

**MOUNTAIN RESCUE ENGLAND AND WALES**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

# MOUNTAIN RESCUE ENGLAND AND WALES

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# **MOUNTAIN RESCUE ENGLAND AND WALES**

## **TRUSTEES' REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The trustees present their report and financial statements for the year ended 31 December 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 charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

MREW has now completed conversion from an unincorporated charity to Charitable Incorporated Organisation (CIO). A Deed of Transfer was signed on 15 November 2019, and the transfer was implemented on 1 January 2020. These are therefore the first accounts of the CIO, and show the exceptional item of transfer of assets from the unincorporated charity at the beginning of the year. The unincorporated charity is in the process of being removed from the register of the Charity Commission.

#### **Objectives and activities**

The objects of the charity are to promote the efficiency and effectiveness of mountain rescue charities and voluntary organisations for the public benefit, in particular by:-

1. Ensuring high standards of training and equipment for its members
2. Providing training, including technical training applicable to searching for and rescuing people in difficulties in mountainous regions or inhospitable environments
3. Co-ordinating the work of its members engaged in larger-scale search and rescue operations
4. Ensuring effective links with other rescue services, such as the police, ambulance, fire and rescue and coastguard services

The Trustees have given due regard to the guidance from the Charity Commission on public benefit, and are satisfied that the objectives and activities of MREW provide a public benefit.

#### **Implementing the Aims and Objects**

MREW supports its member teams by providing a coordinated national approach to the issues they face, whether in relation to the statutory authorities who call on the services of members, on technical standards, policies and training, or on matters such as sponsorship and purchasing. MREW also provides advice to member teams on a range of topics.

Our member teams are independent charitable organisations: MREW does not involve itself in individual team operational management. We have structures at regional and national level, which meet regularly to ensure our accountability to our members, as well as the inward and outward exchange of ideas and strategy.

We also ensure that MREW is represented at national coordination meetings with statutory and non-statutory emergency services, such as Police and Fire liaison, UK Search and Rescue groups, Mountain Rescue Scotland and several all-Wales groups. In addition, volunteer officers undertake national fundraising; this involves considerable activity, including attendance at the Duke of Cambridge's charity Forums.

# **MOUNTAIN RESCUE ENGLAND AND WALES**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **Achievements and performance**

##### **Annual Objectives and Achievements**

In our report for 2019, we said that our principal objectives for 2020 were to:

- strengthen the membership and to help them become more resilient;
- further develop peer review among members;
- further develop our engagement in the UK search and rescue strategy;
- develop a more reliable funding base; and
- develop effective governance for the CIO.

At the time of agreeing these objectives, there was no indication that we would have to deal with the consequences of a global pandemic. We have had to adapt our work, but have still managed to achieve much of what we had planned.

The Management Committee of MREW hold meetings once a month to review all areas of MREW activity. This committee is made up of the specialist officers who with their sub-committees deliver the outcomes of the work in the reporting period. The monthly meetings look at the delivery of our key area of delivery. These are then also supported by two other groups representing the membership that assesses how successful MREW is in delivering its outcomes.

#### **Covid-19**

The first cases of coronavirus were identified in the UK on 31 January 2020, and the number of cases had begun to spread significantly by the end of February. The UK government announced restrictions on movement on 16 March, and applied a first lockdown on 23 March. Relaxation of these measures began on 13 May. However, the UK government and Welsh government applied further lockdowns in November, and end of December.

We set up a Covid working group in March, to collate information from member teams and to provide assistance and advice, in particular from our Medical Director. We worked closely with United Kingdom Search and Rescue (UKSAR) and the National Police Chiefs Council (NPCC) to ensure that there was consistency between the organisations involved in search and rescue.

