

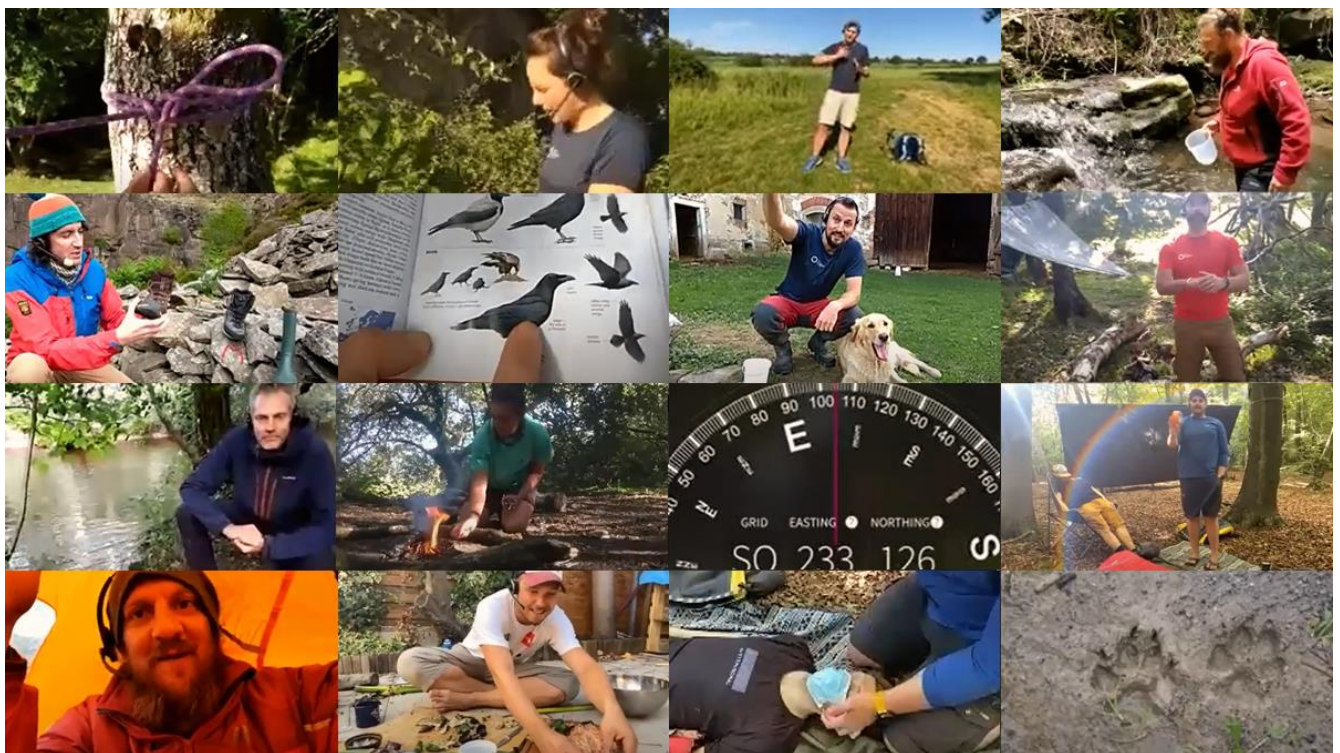
**BRITISH EXPLORING SOCIETY**

A company limited by guarantee and not having share capital

Registered charity Number: 802196

Company Number: 2411786

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2020**



*'I believe that my confidence has leaped forward and has encouraged me to explore the wilderness around me.'*

Young Adventurer, Wildestan 2020

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**COMPANY INFORMATION**

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**Reference and administrative information**

<b>President</b>	Marvin Rees
<b>Members of the Council</b>	Ian Maginnis (Chair) Rupert Eastwood (Treasurer) (Resigned 2 <sup>nd</sup> April 2020) David Tilston (Treasurer) (Appointed 5 <sup>th</sup> February 2020) Joanna Wolstenholme (Resigned 2 <sup>nd</sup> April 2020) Susan Redshaw Jane Park-Weir Rahul Moodgal Carolyn Young Patrick Van Daele David Bartles-Smith (Appointed 2 <sup>nd</sup> April 2020) Ruth Owen (Appointed 30 <sup>th</sup> September 2020) Michael Blakey (Resigned 5 <sup>th</sup> November 2019) Jonathan Gisby (Resigned 1 <sup>st</sup> November 2019) Douglas Oppenheim (Resigned 1 <sup>st</sup> November 2019)
<b>Chief Executive Officer and Secretary</b>	Honor Wilson-Fletcher (Responsible for day-to-day management)
<b>Charity Registration Number</b>	802196
<b>Company Number</b>	2411786 (England and Wales)
<b>Registered Office and Principal Address</b>	1 Kensington Gore London SW7 2AR e-mail: <a href="mailto:info@britishexploring.org">info@britishexploring.org</a> <a href="http://www.britishexploring.org">www.britishexploring.org</a>
<b>Bankers</b>	Royal Bank of Scotland plc 49 Charing Cross London SW1A 2DX
<b>Auditor</b>	Kreston Reeves LLP Third Floor 24 Chiswell Street London EC1Y 4YX

The Council presents its report and audited financial statements for the year ended 31 October 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the governing document, the Charities Act 2011, Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

## **Introduction - About This Year**

2020 is only the second time in our history when we have had to cancel all overseas activity – and then all our UK expeditions and training too – both because of the pandemic. Nonetheless, it has been an exciting and uplifting year and we have been able to work with slightly more young people than in 2019. We have learned new skills, discovered new ways to deliver rewarding adventure and challenge, and reaffirmed the capacity of our community to adapt and to be hugely generous. We have been thrilled as ever by the generous feedback and personal stories from the young people we have worked with about the impact of our engagement with them.

The international events and national guidelines imposed this year disrupted our everyday working life, all our normal planning and our approach to youth development. But we were clear about what had not changed: that young people needed – more than ever – engaging access to inspirational leaders, rewarding learning opportunities and a safe environment to meet new people and be excited by the outdoors.

At the beginning of lock-down we confirmed that this year:

- We still wanted young people to be able to acquire practical skills and learn about resilience;
- We still wanted young people to experience a new-found confidence and self-belief to carry forward to their future life;
- We still wanted young people to forge friendships and become part of a supportive and continuing community through our work;
- Spending quality learning time with our unpaid professional leaders was still a critical part of the development experience with us – and we would ensure that this remained central to our work.

We were clear that these were valuable tools to fight the negative social impact of COVID-19 – just as they have helped for years to offset the impact of economic, educational, and societal disadvantage.

We used these ‘headlines’ to quickly develop new programmes which are briefly described in this report. We have delivered positive outcomes for young people this year, particularly through Wildestan. Our staff team and volunteers have remained motivated despite a wide range of challenges. We have stayed focused on our purpose and we have continued to progress our strategy particularly in relation to our systems and fundraising capability. We have protected our financial position and ended the year in a respectable position. We recognise that the next year will also be very challenging. We also recognise with huge gratitude the faith and generosity of our donors in helping us sustain financial stability and continue to serve our communities energetically.

We have strengthened governance to help us deliver our strategic aims. We have 3 new trustees - in particular a Lead Trustee each for Safeguarding and for Mental and Physical Impairment - and we have

sustained our relationship with two skilled retiring trustees with particular expertise in working with vulnerable young people as Board Advisors.

