible fixed assets held for charity's own use	1,475	1,475	—	—
Solar power income	1,282	1,282	3,470	3,470
	<u>2,757</u>	<u>2,757</u>	<u>3,470</u>	<u>3,470</u>

Breakthrough - Transformation Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

9. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2022 £
	£	£	£
Charitable activities	2,785,093	903,275	3,685,118
Governance costs	–	55,099	55,099
	<u>2,785,093</u>	<u>958,374</u>	<u>3,740,217</u>

	Activities undertaken directly	Support costs	Total funds 2021 £
	£	£	£
Charitable activities	1,960,560	481,030	2,441,590
Governance costs	–	59,126	59,126
	<u>1,960,560</u>	<u>540,156</u>	<u>2,500,716</u>

10. Analysis of support costs

	Analysis of support costs £	Total 2022 £	Total 2021 £
Staff costs	486,590	486,590	228,622
Premises	105,424	105,424	64,272
Communications and IT	10,407	10,407	10,878
General office	17,674	17,674	13,173
Finance costs	46,488	46,488	36,531
Governance costs	55,099	55,099	59,126
Motor and travel	79,314	79,314	37,097
Depreciation	96,626	96,626	68,086
Other	35,209	35,209	22,371
Recruitment costs	25,543	25,543	–
	<u>958,374</u>	<u>958,374</u>	<u>540,156</u>

Breakthrough - Transformation Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

11. Other expenditure

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Loss on disposal of tangible fixed assets held for charity's own use	<u>—</u>	<u>—</u>	<u>(465)</u>	<u>(465)</u>

12. Net income

Net income is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	96,626	68,086
Gains on disposal of tangible fixed assets	<u>(1,475)</u>	<u>(465)</u>

13. Auditors remuneration

	2022 £	2021 £
Fees payable for the audit of the financial statements	<u>7,500</u>	<u>7,500</u>
Fees payable to the charity's auditor and its associates for other services: Other non-audit services	<u>7,500</u>	<u>7,500</u>

14. Staff costs

The average head count of employees during the year was 125 (2021: 96). The average number of full-time equivalent employees during the year is analysed as follows:

	2022 No.	2021 No.
Trustees	3	3
Teachers	38	30
Core workers	58	51
Therapy	7	2
Administration	19	10
	<u>125</u>	<u>96</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2022 No.	2021 No.
£60,000 to £69,999	<u>3</u>	<u>—</u>

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £491,899 (2021: £396,074).

Breakthrough - Transformation Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

15. Trustee remuneration and expenses

Three trustees have been paid remuneration or received other benefits from employment with the charity.

During the year, three (2021 - three) trustees were reimbursed £2,701 (2021 - £2,458) relating to travel expenses (2021 - travel expenses), in relation to their employment.

No (2021 - one) trustee was reimbursed £nil (2021 - £130) relating to travel expenses in regard to their role as trustee.

16. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 September 2021	2,842,447	905	194,653	31,851	3,069,856
Additions	1,058,144	—	73,411	27,154	1,158,709
Disposals	—	—	—	(3,850)	(3,850)
At 31 August 2022	3,900,591	905	268,064	55,155	4,224,715
Depreciation					
At 1 September 2021	228,445	419	86,628	16,451	331,943
Charge for the year	39,008	122	47,817	9,679	96,626
At 31 August 2022	267,453	541	134,445	26,130	428,569
Carrying amount					
At 31 August 2022	3,633,138	364	133,619	29,025	3,796,146
At 31 August 2021	2,614,002	486	108,025	15,400	2,737,913

The properties held by the charity were revalued in September 2019 by Barclays, an independent valuer. At the date of the valuations, it was determined that the market values of the properties were below the net book value recognised within the financial statements. This incurred an impairment loss in 2019 of £125,476 which was recognised in the Statement of Financial Activities. Following the revaluation, further additions have been made to the properties and these are recognised at cost.