Teams faced a number of major issues to which MREW responded:

- We prepared and provided detailed advice to teams on the protocols for avoiding infection, both during search operations and, of course, for treatment of casualties;
- We provided advice to teams, based on rigorous application of these protocols, in respect of Track and Trace to avoid the risk that, despite full precautions being followed, whole teams might be required to isolate following contact with a covid-19 positive casualty;
- We acquired, and distributed to teams, regular supplies of personal protective equipment (PPE);
- We have adapted our arrangements for recertification of casualty carers, to take account of the difficulty of organising training and examinations
- We obtained specific exemptions from NPCC in relation to the restrictions on travel and gathering under lockdowns, to enable volunteer team members to respond to rescues and gather to undertake training;
- We collated information on the availability of teams, and offered support when there were difficulties.



# MOUNTAIN RESCUE ENGLAND AND WALES

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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Mountain Rescue teams in England and Wales have been able to maintain a full, and uninterrupted, level of response throughout 2020 even with the challenges that teams faced due to the pandemic.

In 2020, the Mountain Rescue teams were called to 3080 incidents to assist people in England and Wales, compared with 2973 in 2019. During the lockdown periods, the number of call-outs decreased significantly in most regions. However, during the summer, there was a significant increase, particularly in the Peak District, Mid-Pennine, North-East regions and South Wales, close to major areas of population.

Many people, prevented from travelling to their normal holiday destinations both within the UK and abroad, took the opportunity to explore closer to home.

Teams during lockdown were responding to callouts more in urban and rural areas. Once out of lockdown with the increase in tourism as people stayed in the UK mountain rescue saw an increase in incidents.

For the last two years, we have been working with <https://www.adventuresmart.uk/> and have, during this year, encouraged many more people to explore safely.

We took the decision in early March to hold meetings remotely, and this has been very effective.

Despite the impact of the pandemic, we have continued our normal work as far as has been possible. The principal activities of MREW during 2020, to meet our annual objectives, have been:

#### **Strengthening membership and peer review**

- **Membership criteria and benefits:** We said last year that, as part of the conversion to CIO, we had developed criteria and a process for approval of membership, to be concluded by 31 December 2020. The Membership sub-Committee continued its work, and by the end of the year had approved 47 teams for full membership, and 22 organisations as associate members. A full list of members is appended to this report.

The application process includes a review of the governance of each team. Where improvements have been identified, advice and support is offered.

- **Peer review:** our programme of peer review of member organisations has been in abeyance this year because of the pandemic. The grant received for this work will now be applied in 2021.
- **Training:** Similarly, our programme of training funded through the LIBOR funding (see **Fundraising**, below) has been in abeyance.

As mentioned earlier, our casualty care medical training has been adapted to address coronavirus. We have made interim arrangements to those people who administer treatment during rescues.

- **Purchasing:** In addition to the purchase and distribution of PPE, mentioned earlier, MREW has continued to negotiate and manage insurance arrangements for our members. Insurance is a complex matter. Our specialist brokers are helping us to ensure appropriate cover at reasonable cost.
- **Publicity and publications:** we launched a revamped web site during the year, and this has been favourably reviewed. We have maintained publication of our quarterly magazine, though it is now in electronic form.

# MOUNTAIN RESCUE ENGLAND AND WALES

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### **Engagement in the UK search and rescue strategy**

MREW continues to play a very active role within the UK strategic framework for search and rescue (SAR). It is a member of the UK SAR Operators Group established under the strategy, and has representation at UKSAR on the medical group and the communications group.

Our members respond to calls for assistance passed on to them, mainly by the police through the 999 emergency systems, but also by the other statutory services. We therefore work closely with the Police, Ambulance Services, Fire and Rescue Services, the Maritime and Coastguard Agency and other government bodies, all of which need to be assured that MREW members meet our standards.

MREW has also engaged on behalf of its members in bilateral discussions with both statutory and voluntary SAR organisations, to ensure competent and coherent responses to the needs of SAR. We have worked closely with the Police National Search Centre to strengthen our relationship in educating Police Search Advisors (PoISA) in the work MREW undertakes in the area of search. We are also represented at the Department of Environment Food and Rural Affairs (DEFRA) Flood Rescue Stakeholder Group.