Finally, we sought assessment and received strong external endorsement for our approach to young development. We were awarded the **Charity of Character** Kitemark in 2020. In confirming this award, the Association for Character education advised us that:

*Your organisation uses incredible experiential learning to implicitly develop character, while ensuring it is explicitly explored through My Compass and coaching led dialogues...it is apparent that British Exploring Society is taking strategic led action to ensure its offer continues to reach a broader demographic of young people.*

**Tom Haigh, CEO, Association for Character Education**

## **Strategy Updated - Staying on Track**

We will carry forward the huge amount we have learned this year. Necessity has accelerated our progression towards pre-existing key strategic goals. We have established the participant benefit of our rapid response to COVID-19; Wildestan delivers positive outcomes which align well with the rest of our work and with our existing Outcomes tool, My Compass, and will become part of our longer-term offer to young people.

### **We have reviewed our strategy and produced an update called On Track**

We will continue to focus on efficiency and effectiveness and on measurement of impact as our programme model diversifies to meet the needs of young people post-pandemic - and to keep a tight rein on the number of priorities we take on. We need to remain outwardly focused, aware of the on-going unpredictability of the external environment.

### **We continue to diversify and increase our fundraising capacity**

We are changing our approach to delivering and funding our programmes, so we continue to invest in fundraising and in the team delivering our fundraising targets. Our Development Board has transformed its contribution to our fund-raising and now provides a wide arrange of additional forms of advice and pro-bono professional support to the executive team.

## **Charitable Object and Activities**

The object of the charity is to advance the education of young people by providing inspirational and challenging scientific expeditions to remote, wild environments and so promote the development of their confidence, teamwork, leadership and spirit of adventure and exploration.

### **Who we are**

British Exploring Society has a unique heritage, founded on the belief that challenging experiences can define lives, empowering and equipping young people with the courage, skills, resilience, and determination to make the most of their future. We prepare and give young people access to adventures and expeditions to remote locations where they face challenges, gain skills and learn about themselves - as well as acquiring knowledge relevant to their lives and to the fragile environments that they explore with us.

The results are transformative – not just in terms of practical skills and resilience, but in a new-found confidence and self-belief which they carry forward to their future life.

More than this, through their adventure together, our young people forge friendships for life and become part of a unique supportive and continuing community of explorers with shared experiences, values and perspectives on the world.

**Our vision** is for all young people to be able to contribute confidently in the world. We want equal access to challenging learning and adventure in the wilderness as an unbeatable preparation for adult life.

**Our mission** is to grow and celebrate a diverse, inclusive community of young people with the skills, resilience, and determination to make lasting positive decisions in their own lives, and to deliver community benefit and positive environmental change.

### **What is the problem we are tackling?**

Society is failing to ensure fair or sufficient access to the skills, behaviours and confidence young people need to tackle contemporary challenges and seize opportunities as they approach adulthood, and throughout adult life. This problem and inequality are becoming more pronounced in the wake of the pandemic. Young people already disadvantaged through a range of factors urgently need to be supported to find the resilience, mental toughness, and the tools to stay motivated in life.

### **How do we help?**

Through our programmes we share our unique mix of adventure, knowledge and personal development with young people who can benefit most. With us, they acquire empowering real-life knowledge, ideas and understanding about the world and we introduce them to different perspectives on the world and their place in it.

### **What immediate difference do we make?**

Our work helps those young people develop greater maturity, sense of purpose and confidence and impacts on their choices and success in education, training and employment.

### **How we work**

**Our focus** is on responsive, small-scale, high-impact work with those who can benefit most.

**Our effectiveness** comes from enduring expertise developed over 88 years and from a commitment to learn from every programme we deliver.

**Our scale** comes from the life-long community and economic contribution of our members and from the social action and volunteering which participants undertake as part of their programme with us.

**Our young people** increasingly come from trusted partners who introduce us to, and continue to support, young people who most need access to our programmes. The main beneficiaries of the charity's work are young people between the ages of 14 and 26.

### **Our approach in practice**

Working with young people from across the UK, and with Leaders from the UK and abroad, the charity's programmes employ a continuous mix of knowledge, adventure and personal development to inspire young people and help them make the most of their futures.

### **Adventure**

The Society works in some of the most beautiful and remote wilderness areas on the planet. Teams (young people and Leaders together) design their own adventures, agreeing between them what and where they want to explore. They come to group decisions, make mistakes, share challenges, and learn to compromise

and support one another in an environment which is equally alien to all of them. In Wildestan, our virtual wilderness, leaders introduce elements of the wilderness to young people, who can in turn contribute to each live adventure from their own homes.

### **Knowledge**

The programmes provided by British Exploring Society offer a rare opportunity for learning. From basecamp management, night navigation, knot-tying, wild cooking, First-Aid, communications technology and water sampling to star gazing, time-lapse photography and poetry, young people develop a richer understanding of how to engage with and look after the community and the world around them which fuels an appetite to explore the outdoors further and informs their actions and choices in the future.

### **Personal Development**

Working with young people on the cusp of adulthood, expedition Leaders and Experts provide Explorers and Adventurers with new and transformative role models for adulthood and access to endless new knowledge and ideas. Whilst not peers, Leaders and Experts are not teachers or parents either. They offer young people a greater degree of control and autonomy around the way they engage, the choices they make and the impact of those choices than may be possible in other environments. The decisions young people make on our adventures and expeditions impact on others. They will have many chances to lead. Every young person will help shape their adventure or expedition. Trained in supporting reflection, Leaders and Experts encourage young people to think about their own learning journeys. They will help them identify their strengths, build on them, and work with them to set ambitious personal targets for the future.

### **Who we work with: Our community of Explorers and Adventurers**

Our community of Explorers and Adventurers now represents an inclusive and diverse cross section of young people from a wide range of communities and experiences of adolescence. We work with young people in foster care, leaving care, and those living with mental and physical impairment as well as those growing up in communities identified as facing multiple disadvantages.

Financially, we support explorers in different ways. Whereas some expedition places are fully paid for by explorers, others are free to participants if funded through our programmes in partnership, or subsidised using bursaries. Going forward in 2021, all our programmes (except for our professional training qualification for trainee leaders) will be free, or fully funded for our participants. As part of their commitment to us and to the programme they join, we now ask young people to fundraise towards the work of the charity when joining us for full expedition programmes. Each young person's contribution is subject to a simple means-test, to ensure equality of access for all - and to some extent reflects the scale of the challenge they are taking on through their expedition.

### **The commitment everyone makes, and the community they join**

Everyone who participates in our programmes agrees to a Code of Ethics and Good Conduct. Everyone who completes a full programme with us becomes a member of British Exploring Society for life. The work of British Exploring Society is transformational for everyone who participates (Leaders and Experts as well as Explorers and Adventurers) and British Exploring Society believes that society benefits considerably, over many years, from the impact of what it does and from the culture and community it fosters.

### **Who we work with: our Leaders, Experts and volunteers**

Volunteering is the backbone of British Exploring Society and at the heart of its ethos. The charity has always depended on the support and contribution of professional volunteers, both on its programmes, and in making back-office delivery possible. In 2020, one of the most challenging years possible for the

young people the charity serves, and for the ‘office’ (now home working) team too, British Exploring Society is more in their debt than ever. Our professional volunteers have risen to the challenge of adapting to new approaches and learning new skills – and helping us to tackle new issues along the way – with consistent energy and optimism. Our Volunteers have supported us to design new programmes, keep our archive going, make governance more professional, help the charity fund-raise, as well as providing the knowledge behind the adventure, science and creative experiences that define our programmes. One of the ways in which the charity expresses the benefit and significant contribution of volunteers is as a charitable donation of professional hours (2020: £20,296 2019: £315,247). The drop in recorded levels of volunteer contribution this year because of the postponement or cancellation of extended overseas or wilderness activity does not reflect a diminution in their commitment or energy. The volunteers who donate their time each year to take part in programmes are vital to the charitable purpose of British Exploring Society - and they have made a critical contribution this year, particularly as Expert presenters for Wildestan.