17. Debtors

	2022 £	2021 £
Trade debtors	39,719	5,124
Prepayments and accrued income	16,569	10,041
	56,288	15,165

Breakthrough - Transformation Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

18. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	89,122	65,267
Trade creditors	31,380	440,865
Accruals and deferred income	21,307	21,386
Social security and other taxes	69,736	7,363
Other creditors	391,062	—
	<u>602,607</u>	<u>534,881</u>

19. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans and overdrafts	<u>1,669,281</u>	<u>1,257,073</u>

Included within creditors: amounts falling due after more than one year is an amount of £1,312,793 (2021: £996,005) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

There were three commercial bank loans at the beginning of the year, first one for £436,430 maturing in 2035, second one for £515,824 maturing in 2037 and the third one for £370,086 maturing in 2041. The interest rate is approximately 3.25% per annum on the first two loans and approximately 2% on the third loan.

There was one new commercial bank loan taken out during the year, as at the year end this was valued at £499,669. maturing in 2037. The interest rate is approximately 3% per annum.

All loans are secured on the freehold properties.

20. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £48,428 (2021: £35,126).

Breakthrough - Transformation Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

21. Analysis of charitable funds

Unrestricted funds

	At 1 September 2021 £	Income £	Expenditure £	At 31 August 2022 £
General funds	<u>1,580,911</u>	<u>4,076,482</u>	<u>(3,743,467)</u>	<u>1,913,926</u>

	At 1 September 2020 £	Income £	Expenditure £	At 31 August 2021 £
General funds	<u>1,192,514</u>	<u>2,888,648</u>	<u>(2,500,251)</u>	<u>1,580,911</u>

The purpose of the unrestricted funds is to furtherance the aims and objectives of the charity, as explained in detail in the trustees' report.

22. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2022 £
Tangible fixed assets	3,796,146	3,796,146
Current assets	389,668	389,668
Creditors less than 1 year	(602,607)	(579,219)
Creditors greater than 1 year	<u>(1,669,281)</u>	<u>(1,689,419)</u>
Net assets	<u>1,913,926</u>	<u>1,917,176</u>

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	2,737,913	2,737,913
Current assets	634,952	634,952
Creditors less than 1 year	(534,881)	(534,881)
Creditors greater than 1 year	<u>(1,257,073)</u>	<u>(1,257,073)</u>
Net assets	<u>1,580,911</u>	<u>1,580,911</u>

Breakthrough - Transformation Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

23. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2022 £	2021 £
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	39,719	5,124
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	2,180,845	1,763,205

24. Analysis of changes in net debt

	At 1 Sep 2021 £	Cash flows £	At 31 Aug 2022 £
Cash at bank and in hand	619,787	(286,407)	333,380
Debt due within one year	(65,267)	(23,855)	(89,122)
Debt due after one year	(1,257,073)	(412,208)	(1,669,281)
	<u>(702,553)</u>	<u>(722,470)</u>	<u>(1,425,023)</u>

	At 1 Sep 2020 £	Cash flows £	At 31 Aug 2021 £
Cash at bank and in hand	518,987	100,800	619,787
Debt due within one year	(48,468)	(16,799)	(65,267)
Debt due after one year	(956,692)	(300,381)	(1,257,073)
	<u>(486,173)</u>	<u>(216,380)</u>	<u>(702,553)</u>

Breakthrough - Transformation Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

25. Prior year fund comparatives

	Unrestricted funds £	Total funds 2021 £
Income		
Donations and legacies	1,951	1,951
Charitable activities	2,882,852	2,882,852
Investment income	375	375
Other income	3,470	3,470
Total income	<u>2,888,648</u>	<u>2,888,648</u>
Expenditure		
Expenditure on charitable activities	2,500,716	2,500,716
Other expenditure	(465)	(465)
Total expenditure	<u>2,500,251</u>	<u>2,500,251</u>
Net income and net movement in funds	<u>388,397</u>	<u>388,397</u>
Reconciliation of funds		
Total funds brought forward	1,192,514	1,192,514
Total funds carried forward	<u>1,580,911</u>	<u>1,580,911</u>

26. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022 £	2021 £
Not later than 1 year	28,028	32,726
Later than 1 year and not later than 5 years	844	125,576
	<u>28,872</u>	<u>158,302</u>

20 Courtenay Park has been leased by the charity since July 2020. During the year the charity terminated the lease prior to the review period in July 2023. The lease was for a term of six years until July 2026.