At an international level MREW is an active member of the International Commission for Alpine Rescue (ICAR) and contributed to a number of recommendations from the medical and terrestrial commissions.

#### **Fundraising, and a more reliable funding base**

While the charity has not yet officially registered with Fundraising Regulator (FR) we are working to the Fundraising Regulators Code of Conduct and standards.

At present, Mountain Rescue England and Wales does not solicit donations from individuals or use the services of a Professional Fundraiser or a Commercial Participator to carry out any fundraising activities.

MREW have not received any complaints concerning our fundraisers or activities.

The charity's principal funding sources are through sponsorship, unsolicited donations, events, grants and, from time to time, legacies. In addition the selling of advertising in the magazine supports the MREW magazine.

This has not been an easy year for fundraising. As UK went into lockdown and all non-essential shops had to close and businesses became impacted this meant a reduction of income. Despite this, we have continued to maintain a sponsorship arrangement with the JD Foundation who have been supportive during this difficult year. As well it has not been possible for people to either get involved or hold fundraising events to raise money for us.

With the help of our Patron, even though the royal charity polo match was cancelled due to COVID the corporate sponsors still provided donations to his charities and with this we received over £30,000. We also continued to receive, on behalf of our members, support in kind from Jaguar Land Rover: the loan of a vehicle capable of supporting the search and rescue work of our members.

We have acted on behalf of the members to apply for major grants, such as those offered by the LIBOR fund. LIBOR funding in 2019 amounted to £126,090, intended to support numerous training courses (see [Training](#) above). It has not been possible to hold the courses this year, and we have agreed with the donor that this money will now be applied in 2021 and into 2022.

As well during 2020 MREW re-launched the shop including new product lines. This has produced a steady income.

#### **Improving governance**

The transfer to CIO took place smoothly, and the CIO commenced operation with a high standard of governance systems in place. We aim to model good practice to our member teams, and the work on membership, mentioned earlier in this report, has been an opportunity to support them in this area.

# MOUNTAIN RESCUE ENGLAND AND WALES

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### Financial review

The net assets from Mountain Rescue England and Wales (charity number 222596) were transferred to the charitable incorporated organisation on 1st January 2020.

The net assets consisted of unrestricted net assets of £1,345,789 and restricted net assets of £198,021.

The results of the charity can be seen below:

	Unrestricted	Restricted	Total 2020
Income	£1,762,320	£312,232	£2,074,552
Expenditure	(£479,388)	(£43,686)	(£523,074)
Less net assets transferred from unincorporated charity	(£1,345,789)	(£198,021)	(£1,543,810)
Transfers	-	-	-
<b>Actual operational results</b>	<b>(£62,857)</b>	<b>70,525</b>	<b>£7,668</b>

Unrestricted reserves at year end were £1,282,932 of which £3,354 related to fixed assets. The free reserves of the charity (excluding designated funds) totalled £1,249,578.

#### Reserves policy

The Trustees have designated a portion of funds to meet commitments for the supply of equipment,

The Trustees have agreed that it is prudent to maintain a level of reserves sufficient to meet at least 24 months of unrestricted expenditure, to finance cash flow requirements and to provide safeguards against a fluctuating rate of income. Our current level of reserves, is consistent with this policy.

#### Investment policy

The Trustees recognise that the reserves policy means that significant amounts of cash may be held for a time. The Trustees therefore seek to obtain income through investment only through guaranteed capital and interest generating safe investments. The Trustees review this policy each year.

#### Risk management

The charity maintains an organisational risk register, which is reviewed by the Trustees at every scheduled meeting.

The Trustees have identified that the principal risk to the charity – in common with many charities – is the maintenance of a level of income to meet the needs of the organisation.

At the time of writing this report the Covid 19 pandemic remains a significant risk. We have described earlier how we have been managing the consequences. Our current level of reserves remains sufficient for us to continue to do so without endangering the future of the organisation. We are also confident that most of our member teams also have sufficient reserves to enable them to manage effectively.