### **Who we work with: our partners**

Partnership-based recruitment and support for young people is critical to our success. In addition to our enduring relationships with organisations like Catch-22 and Outcomes First Group (previously called the National Fostering Agency) we continue to reach out to ambitious organisations who wish to provide challenging opportunities to young people living with disadvantage, irrespective of size.

In 2020 we worked with 17 schools and 12 other organisations.

## **Achievements and Performance**

### **Our Impact: Explorer/Adventurer Outcomes**

We believe that young people need the right skills, behaviours, and confidence to tackle contemporary challenges and opportunities. In assessing impact, we consider our success in supporting young people to acquire these skills, behaviour, and confidence through our programmes.

In 2020 we have been able to track:

- Programme impact data and qualitative feedback from young people and Leaders;
- The number of Explorers, Adventurers and Leaders we work with;
- Fundraising against strategy and annual targets; and
- Levels of engagement with our members.

The charity provided benefits through its programmes to 229 young people (Young Explorers and Adventurers) in 2020.

We secured 475 attendances from young people across our activities this year.

23 volunteer professional Leaders and Experts prepared for and delivered our Wildestan Adventures and Expedition and a further 39 have participated in induction training in preparation for programmes in 2021.

### **My Compass reporting**

British Exploring Society seeks to measure the degree to which young people have developed key skills and qualities using a participant self-assessment tool, called *My Compass*. This has been in use for several years.



*My Compass* is designed:

- To guide reflective conversations with young people; encouraging them to think about what they hope to learn from their time with us and to consider any areas of their own skills or personal qualities that they hope to build on;
- To generate programme impact data; and
- To provide a basis for organisational improvement and decision making.

*My Compass* is designed to be completed multiple times over the course of an Explorer's engagement with the charity, to assess any change over time. In 2020 we have been unable to deliver full-scale programmes and have not collected *My Compass* data in the usual way. However, we designed and mapped Wildestan Adventures (our main programme activity in 2020 – see under *Notable Activities*) and our Expedition Workshops in schools against *My Compass* desired outcomes. The table below indicates the key skills and qualities shared with young people in 2020, and the regularity with which those themes were covered:

Theme	Making Decisions That Matter	Managing My Feelings	Staying on Track	Communication	Problem Solving	People and Me	Confidence	The World and Me
Sessions focusing on each theme	10	5	1	10	15	5	4	8
My Compass Theme descriptor	Do I think that making decisions and taking action will make a difference, and are they worth it? So far, do I believe that I have the skills I need to make decisions that can shape my life and the world around me?	How well do I understand what causes me to feel certain ways? Do I have ways of managing my emotions if I need to?	Do I think I set myself goals and work towards them well? Can I use goals, or things which matter to me, if I need to find a reason to keep going when I find things difficult?	Can I successfully explain my ideas including how I feel and think, and what I want and need? Can I express myself in different ways to different kinds of people so that I feel understood and taken seriously? Can I listen well to others and reach agreement with someone successfully?	Can I think around and solve a problem I have not come across before? Can I come up with a plan to fix a problem only using the resources I have available? Am I able to work in a team to find the best solution to a problem?	Do I feel that I am part of a team or community? Does this community have a positive impact on my wellbeing? Is achieving things together a positive experience for me? How much time have I spent so far thinking about others, listening to their ideas, and making sure that everyone gets to take part and is equally valued? Do I feel happy when I can contribute to my team or community?	Do I feel confident? Can I look other people in the eye? Do I believe in my skills and abilities? Can I manage setbacks? Do I celebrate my own successes? What does the best version of myself look like? Do I understand my values (what matters to me most) - and do they help me make good decisions? Can I find coping strategies for when things get tough and can I put them in place when I need them?	Do I think about the impact I have on the environment? Does the quality of the environment I live in matter to me? Would I say that I care about my environment and take the actions I can to protect it? Is it fair to say that I think about this in terms of where I live, and in terms of the wider World?

### Adventurer feedback from Wildestan Adventures

For our Wildestan activity this year we collected simple poll data on *fun*, *interactivity*, *learning* and *safety* to understand the effectiveness of our new programme - and a new way of working. We also collected in-depth qualitative narratives from young people taking part in the programme.

*I...could not verbally communicate until I was around 7 years of age. Wildestan is different to anything I have experienced before. I was learning how to build fires one week and then learning about birdsong the week after. I am more equipped to manage myself...Wildestan has opened my eyes to a world I have always wished to know more about...'*

Young Adventurer, Wildestan 2020

<b>Total number of Wildestan feedback polls completed</b>	<b>229</b>	<b>100%</b>
The session was Fun or Very fun	226	99%
The session was Interactive or Very Interactive	221	97%
The participant learnt something	227	99%
The participant felt safe or very safe	229	100%

Wildestan has produced many more repeat Adventurers than we could have expected, and through qualitative feedback so far, it seems to produce similar positive outcomes to those reported by young people in previous years. Young people refer to more confidence, greater enthusiasm for learning, focus and ambition and enhanced communication skills. We have also been told of the positive impact of having structured Adventures through lockdown on the overall well-being of participants. They looked forward to re-engaging with fellow ‘Wildestanis’ and to learning something new each week.

## **Notable activities and achievements in 2019/20**

### **Our activities this year**

#### **PINNACLE EXPEDITION (Training throughout 2020 – departs February 2022)**

14 young people and 7 leaders were recruited and then took part in extensive engagement and on-line training sessions in preparation for our first expedition to Lake Baikal in Siberia. This programme, generously supported by Sandy and Zorica Glen, has now been postponed to February 2022, but we will continue to provide training and support for all those already signed up for the expedition.

#### **EXPEDITION WORKSHOPS January – March 2020**

*‘In tough situations that life throws at us we need to consider other people around and decide collectively on the best outcomes for all our needs.’*

*‘I liked the ‘immersive’ experience of going to the Amazon and having to solve different problems.’*

*‘I learnt that at the end of the day it’s the people you have on your team that make the experiences you have, and that cooperation and good judgement are essentials.’*

#### **Participants, Expedition Workshops, 2020**

First delivered in 2020. Lasting a full morning or afternoon, using ‘real’ resources from our expedition planning processes, we worked with Leaders to design active participation workshops for secondary schools. Our aims were:

- To provide valued content for our partner schools and stand-alone learning for participants;
- To develop experience in decision-making under pressure and support strategies for positive well-being for young people;
- To present new and relatable adult role-models to young people;
- To dispel myths about the outdoors – about fitness, money, suitability, and the purpose of modern adventure and exploration;
- To have fun and show learning in a new, exciting context, treating our audience as adults, as we do on our programmes.

Supported by the Hartz Family Foundation we commenced delivery in early 2020 and were able to reach 135 students before lock-down. Feedback was positive from teaching staff and young people and we secured several further workshops before the pandemic postponed any further rollout. COVID-19 restrictions have meant that we were not able to reinstate workshops for delivery in schools this year.

### **WILDESTAN ADVENTURES May – October 2020**

British Exploring Society launched ‘Wildestan’ as a strategic response to COVID-19 - and our first virtual destination - in May 2020.

We currently provide live, virtual, interactive adventures and expeditions for young people aged 14 and above in Wildestan. Each adventure is hosted by one of our professional Leaders and is themed around – and where possible is delivered in – the wilderness. Our leaders accessed wilderness from across the UK and in Europe for our Young Adventurers. We have used as much as we can of the same mix of Adventure, Knowledge and Personal Development as we have used in the wilderness for nearly a century to engage young people in lively activities - but using only ‘kit’ found in the home.