Breakthrough - Transformation Trust

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2022

27. Post balance sheet events

After the Balance Sheet date, the Board made the decision to close the North Devon Centre and sell Lilcott Farm, due to the regular deficits being made. Lilcott Farm is included in the accounts at an initial cost of £625,000, with improvements of £132,728. The total net book value of the cost and improvements as at 31 August 2022 is £743,345. The property was put on the market after the year end, and an offer has been received of £750,000.

There have been no other events in the subsequent period that will require an adjustment to the balances reported in the statement of financial position of these financial statements dated 31 August 2022.

Breakthrough Transformation Trust have and will continue to evaluate the management actions to mitigate the impact on the charity. The charity has adopted initiatives to safeguard the health of its people and actions aimed at maintaining operational activity.

28. Related parties

Three of the trustees and a number of their family members were employed by the charity, some of which are at a senior management level. The trustees' remuneration, pension contributions and other benefits amounted to £185,300 (2021 - £156,162). The three trustees remunerated for their employment with the charity were Mrs D Dugdall, Mr A Dugdall and Mr P Reynolds.

Breakthrough - Transformation Trust

Company Limited by Guarantee

Management Information

Year ended 31 August 2022

The following pages do not form part of the financial statements.

Breakthrough - Transformation Trust

Company Limited by Guarantee

Detailed Statement of Financial Activities

Year ended 31 August 2022

	2022 £	2021 £
Income and endowments		
Donations and legacies		
Donations	<u>3,991</u>	<u>1,951</u>
Charitable activities		
Service fees	4,061,259	2,877,261
Student lunches	8,208	5,056
Other income	<u>237</u>	<u>535</u>
	<u>4,069,704</u>	<u>2,882,852</u>
Investment income		
Bank interest receivable	<u>30</u>	<u>375</u>
Other income		
Gain on disposal of tangible fixed assets held for charity's own use	1,475	–
Solar power income	<u>1,282</u>	<u>3,470</u>
	<u>2,757</u>	<u>3,470</u>
Total income	<u><u>4,076,482</u></u>	<u><u>2,888,648</u></u>

Breakthrough - Transformation Trust

Company Limited by Guarantee

Detailed Statement of Financial Activities *(continued)*

Year ended 31 August 2022

	2022 £	2021 £
Expenditure		
Expenditure on charitable activities		
Purchases	58,499	39,007
Wages and salaries	2,449,219	1,685,194
Employer's NIC	222,500	143,165
Pension costs	48,428	35,126
Other post-retirement benefits	185,300	125,234
Rent	58,183	51,729
Rates and water	9,419	9,034
Light and heat	68,223	19,130
Repairs and maintenance	137,776	84,903
Insurance	26,285	22,880
Other establishment	41,178	22,279
Motor vehicle expenses	40,423	18,461
Other motor/travel costs	38,891	18,636
Legal and professional fees	127,995	63,947
Telephone	10,407	6,818
Other office costs	30,868	17,766
Depreciation	96,626	68,086
Interest on debenture loans	42,624	36,001
Interest on bank loans and overdrafts	614	530
Farm expenses & Licenses	30,243	16,276
Student and exam expenses	4,341	4,818
Sundry Expenses	12,175	11,696
	<u>3,740,217</u>	<u>2,500,716</u>
Other expenditure		
Loss on disposal of tangible fixed assets held for charity's own use	—	465
	<u>—</u>	<u>465</u>
Total expenditure	<u>3,740,217</u>	<u>2,500,251</u>
Net income	<u>336,265</u>	<u>388,397</u>

Year ended 31 August 2022

Breakthrough - Transformation Trust

Company Limited by Guarantee

Notes to the Detailed Statement of Financial Activities *(continued)*

Year ended 31 August 2022

	2022 £	2021 £
Brought forward	887,850	469,334
Sundry expenses	<u>12,175</u>	<u>11,696</u>
	<u>900,025</u>	<u>481,030</u>
Governance costs		
Accountancy fees	7,500	7,500
Audit fees	7,500	7,500
Legal and other professional fees	<u>40,099</u>	<u>44,126</u>
	<u>55,099</u>	<u>59,126</u>
Expenditure on charitable activities	<u><u>3,740,217</u></u>	<u><u>2,500,716</u></u>