#### Plans for the future

The principal objectives of MREW, to be undertaken under the governance of the CIO for 2021 are similar to those for 2020. They are to:

- strengthen the membership and to help them become more resilient;
- further develop peer review among members;
- further develop our engagement in the UK search and rescue strategy;
- develop a more reliable funding base; and
- develop effective governance for MREW and its members.

# **MOUNTAIN RESCUE ENGLAND AND WALES**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **Structure, governance and management**

MREW is an umbrella organisation. It is a Charitable Incorporated Organisation with a registered charity number of 1178090 and an association constitution dated 25 April 2018. The charity is governed by its document, CIO - ASSOCIATION Registered 25 Apr 2018.

Its members are independent charitable organisations: 47 teams of volunteers who undertake highly specialised search and rescue operations for people in the mountainous and less hospitable regions of England and Wales. A list of our current membership is included with this report.

A Board of Trustees are appointed in accordance with the current constitution for the responsibility of MREW. Vacancies are advertised and potential candidates are assessed. Candidates with appropriate skills and experience are presented to a general meeting of the members, which elects the Trustees. At least one Trustee is elected from within the membership, as an external Trustee. Trustees are elected for a term of five years. The Trustees hold the ultimate responsibility for all legal and financial matters transacted in the name of the charity.

The charity seeks to appoint individuals experienced in mountain rescue work or in governance, in order to ensure that the Board has an appropriate range of skills. MREW provides no formal training for new trustees; however, it supports a quarterly meeting programme in order to promote effective information sharing.

MREW is unusual for a charity of its size, in having no employees. The day-to-day running of a MREW is undertaken by a management committee comprising of elected officers and chaired by the Senior Executive Officer, who themselves is a Trustee. In turn, the officers of the management committee receives support from their specialist sub-committees to undertake the work. The sub-committees are each chaired by an individual with particular experience of that specialism. The Board approves a budget for income and expenditure each year. This provides a framework for the delegation to the management committee of the power to act on financial matters.

All of these people - Trustees, officers, and chairs and members of committees and sub-committees - are themselves volunteers: they receive no remuneration other than reimbursement of reasonable expenses. No member of the Board of Trustees had any beneficial interest in any contract with MREW during the year.

The charity could not, though, function without contracting out one or two services, such as financial and general administration.

### **And finally**

As we have said, MREW has no employees. We rely on volunteers, most of whom are already heavily committed as volunteers in our member organisations, carrying out search and rescue operations in all weathers throughout the year. As volunteers, they operate to a very high professional standard in conditions that are often difficult and sometimes dangerous. The Trustees would therefore like to place on record our deep appreciation of all that they do, not just on behalf of their own beneficiaries – the people they rescue in their own localities – but on behalf of Mountain Rescue as a whole.

# **MOUNTAIN RESCUE ENGLAND AND WALES**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **Reference and administrative details**

#### **Charity registration number**

1178090

#### **Principal office**

12 Edward VII Avenue  
Newport  
NP20 4NF

#### **Trustees**

Jake Bharier (Chair)  
Philip Benbow  
David Coleman QPM (Resigned 8/1/21)  
Matthew Dooley (Appointed 16/5/20)  
Mike Margeson OBE  
Penny Brockman  
Mike France MBE (Resigned 26/9/20)

#### **Patron**

HRH the Duke of Cambridge

#### **Honorary president**

R Griffiths MBE

#### **Vice president**

P Dymond OBE

#### **Independent examiners**

Azets Audit Services  
Ty Derw  
Lime Tree Court  
Cardiff Gate Business Park  
Cardiff  
CF23 8AB

#### **Bankers**

##### **CAF Bank**

25 Kings Hill Avenue  
Kings Hill  
West Malling  
ME19 4TA

##### **NatWest**

25 Union Road  
New Mills  
Derbyshire  
SK22 3EP

##### **Lloyds Bank**

42 Commercial Street  
Newport  
NP20 1WX

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

# MOUNTAIN RESCUE ENGLAND AND WALES

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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*Penny Brothman*

Trustee

Dated: *15 May 2021*



# **MOUNTAIN RESCUE ENGLAND AND WALES**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The trustees 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).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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

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

The trustees are responsible for keeping sufficient accounting records that 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# MOUNTAIN RESCUE ENGLAND AND WALES

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF MOUNTAIN RESCUE ENGLAND AND WALES

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#### Opinion

We have audited the financial statements of Mountain Rescue England and Wales (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including 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 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### 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.