Wildestan Adventures are designed to be fun, most importantly, and to provide the challenge of learning something new alongside other young people. Each Adventure develops key outdoors skills, offers learning about the natural world, and develops confidence. Most importantly, it allows the opportunity to meet and connect with inspiring Leaders in a safe environment. We delivered 19 Wildestan Adventures with the following themes:

- Show me the ropes
- Fantastic Bugs and where to find them
- Where on earth am I?
- Survival in the wild: water
- These boots are made for walking
- Tracks and Trails
- Songs of the Wilderness
- Leave no trace
- Survival in the wild: fire
- Survival in the wild: when things go wrong
- Survival in the wild: cooking on fire
- Survival in the wild: First Aid
- Wildestan Past and Present
- Leading when the temperature drops

Wildestan Adventures will remain a core part of our programme in future years.

### **WILDESTAN EXPEDITION 26th - 30th October 2020**

*I attended the expedition to Wildestan because it was a great opportunity to learn interesting facts from actual expedition leaders and to escape from lockdown in a city by being whisked away into the wilderness....(it) provided some structure to what was a difficult time and gave us optimism for the future.'*

**Young Adventurer 2020**

In addition to our Adventures, we wanted to provide a sustained experience in Wildestan, as we continued to be unable to access the outdoors in the UK during 2020. Over the autumn half term, we delivered our first Wildestan Expedition.

5 consecutive days of live, online, interactive Wildestan workshops with the same cohort were led by different Experts to prepare participants for life on expedition and to provide an introduction to some of the learning, skills, and personal development benefits of an expedition programme:

- **Wellbeing in the wilderness:** thinking about stress and resilience, team-work.
- **Camp life:** tents, cooking, food, field skills, looking after your feet.
- **When the going gets tough:** safety, risk, and First Aid.
- **Our fragile world:** plants and animals, weather, being a responsible explorer, conservation and the weather.
- **Recording your journey:** capturing the experience. Filming, reporting, documenting.

## **FIRESIDES/WEBINARS**

Our vision of equal access to challenging learning and adventure in the wilderness for all young people needs to be championed with better communication of its importance. To that end, and to support our fundraising, we have hosted a small number of events, virtually for the time being, to bring together interesting speakers and audiences on the general themes of adventure, personal development and fair access. We also invite young people to attend these events where possible.

**25<sup>th</sup> June 2020 Rory Stewart:** ‘From Afghanistan to Wildestan’.

**20<sup>th</sup> October 2020 Marvin Rees:** ‘A New Significance – why fair access to the outdoors is now more important than ever’.

In addition to raising awareness and encouraging debate, these events have so far also raised over £85,000 for the work of the charity.

## **Financial Review**

The Statement of Financial Activities is shown on page 24.

2019/20 has been a unique year for British Exploring Society. In the wake of the pandemic, the financial outcome looked uncertain. However, most of our longstanding funding partners on restricted programmes generously de-restricted their donations in-year. This, combined with the sterling performance of our in-house Fundraising team and our Development Board, ensured the health of our unrestricted donations. Cancelled programmes and back office efficiencies meant significant cost savings in-year and an insurance claim to cover loss of contribution from two of our overseas programmes was received in October. The charity was able to recover, deliver new programmes and to sustain its core team, growing unrestricted and restricted reserves to put us in a strong position to face future challenges and be ready to deliver benefit in the face of increasing need.

British Exploring Society generated £1,276,453 of income (2019: £1,762,053). The total cost of our charitable activities amounted to £833,011 (2019: £1,599,990). Due to cancellation of our overseas and wilderness programmes, we awarded only £2,994 in grants to individuals (2019: £166,514). This was funded through restricted funds.

There was net surplus on the unrestricted, restricted and endowment funds of £371,572 (2019: £62,093 net expenditure). The Council confirms that the charity's assets are available and adequate to fulfil the financial obligations of the Society.

The main activities in the year to 31 October 2020 are outlined in the sections above.

The income and expenditure of the charity are reflected in the Statement of Financial Activities on page 24 of these financial statements. Expenditure incurred on programmes that will take place after 31 October 2020 has been carried forward as prepayments, as can be seen in note 8 to these accounts. We have made considerable efforts to provide refunds to young people where expeditions did not proceed due to the pandemic. Where young people have either not yet sought the refund, or are considering 'carrying over' their contribution, any unrefunded balances are held in creditors, as seen in note 9.

### **Investment Policy and Performance**

In accordance with the Articles of Association, the Council has the power to invest in such stocks, shares, investments and property as they see fit. No fund managers are currently engaged.

### **Reserves Policy**

The reserves policy is implemented in concert with other governance and financial controls, and is intended to support these policies and the goals identified in British Exploring Society strategic and operational plans. The reserves fund is a sum set aside by Council. The minimum amount to be designated as reserves is designed to be enough to maintain ongoing operations and programmes for a set period, measured in months. The target minimum is equal to 3 months of average operating costs. The maximum level of the reserves is equal to 6 months operating costs.

The reserves target minimum will be calculated and agreed each year alongside approval of the annual budget and will be included in regular financial reporting. The level of the reserves fund must be dynamic, will be reviewed by Finance Committee, and will be adjusted in response to internal and external changes.

British Exploring Society sets as a requirement the addition of reserves equivalent to one month's operating costs over a year if our reserves stand at less than six months' worth of operating costs at its commencement, or to bring reserves up to three months' worth of operating costs if at less than three months at the beginning of the year. The current calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries and benefits, occupancy, travel, programme delivery, and ongoing professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation.

The balance held as unrestricted funds at 31st October 2020 was £449,403 of which £374,855 are regarded as free reserves, after allowing for funds tied up in tangible fixed assets. The balance held as restricted and endowment funds at 31st October 2020 was £299,746.

## **Structure, Governance and Management**

Our Council is ultimately accountable for the effectiveness of the charity in the achievement of its charitable purpose. The Council's primary responsibilities relate to policy, strategy and performance, meeting, or exceeding standards in all areas of statutory regulation, financial performance and the safety and well-being of everyone, particularly the young people that the charity works with. The executive team under the direction of the Chief Executive Officer is responsible for implementing policy and strategy. The executive team and Chief Executive Officer design and deliver operational plans, manage risk on a day-to-day basis, make recommendations to Council in all areas of activity, and are accountable to Council for performance against all agreed performance indicators. The responsibility for all activities towards the

achievement of the charity's charitable purpose which take place overseas during expeditions is delegated to contracted volunteer Chief Leaders.

The charity employs 12 full-time and 5 part-time employees who manage the direction and day-to-day administration of the charity. Many volunteers, who offer their services either regularly or on an ad hoc basis, assist both Council and staff. A significant number provide specialist professional services to the charity as a donation.

Members of Council meet regularly, either at a full Council meeting (minimum four per annum) or by way of meetings of sub-committees, to manage its affairs. Individual Council members additionally dedicate their time to oversee specific areas of activity to support the executive staff team.

Council from time to time also appoints Advisors to the Board. These are usually individuals with expertise in areas of strategic significance to the charity and are listed on the website of the charity. They have no fixed term of office.

The Company is limited by guarantee and governed by Articles of Association which were updated in 2017 at its AGM.

Members of Council, listed on page 3, are the directors for the purposes of the Companies Act 2006 and trustees for the purposes of the Charities Act 2011. Members of the Council are appointed at Council or at the Annual General Meeting each year. Since the Company is limited by guarantee, none of the members of the Council has any beneficial interests in shares in the Company.

The Council is entitled to propose candidates for election to Council and to appoint additional members of Council. New members of Council are recruited to the Council of British Exploring Society by application. Their application must be proposed and seconded by current members of the charity and, in the case of competition for places on the Council, whose numbers are limited, members must be voted in by a quorum of the members of the charity. In selecting new members of Council, consideration is given to the specific contribution that they can make to the Council and the charity. A regular skills and training audit is undertaken to ensure that appointments to Council reflect the strategic priorities of the charity.

Members of Council are limited to two four-year terms, after which a two-year break is enforced before the possibility of a further term.

The pay and remuneration of the Chief Executive Officer is set by Council and is kept under annual review. Several criteria are used in setting pay:

- Nature of the role and responsibilities;
- The sector-average salary for comparable positions;
- General trends in pay.

## **Policies**

The following is a list of current British Exploring Policies:

- Archive & Records Management
- Conflicts of Interest
- Complaints Policy
- Data & Privacy Protection
- Ethical Fundraising and Partnerships
- Ethical Expeditions Policy
- Fellowship Policy
- Finance Policy and Procedures
- Health & Safety at Work
- Membership Policy
- Reserves Policy
- Risk Management Policy
- Safe Operations Policy
- Safeguarding Policy & Procedures
- Visitors Policy
- Take Down Policy

## **Approach to Managing Risk**

The charity must manage two categories of risk: those to itself and those to the Leaders and young people who participate on its programmes in wild and remote areas. Council is responsible for the oversight of both. The Executive works with Council to agree risk appetite and tolerance on a dynamic, case-by-case basis. Effective governance and oversight of risk provide assurance that British Exploring Society's activities will not be adversely affected by predictable risks, which in turn reduces the likelihood of not achieving its strategy.

Council members and the Chief Executive's senior leadership team identify risks to British Exploring Society. The major risks are documented, monitored by the senior leadership team on a continuous basis, and reviewed at each Council meeting. An Operations sub-committee supports the Executive team in the oversight of risk in relation to programme development and delivery. At least two Council members serve on this committee.

Areas affected by risk include programmes, finances, governance, operations, insurance, compliance with law and regulation, and external perceptions and relationships.

### **Programme risk management process**

The Chief Executive, supported by the Head of Expeditions and Expeditions Manager, is responsible for establishing and operating a system for managing expeditions and programmes and their associated risks. On expedition, this is delegated to Chief Leaders, who as agents of the charity are responsible for the system.

This system includes checking compliance with British Exploring Society standard operating procedures (SOPs). These cover all technical aspects of preparing and delivering a programme or an expedition and the standards and skills expected of Leaders and Experts including their ability to dynamically assess and manage the changing risks to which an expedition may be exposed.

SOPs are reviewed by the British Exploring Society senior leadership team, technical advisors, and by Council. They are updated in the light of practical experience and changes in practice and regulation. Individual risk management plans and control measures are also subject to interrogation against questions and challenges generated through a targeted desk-based process of research which considers environmental, political and other risks which we may not have been previously encountered in the field.

### **Expedition Leadership**

An experienced, capable Chief Leader is the bedrock upon which a safe, well-managed expedition is founded. The Chief Executive, Head of Expeditions and/or Expeditions Manager question each candidate Chief Leader at length and satisfy themselves about their abilities and experience before appointment. The British Exploring Society executive team reserves the right to require a Chief Leader to stand down from expedition leadership at any point if they have reason to believe that the individual can no longer effectively manage dynamic risk assessment in the field or support the delivery of wider charitable objectives to the appropriate standard.

The responsibility for selecting and developing a strong, cohesive expedition leadership team which understands the ethos and expectations of British Exploring Society, rests with the Chief Leader, Head of Expeditions and Expeditions Manager, and is overseen by the Chief Executive who reports to Council. Each Chief Leader works closely with the British Exploring Society office throughout the planning process. They will assess the risks relevant to the programme objectives, client group and environment, and, following the relevant operating procedures, develop a comprehensive set of plans including for communications, major incidents, and medical emergencies. The nominated expedition lead at British Exploring Society reviews the risk assessment, itinerary and plans.

A final broad scope, desk-based review of new potential risks is conducted and reviewed prior to deployment. This is designed to identify any emerging political/social/economic/health/environmental hazards not previously existing. Whilst ethical issues are a standard feature of all programme planning, the charity also has an Ethical Expeditions Policy to support decision-making relating to any emerging ethical issues identified shortly before departure dates.

Before each expedition or new programme, Explorers, Leaders and Experts are trained to identify and manage risks.

At the start of an expedition, further training is given. A Chief Leader, liaising with the British Exploring Society office in London, will adapt their expedition's plans, risk assessment and control measures to suit the circumstances in the field at the time.

### **Programme risk management oversight**

Council members monitor the operation of processes and review the Chief Executive's assessment of each expedition or programmes readiness to commence before authorisation. This is usually delegated to the Operations Committee. From time to time council members attend training and may spend a few days in the field. After expeditions return, Council reviews post-expedition reports and performance data and any remedial actions to be incorporated into future planning. This ensures that the charity's system



for identifying and managing risks to Leaders and participants on its expeditions - and to the charity itself - is relevant, robust and transparent.

The charity is a member of the Expedition Providers' Association. Learning Outside the Classroom, its accrediting body, assesses the following areas to seek assurance about expedition risk:

- British Exploring Society standard operating procedures and the risk management process itself;
- The expeditions/operations team ensuring that these are effected;
- The CEO as risk manager;
- The team of technical advisors who support British Exploring Society in the design of policies, procedures, individual expeditions and mitigation of risk;
- Chief Leaders as agents in the field;
- Compliance with British Standard 8848, which includes external assessment by AAA; and
- Nominated members of Council monitoring all stages of an expedition and investigating detail when appropriate.

British Exploring Society's Council is satisfied that the charity's ability to identify, manage and review risks to the safety of expeditions and programmes is sound, and worked effectively in 2020.

### **Financial Risk**

Financial risk represents the risk to the charity of having insufficient funds to carry out its committed charitable activities, due to over-reaching in planning such activities, insufficient fund-raising or general poor management of funds and expenses. Council mitigates such financial risk through the appointment of a finance sub-committee of Council chaired by the Treasurer, which meets approximately two weeks before every Council meeting. Executive finance officers present the latest accounts, forecasts and operating data for review and cross-checking by the sub-committee before such information can be submitted to Council. Members of the sub-committee can request ad hoc reports on financial and operating matters. The finance sub-committee is given delegated authority to manage the deposits and investments of the Society. The Charity's Finance Policy and Procedures and Reserves Policy are reviewed annually

## **Public Benefit, Fundraising and Council Responsibilities**

### **Statement of Public Benefit**

The trustees of British Exploring Society have taken due note of their responsibilities, under the Charity Commission's guidance on public benefit, to deliver public benefit and are confident of the impact of British Exploring Society in the following areas:

- The advancement of education – through the development of individual capabilities, competencies, skills and understanding;
- The relief of those in need because of disadvantage – through specific programmes to provide progression opportunities for young people most at risk in society;
- The advancement of community development – through the active promotion of volunteering and civic responsibility;
- The advancement of Science – through research, and independent research projects; and

- The advancement of environmental protection – through the promotion and better understanding of sustainable development and biodiversity.

### **Statement of responsibility in relation to fundraising**

British Exploring Society takes its duties in relation to fundraising under Data Privacy and Protection regulation and per The Code of Fundraising Practice seriously. Our Data Protection and Privacy Policy was reviewed and revised alongside our Ethical Fundraising and Partnerships Policy in June 2020. The Code of Fundraising Practice outlines the standards expected of all charitable fundraising organisations across the UK. Those standards were developed by the fundraising community through the work of the Chartered Institute of Fundraising (CIOF) and the Fundraising Regulator. Council has overall accountability for fundraising standards at British Exploring Society, with management and the Development Board responsible for ensuring that related policies and procedures are followed. Any material issues that arise are reviewed by the Finance Committee in the first instance, before escalation to Council as appropriate.

We rely on fundraising received as:

- Restricted and unrestricted donations from Individuals or members;
- Corporate donations;
- Sponsorship;
- Legacy or donating in memory; and
- Trusts and Foundation giving.

Our fundraising activities are delivered by our in-house fundraising team, who are obliged to observe our policies and the highest standards in fundraising.