#### 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 contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.



# **MOUNTAIN RESCUE ENGLAND AND WALES**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF MOUNTAIN RESCUE ENGLAND AND WALES**

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# MOUNTAIN RESCUE ENGLAND AND WALES

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF MOUNTAIN RESCUE ENGLAND AND WALES

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#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. 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.

#### **Other matters**

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

# MOUNTAIN RESCUE ENGLAND AND WALES

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF MOUNTAIN RESCUE ENGLAND AND WALES

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#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Azets Audit Services**

14-6-2021  
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**Chartered Accountants  
Statutory Auditor**

Ty Derw  
Lime Tree Court  
Cardiff Gate Business Park  
Cardiff  
CF23 8AB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

# MOUNTAIN RESCUE ENGLAND AND WALES

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
<b><u>Income from:</u></b>					
Donations and legacies	3	1,674,075	198,021	1,872,096	-
Charitable activities	4	43,223	114,211	157,434	-
Other trading activities	5	43,868	-	43,868	-
Investments	6	1,154	-	1,154	-
<b>Total income</b>		<b>1,762,320</b>	<b>312,232</b>	<b>2,074,552</b>	<b>-</b>
<b><u>Expenditure on:</u></b>					
Raising funds	7	61,187	-	61,187	-
Charitable activities	8	418,201	43,686	461,887	-
<b>Total resources expended</b>		<b>479,388</b>	<b>43,686</b>	<b>523,074</b>	<b>-</b>
<b>Net income for the year/ Net movement in funds</b>		<b>1,282,932</b>	<b>268,546</b>	<b>1,551,478</b>	<b>-</b>
Fund balances at 1 January 2020		-	-	-	-
<b>Fund balances at 31 December 2020</b>		<b>1,282,932</b>	<b>268,546</b>	<b>1,551,478</b>	<b>-</b>

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

All income and expenditure derive from continuing activities.

# MOUNTAIN RESCUE ENGLAND AND WALES

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	12		3,354		-
<b>Current assets</b>					
Stocks	13	84,062		-	
Debtors	14	286,774		-	
Cash at bank and in hand		1,197,444		-	
		1,568,280		-	
<b>Creditors: amounts falling due within one year</b>	15	(20,156)		-	
Net current assets			1,548,124		-
<b>Total assets less current liabilities</b>			1,551,478		-
<b>Income funds</b>					
Restricted funds	16		268,546		-
<u>Unrestricted funds</u>					
Designated funds	17	33,354		-	
General unrestricted funds		1,249,578		-	
			1,282,932		-
			1,551,478		-

The financial statements were approved by the Trustees on 15 May 2021



Trustee

# MOUNTAIN RESCUE ENGLAND AND WALES

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	20		1,201,903		-
<b>Investing activities</b>					
Purchase of tangible fixed assets		(5,613)		-	
Investment income received		1,154		-	
<b>Net cash used in investing activities</b>			(4,459)		-
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			1,197,444		-
Cash and cash equivalents at beginning of year			-		-
<b>Cash and cash equivalents at end of year</b>			1,197,444		-

# MOUNTAIN RESCUE ENGLAND AND WALES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

##### Charity information

Mountain Rescue England and Wales is a charitable incorporated organisation whose principal office is 12 Edward VII Avenue, Newport, NP20 4NF.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Charitable funds

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

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

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.

##### 1.4 Income

Income is recognised when the charity 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 charity 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 charity 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.