We received no complaints in relation to fundraising activities in the 2019/20 financial year. Finance Committee had no cause to review any non-compliance with any area of fund-raising activity.

Our work brings us into regular contact with young people between the ages of 14 and 26, some of whom may be particularly vulnerable. We work and fundraise alongside our community of members, families and carers, schools and public institutions, other charities, and local communities. British Exploring Society is committed, and recognises that it has an obligation, to always protect those in vulnerable circumstances. Should we ever suspect that someone we engage with through our fundraising activity is lacking capacity or is in vulnerable circumstances, we will take steps to terminate any contract or commitment in a way which seeks to protect that person and their dignity, having due regard for any desire they have expressed to support British Exploring Society.

### **Statement of Council Members' Responsibilities**

Members of Council are responsible for preparing the Council's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires members of Council to prepare financial statements for each financial year, which give a true and fair view of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the members of the Council are required to:

- Select suitable accounting policies and then apply them consistently;

- Observe the methods and principles in the Charities SORP 2019 (FRS102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

#### **Disclosure of information to the Auditor**

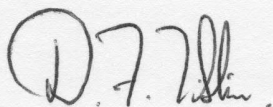
So far as each member of Council at the date of approval of this report is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- certain members of Council, on its behalf, have made the appropriate enquiries and have taken all reasonable steps to make themselves aware of any relevant audit information and to ensure that the auditors are aware of that information.

#### **Small company special provisions**

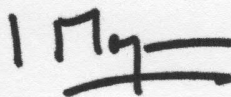
The Council Report has been prepared taking advantage of the small companies' exemption in Section 415A of the Companies Act 2006. The accounts comply with the current statutory requirements, the governing document and SORP 2019.

This report was approved on 3<sup>rd</sup> February 2021 and signed on behalf of the Council by:



**David Tilston**

Treasurer



**Ian Maginnis**

Chair

## **Opinion**

We have audited the financial statements of British Exploring Society (the 'charitable company') for the year ended 31 October 2020 which comprise Statement of Financial Activities incorporating income and expenditure account, the Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, 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 Financial Reporting Standard 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 charitable company's affairs as at 31 October 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken during 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 trustee's report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the charitable company and its environment obtained during 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees (who are also the directors of the charitable company 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 charitable company'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 charitable company 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 are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 based on these financial statements.

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 of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of 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 charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' 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 Auditors' report. However, future events or conditions may cause the charitable company 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.

### **Use of our report**

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



**Stephen Tanner BSc(Econ) FCA, Senior Statutory Auditor**  
**For and on behalf of Kreston Reeves LLP, Statutory Auditor**

**Third Floor**

**24 Chiswell Street**

**London**

**EC1Y 4YX**

**Kreston Reeves LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.**

**Date 4<sup>th</sup> February 2021**

**BRITISH EXPLORING SOCIETY**
**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31<sup>ST</sup> OCTOBER 2020**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds	Total 2020 £	Total 2019 £
<b>Income</b>						
Donations	2	1,015,918	2,699	125	1,018,742	750,669
<i>Income from charitable activities:</i>						
Contributions from participants, supporters and sponsors	3	9,617	139,674	-	149,291	1,008,226
Income from investments	4	914	-	-	914	1,868
Other income	5	107,506	-	-	107,506	1,290
<b>Total incoming resources</b>		<u>1,133,955</u>	<u>142,373</u>	<u>125</u>	<u>1,276,453</u>	<u>1,762,053</u>
<b>Expenditure</b>						
Expenditure on raising funds		5,680	-	-	5,680	10,710
Expenditure on charitable activities	6	849,638	49,563	-	899,201	1,813,436
<b>Total expenditure</b>		<u>855,318</u>	<u>49,563</u>	<u>-</u>	<u>904,881</u>	<u>1,824,146</u>
<b>Net income/(expenditure) and net movement in funds for the year before transfers</b>		278,637	92,810	125	371,572	(62,093)
<b>Transfer between funds</b>		(1,000)	3,000	(2,000)	-	-
<b>Net income/(expenditure)</b>		277,637	95,810	(1,875)	371,572	(62,093)
<b>Reconciliation of Funds</b>						
<b>Total funds brought forward</b>		<u>171,766</u>	<u>158,345</u>	<u>47,466</u>	<u>377,577</u>	<u>439,670</u>
<b>Total funds carried forward</b>	15	<u><u>449,403</u></u>	<u><u>254,155</u></u>	<u><u>45,591</u></u>	<u><u>749,149</u></u>	<u><u>377,577</u></u>

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

All income and expenditure derive from continuing activities.



**BRITISH EXPLORING SOCIETY**

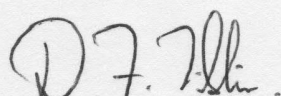
**BALANCE SHEET AS AT 31<sup>ST</sup> OCTOBER 2020**

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2020	Total 2019
<b><u>FIXED ASSETS</u></b>		£	£		£	£
Tangible assets	7	74,548	-	-	74,548	63,867
Investments		-	-	-	-	-
<b>TOTAL FIXED ASSETS</b>		<u>74,548</u>	<u>-</u>	<u>-</u>	<u>74,548</u>	<u>63,867</u>
<b><u>CURRENT ASSETS</u></b>						
Cash at bank and in hand		392,359	253,030	45,591	690,980	371,065
Debtors	8	82,119	1,125	-	83,244	132,895
<b>TOTAL CURRENT ASSETS</b>		<u>474,478</u>	<u>254,155</u>	<u>45,591</u>	<u>774,224</u>	<u>503,960</u>
<b>CREDITORS:</b> Amounts falling due within one year	9	(99,623)	-	-	(99,623)	(190,250)
<b>NET CURRENT ASSETS</b>		<u>374,855</u>	<u>254,155</u>	<u>45,591</u>	<u>674,601</u>	<u>313,710</u>
<b>NET ASSETS</b>		<u>449,403</u>	<u>254,155</u>	<u>45,591</u>	<u>749,149</u>	<u>377,577</u>
<b>THE FUNDS OF THE CHARITY:</b>						
Endowment funds		-	-	45,591	45,591	47,466
Restricted income funds		-	254,155	-	254,155	158,345
Unrestricted income funds		449,403	-	-	449,403	171,766
<b>TOTAL CHARITY FUNDS</b>	15	<u>449,403</u>	<u>254,155</u>	<u>45,591</u>	<u>749,149</u>	<u>377,577</u>

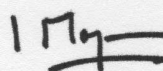
The notes on page 27 to 40 form part of the financial statements.

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2016.

The financial statements were approved and authorised for issue on 3<sup>rd</sup> February 2021 and signed on behalf of Council by:



**David Tilston**  
**Treasurer**



**Ian Maginnis**  
**Chair**

**BRITISH EXPLORING SOCIETY****STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 31<sup>ST</sup> OCTOBER 2020**

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	Note	2020	2019
		£	£
<b>Net cash used in operating activities</b>	16	<u>355,849</u>	<u>(86,445)</u>
<b>Cash flows from investing activities:</b>			
Interest		914	1,868
Purchase of assets		(36,848)	(64,720)
Transfer of cash from investments		-	-
Net cash flow by investing activities		<u>(35,934)</u>	<u>(62,852)</u>
<b>Change in cash and cash equivalents in the year</b>		<u>319,915</u>	<u>(149,297)</u>
 Cash and cash equivalents brought forward		<u>371,065</u>	<u>520,362</u>
Cash and cash equivalents carried forward		<u>690,980</u>	<u>371,065</u>

**1. Accounting Policies**

**1.1 Basis of accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The accounting policies set out below have been consistently applied to all years presented unless otherwise stated.

British Exploring Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The financial statements have been prepared in sterling, which is the functional currency, and are rounded to the nearest £1.