# MOUNTAIN RESCUE ENGLAND AND WALES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

Sponsorship, event, subscriptions, courses and programme advertising income is credited to the accounts in the period to which it relates.

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Sale of goods income is recognised when the sale takes place.

In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services as entitlement to the grant only occurs when the performance related conditions are met.

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs in relation to generating income such as fundraising activities.
- Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report and their associated support costs.

Expenditure is allocated between direct charitable expenditure and support costs. This is shown in the notes to the financial statements. The trustees have exercised their judgement in the apportionment of some categories of expenditure between these two major headings.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### 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:

Plant and equipment	25% straight line
---------------------	-------------------

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 Impairment of fixed assets

At each reporting end date, the charity 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).



# MOUNTAIN RESCUE ENGLAND AND WALES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 1 Accounting policies

(Continued)

##### 1.8 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.

##### 1.9 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.

##### 1.10 Financial instruments

The charity 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 charity's balance sheet when the charity 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 charity's contractual obligations expire or are discharged or cancelled.

# MOUNTAIN RESCUE ENGLAND AND WALES

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

### 2 Critical accounting estimates and judgements

In the application of the charity'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.

The charity does not have any key or significant accounting estimates.

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2020 £	2020 £	2020 £	2019 £
Donations and gifts	1,382,089	198,021	1,580,110	-
Legacies receivable	162,439	-	162,439	-
Events	71,092	-	71,092	-
Sponsorship	58,455	-	58,455	-
	<u>1,674,075</u>	<u>198,021</u>	<u>1,872,096</u>	<u>-</u>
<b>Donations and gifts</b>				
Donations and gifts	36,300	-	36,300	-
Transfer from unincorporated charity	1,345,789	198,021	1,543,810	-
	<u>1,382,089</u>	<u>198,021</u>	<u>1,580,110</u>	<u>-</u>

The net assets from Mountain Rescue England and Wales (charity number 222596) were transferred to the charitable incorporated organisation on 1st January 2020.

The net assets consisted of unrestricted net assets of £1,345,789 and restricted net assets of £198,021.

# MOUNTAIN RESCUE ENGLAND AND WALES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 4 Charitable activities

	2020 £	2019 £
Programme advertising	23,175	-
Courses	4,471	-
Grants	110,087	-
Subscriptions and membership	19,701	-
	<u>157,434</u>	<u>-</u>
Analysis by fund		
Unrestricted funds	43,223	-
Restricted funds	114,211	-
	<u>157,434</u>	<u>-</u>
<b>Grants</b>		
LIBOR grant	110,087	-
	<u>110,087</u>	<u>-</u>

### 5 Other trading activities

	Unrestricted funds	Total
	2020 £	2019 £
Use of training material	3,000	-
Sale of goods	40,868	-
	<u>43,868</u>	<u>-</u>
Other trading activities		
	<u>43,868</u>	<u>-</u>

# MOUNTAIN RESCUE ENGLAND AND WALES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 6 Investments

	Unrestricted funds	Total
	2020 £	2019 £
Interest receivable	1,154	-

### 7 Raising funds

	Unrestricted funds	Total
	2020 £	2019 £
<u>Fundraising and publicity</u>		
Goods for resale	41,449	-
Meetings and travel	760	-
Fundraising expenses	16,984	-
Phoneline	12	-
Bad debt written off	1,982	-
	<u>61,187</u>	<u>-</u>
Fundraising and publicity	<u>61,187</u>	<u>-</u>

# MOUNTAIN RESCUE ENGLAND AND WALES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

### 8 Charitable activities

	2020	2019
	£	£
Depreciation and impairment	1,506	-
Courses and conferences	44,086	-
Equipment	17,262	-
Vehicle	(321)	-
Medical	80	-
Public relations	55,543	-
Representation	5,099	-
Technology	33,280	-
Team and member expenses	220,937	-
Bad debt provision	435	-
	<u>377,907</u>	<u>-</u>
Share of support costs (see note 9)	79,980	-
Share of governance costs (see note 9)	4,000	-
	<u>461,887</u>	<u>-</u>
<b>Analysis by fund</b>		
Unrestricted funds	418,201	-
Restricted funds	43,686	-
	<u>461,887</u>	<u>-</u>