**1.2 Income**

Expedition contributions are accounted for as receivable by the Company and recognised in the statement of Financial Activities, except where they relate to an expedition occurring in a later year, when they are deferred within creditors and credited to the Statement of Financial Activities in the year the expedition takes place. Donations in kind or by way of donated equipment are accounted for on receipt, at the estimated value. Voluntary income and donations are accounted for on receipt by the charity and recognised in the Statement of Financial Activities. Legacies are accounted for where there is a reasonable degree of certainty as to the amounts receivable.

**1.3 Recognition of donated services**

Donated services are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated services are recognised on the basis of the value of the voluntary time contribution to the organisation, which is the amount the charity would have been willing to pay to obtain services of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

#### **1.4 Expenditure**

Expenses and grants payable are recognised in the accounts when they are accrued when they are incurred by the charity, with the exception of costs for future expeditions, which are deferred within debtors and charged to the Statement of Financial Activities in the year the expedition takes place. Grant applications are considered by the Expedition Co-ordinators and Chief Executive and awards are given to deserving cases to fund participation in expeditions.

Expenditure is allocated to the activity where the cost relates directly to that activity. The staff and office costs incurred on each activity are apportioned on the following basis, which is an estimate, based on staff time, of the amount attributable to each activity:

Cost of expeditions	95%
Management and administration of the charity	5%

#### **1.5 Capitalised staff policy**

Staff costs which are directly attributable to bringing a fixed asset into working condition for its intended use are capitalised as a tangible fixed asset.

#### **1.6 Depreciation**

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life. The useful economic lives of expedition equipment items are reviewed and adjusted annually. The brought forward values are then written off over this period. Depreciation is calculated on the following basis:

Expedition equipment	between 1 and 10 years, straight line basis
Office equipment and computers	25% straight line basis

Individual items of equipment costing less than £100 are not capitalised.

#### **1.7 Debtors**

Trade and other debtors are recognised at the settlement amount due.

#### **1.8 Cash at bank and in hand**

Cash at bank includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

#### **1.9 Creditors**

Creditors are recognised at their settlement amount.

### **1.10 Reserves**

The charity holds reserves which have been designated for the following purposes:-

- **Restricted Permanent Endowment Funds** are maintained as required by the individual trust deeds; some of these allow for the income to be accumulated to provide a meaningful grant at a later date.
- **Restricted Funds** are certain donations made with conditions attached (e.g. for use in subsidising Explorers from particular areas or supporting the outreach project) and are kept in a Restricted Fund until applied.

### **1.11 Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of transaction. Exchange differences are reflected in the Statement of Financial Activities.

### **1.12 Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are reflected in the Statement of Financial Activities as incurred.

### **1.13 Pensions**

Contributions in respect of the defined contribution pension scheme are charged to the Statement of Financial Activities for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end. At the year end, there were no accruals or prepayments (2019: £0).

Employer contributions made to the scheme during 2020 amount to £15,552 (2019: £12,390).

### **1.14 Members' liability**

The society is a company limited by guarantee. In the event of the society being wound up, the liability in respect of the guarantee is limited to £1 per member.

### **1.15 Going Concern**

The financial statements have been prepared on a going concern basis as the members of Council believe that no material uncertainties exist. Members of the Council have considered the level of funds held and the expected level of income and expenditure for the 12 months from authorising these financial statements in the light of the global COVID-19 pandemic. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**BRITISH EXPLORING SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 October 2020**

**2. Income from donations**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
Cash donations	998,321	-	125	998,446	435,422
Donated services	17,597	2,699	-	20,296	315,247
	<u>1,015,918</u>	<u>2,699</u>	<u>125</u>	<u>1,018,742</u>	<u>750,669</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £
Cash donations	435,197	-	225	435,422
Donated services	214,141	101,106	-	315,247
	<u>649,338</u>	<u>101,106</u>	<u>225</u>	<u>750,669</u>

**3. Income from charitable activities**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
Contributions from participants, supporters and sponsors	9,617	139,674	-	149,291	1,008,226

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £
Contributions from participants, supporters and sponsors	424,471	583,755	-	1,008,226

**BRITISH EXPLORING SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 October 2020**

**4. Income from investments**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
Interest receivable on cash deposits	914	-	-	914	1,868
	<u>914</u>	<u>-</u>	<u>-</u>	<u>914</u>	<u>1,868</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £
Interest receivable on cash deposits	1,868	-	-	1,868
	<u>1,868</u>	<u>-</u>	<u>-</u>	<u>1,868</u>

**5. Other income**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
Insurance pay-out	107,446	-	-	107,446	-
Miscellaneous receipts	60	-	-	60	1,290
	<u>107,506</u>	<u>-</u>	<u>-</u>	<u>107,506</u>	<u>1,290</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £
Annual subscriptions	-	-	-	-
Miscellaneous receipts	1,290	-	-	1,290
	<u>1,290</u>	<u>-</u>	<u>-</u>	<u>1,290</u>

# BRITISH EXPLORING SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2020

### 6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
<i>Cost of expeditions</i>					
Total expedition costs	199,599	43,870	-	243,469	772,514
Donated services *	17,597	2,699	-	20,296	315,247
Salary costs **	565,947	-	-	565,947	508,146
Depreciation	3,299	-	-	3,299	4,083
<b>Total cost of expeditions</b>	<b>786,442</b>	<b>46,569</b>	<b>-</b>	<b>833,011</b>	<b>1,599,990</b>
<i>Governance costs</i>					
Salary costs	29,787	-	-	29,787	26,744
Office costs	5,391	-	-	5,391	11,049
Auditors fees	5,150	-	-	5,150	4,985
Depreciation	22,868	-	-	22,868	4,154
<b>Total governance costs</b>	<b>63,196</b>	<b>-</b>	<b>-</b>	<b>63,196</b>	<b>46,932</b>
Grants awarded to individuals	-	2,994	-	2,994	166,514
<b>Total cost of charitable activities</b>	<b>849,638</b>	<b>49,563</b>	<b>-</b>	<b>899,201</b>	<b>1,813,436</b>

\* Reduction in donated services caused by cancellation of expedition due to the COVID-19 pandemic

\*\* Increase in salary costs due to additions to the fundraising team. Going forward, all our programmes (except for our professional training qualification for trainee leaders) will be free, or fully funded for our participants.



**BRITISH EXPLORING SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 October 2020**

**Charitable activities (cont.)**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £
<i>Cost of expeditions</i>				
Total expedition costs	425,114	347,400	-	772,514
Donated services	214,141	101,106	-	315,247
Salary costs	508,146	-	-	508,146
Depreciation	4,083	-	-	4,083
<b>Total cost of expeditions</b>	<b>1,151,484</b>	<b>448,506</b>	<b>-</b>	<b>1,599,990</b>
<i>Governance costs</i>				
Salary costs	26,744	-	-	26,744
Office costs	11,049	-	-	11,049
Auditors fees	4,985	-	-	4,985
Depreciation	4,154	-	-	4,154
<b>Total governance costs</b>	<b>46,932</b>	<b>-</b>	<b>-</b>	<b>46,932</b>
Grants awarded to individuals	-	165,998	516	166,514
<b>Total cost of charitable activities</b>	<b>1,198,416</b>	<b>614,504</b>	<b>516</b>	<b>1,813,436</b>

**BRITISH EXPLORING SOCIETY**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 October 2020**

**7. Tangible Fixed Assets**

	Expedition equipment	Office equipment & computers	Total
<b>Cost</b>	£	£	£
At 1 November 2019	226,847	109,311	336,158
Additions	-	36,848	36,848
At 31 October 2020	<u>226,847</u>	<u>146,159</u>	<u>373,006</u>
<b>Depreciation</b>			
At 1 November 2019	218,290	54,001	272,291
Provided in the year	3,299	22,868	26,167
At 31 October 2020	<u>221,589</u>	<u>76,869</u>	<u>298,458</u>
<b>Net Book Value at 31 October 2020</b>	<u><b>5,258</b></u>	<u><b>69,290</b></u>	<u><b>74,548</b></u>
<b>Net Book Value at 31 October 2019</b>	<u><b>8,557</b></u>	<u><b>55,310</b></u>	<u><b>63,867</b></u>

All fixed assets are used for the direct furtherance of the charity's objectives.