# MOUNTAIN RESCUE ENGLAND AND WALES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 9 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Depreciation	753	-	753	-	-	-
Running costs	9,943	-	9,943	-	-	-
Bank charges	934	-	934	-	-	-
External staffing function	29,995	-	29,995	-	-	-
Council and legal costs	6,982	-	6,982	-	-	-
Administrative expenses	2	-	2	-	-	-
COVID-19	31,371	-	31,371	-	-	-
Audit fees	-	4,000	4,000	-	-	-
	<u>79,980</u>	<u>4,000</u>	<u>83,980</u>	<u>-</u>	<u>-</u>	<u>-</u>
Analysed between						
Charitable activities	<u>79,980</u>	<u>4,000</u>	<u>83,980</u>	<u>-</u>	<u>-</u>	<u>-</u>

Governance costs includes payments to the auditors of £3,500 (2019: £nil) for audit fees and £500 for accountancy fees (2019: £nil).

### 10 Trustees

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

Four trustees (2019: nil) were reimbursed for expenses as part of their management committee role totalling £2,361 (2019: £nil). during the year. Expenses relate to travel and subsistence and administrative expenses such as postage.

### 11 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Total	<u>-</u>	<u>-</u>

# MOUNTAIN RESCUE ENGLAND AND WALES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 12 Tangible fixed assets

	Plant and equipment £
<b>Cost</b>	
Transfer from unincorporated charity	5,613
At 31 December 2020	5,613
<b>Depreciation and impairment</b>	
Depreciation charged in the year	2,259
At 31 December 2020	2,259
<b>Carrying amount</b>	
At 31 December 2020	3,354

### 13 Stocks

	2020 £	2019 £
Finished goods and goods for resale	84,062	-

### 14 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	14,244	-
Other debtors	38,941	-
Prepayments and accrued income	233,589	-
	286,774	-

### 15 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	16,156	-
Accruals and deferred income	4,000	-
	20,156	-

# MOUNTAIN RESCUE ENGLAND AND WALES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 16 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			Balance at 31 December 2020
	Transferred from unincorporated charity	Incoming resources	Resources expended	
	£	£	£	£
LIBOR grant	198,021	114,211	(43,686)	268,546

#### LIBOR grant

Received in support of providing a wide range of training in supporting the operation needs.

#### 17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		Transfers	Balance at 31 December 2020
	Incoming resources	Balance at 1 January 2020		
	£	£	£	£
Emergency fund	-	-	30,000	30,000
Fixed asset fund	-	-	3,354	3,354
	-	-	33,354	33,354

#### Emergency fund

Fund to be utilised at the discretion of the council when required. This will be expended during the 2020/21 financial year.

#### Fixed asset fund

This fund represents the net book value of the charity's fixed assets.



# MOUNTAIN RESCUE ENGLAND AND WALES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 18 Analysis of net assets between funds

	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:					
Tangible assets	-	3,354	-	3,354	-
Current assets/(liabilities)	1,249,578	30,000	268,546	1,548,124	-
	<u>1,249,578</u>	<u>33,354</u>	<u>268,546</u>	<u>1,551,478</u>	<u>-</u>

### 19 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

### 20 Cash generated from operations

	2020 £	2019 £
Surplus for the year	1,551,478	-
Adjustments for:		
Investment income recognised in statement of financial activities	(1,154)	-
Depreciation and impairment of tangible fixed assets	2,259	-
Movements in working capital:		
(Increase) in stocks	(84,062)	-
(Increase) in debtors	(286,774)	-
Increase in creditors	20,156	-
<b>Cash generated from/(absorbed by) operations</b>	<u>1,201,903</u>	<u>-</u>

### 21 Analysis of changes in net funds/(debt)

The charity had no debt during the year.