**8. Debtors**

	2020	2019
	£	£
Trade debtors	-	32,198
Other debtors	8,336	10,397
Prepayments & accrued income	74,908	90,300
	<u>83,244</u>	<u>132,895</u>

**9. Creditors: Amounts falling due within one year**

	2020	2019
	£	£
Trade creditors	73,617	48,937
Other creditors	5,150	4,213
Expedition contributions received in advance	-	111,316
Social security and other taxes	15,706	13,437
Accruals	5,150	12,347
	<u>99,623</u>	<u>190,250</u>

**BRITISH EXPLORING SOCIETY****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 October 2020**

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**10. Deferred Income**

Deferred income comprises expedition contributions received in advance for the 2021 expeditions.

	£
Balance as at 1 November 2019	111,316
Amount released to income from charitable activities	(111,316)
Amount deferred in the year *	-
	<u>-</u>

\* Due to a change in the funding model of expeditions, all our programmes (except for our professional training qualification for trainee leaders) will be free, or fully funded for our participants.

**11. Other financial commitments**

	2020	2019
	£	£
Total future minimum lease payments under non-cancellable rental leases are as follows:		
- within one year	14,649	17,850
- within two to five years	15,381	-
	<u>30,030</u>	<u>17,850</u>

**BRITISH EXPLORING SOCIETY****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 October 2020****12. Staff Costs**

	2020	2019
	£	£
Staff wages and salaries	530,221	476,374
Social security costs	49,961	46,126
Other Pension costs	15,552	12,390
	<u>595,734</u>	<u>534,890</u>
	2020	2019
	No.	No.
Full Time Employees	12	12
Part Time Employees	5	3
Total number of employees	<u>17</u>	<u>15</u>

1 Staff member received benefits above £60,000. The number of employees whose employee benefits (excluding employer pension costs) was £60,000 or more was:

	2020	2019
£90,001 to £100,000	1	1

No members of Council received any remuneration or benefits in kind in the year. No members of Council received expenses relating to travel and subsistence, and staff entertaining (2019: nil).

British Exploring Society considers its key management personnel comprise Council members and the Chief Executive Officer. The total employment benefits paid to key management personnel (including employer pension contributions) were £102,999 (2019: £102,582).

The charity paid £2,199 (2019: £2,199) for Trustees' indemnity insurance.

**13. Taxation**

British Exploring Society is a registered charity and is exempt from taxation on income applied for charitable purposes under section 505(1) of the Income and Corporation Taxes Act 1988.

**BRITISH EXPLORING SOCIETY****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 October 2020****14. Analysis of net assets between funds**

	Unrestricted	Restricted	Endowment	Total 2020
	£	£	£	£
Tangible Fixed Assets	74,548	-	-	74,548
Debtors	82,119	1,125	-	83,244
Cash at bank and in hand	392,359	253,030	45,591	690,980
Creditors: due within one year	(99,623)	-	-	(99,623)
	<u>449,403</u>	<u>254,155</u>	<u>45,591</u>	<u>749,149</u>

	Unrestricted	Restricted	Endowment	Total 2019
	£	£	£	£
Tangible Fixed Assets	63,867	-	-	63,867
Debtors	132,895	-	-	132,895
Cash at bank and in hand	165,254	158,345	47,466	371,065
Creditors: due within one year	(190,250)	-	-	(190,250)
	<u>171,766</u>	<u>158,345</u>	<u>47,466</u>	<u>377,577</u>

**BRITISH EXPLORING SOCIETY****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 October 2020****15. Analysis of fund balances: movement in resources**

<b>2020</b>	<b>Brought Forward</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Carried Forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted Funds</b>					
General fund	171,766	1,133,955	855,318	(1,000)	449,403
<b>Total Unrestricted Funds</b>	<b>171,766</b>	<b>1,133,955</b>	<b>855,318</b>	<b>(1,000)</b>	<b>449,403</b>
<b>Restricted Funds</b>					
Sir John Cass's Foundation	-	40,000	-	-	40,000
Sandy and Zorica Glen Charitable Settlement	53,929	7,500	-	-	61,429
The Exilarch's Foundation	9,500	40,349	40,349	-	9,500
Other Restricted Funds	94,916	54,524	9,214	3,000	143,226
<b>Total Restricted Funds</b>	<b>158,345</b>	<b>142,373</b>	<b>49,563</b>	<b>3,000</b>	<b>254,155</b>
<b>Restricted Permanent Endowment Funds</b>					
Michael Garvey Bursary	11,328	65	-	-	11,393
Alexander Eastwood Award	29,014	-	-	(2,000)	27,014
Tim Ward-Wilson Memorial Award	7,124	60	-	-	7,184
<b>Total Permanent Endowment Funds</b>	<b>47,466</b>	<b>125</b>	<b>-</b>	<b>(2,000)</b>	<b>45,591</b>
<b>Total Funds</b>	<b>377,577</b>	<b>1,276,453</b>	<b>904,881</b>	<b>-</b>	<b>749,149</b>

The restricted and permanent endowment funds totalling £299,746 (2019: £205,811) are represented by cash balances of £298,621 held within Cash at Bank and debtor balances of £1,125. Further detail relating to the fund structure is provided in the accounting policies note (page 29, note 1.10).

Sir John Cass's Foundation - Restricted Funds for Landmark 2021.

Sandy and Zorica Glen Charitable Settlement - Restricted Funds for Pinnacle 2022.

The Exilarch's Foundation - Restricted Income and Expenditure relating to DNG Expedition 2020. Legacy funding carried forward to future expeditions.

Within the 2019 funds analysis The Peter Cundill Foundation fund and the Hengistbury Investment Partners LLP fund are shown separately due to the value of the transactions within them during the 2019 financial year. However, for the 2020 financial year these funds have not contained such transactions and have therefore been amalgamated within the 'other restricted funds' brought forward.

**BRITISH EXPLORING SOCIETY****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 October 2020****Analysis of fund balances: movement in resources (cont.)**

<b>2019</b>	Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
<b>Unrestricted Funds</b>					
General fund	303,925	1,076,967	1,209,126	-	171,766
<b>Total Unrestricted Funds</b>	<b>303,925</b>	<b>1,076,967</b>	<b>1,209,126</b>	<b>-</b>	<b>171,766</b>
<b>Restricted Funds</b>					
Sir John Cass's Foundation	7,000	40,000	47,000	-	-
Sandy and Zorica Glen Charitable Settlement	23,929	30,000	-	-	53,929
The Exilarch's Foundation	-	220,000	210,500	-	9,500
The Peter Cundill Foundation	-	74,994	70,650	-	4,344
Hengistbury Investment Partners LLP	-	50,000	34,587	-	15,413
Other Restricted Funds	57,059	269,867	251,767	-	75,159
<b>Total Restricted Funds</b>	<b>87,988</b>	<b>684,861</b>	<b>614,504</b>	<b>-</b>	<b>158,345</b>
<b>Restricted Permanent Endowment Funds</b>					
Michael Garvey Bursary	11,679	165	516	-	11,328
Alexander Eastwood Award	29,014	-	-	-	29,014
Tim Ward-Wilson Memorial Award	7,064	60	-	-	7,124
<b>Total Permanent Endowment Funds</b>	<b>47,757</b>	<b>225</b>	<b>516</b>	<b>-</b>	<b>47,466</b>
<b>Total Funds</b>	<b>439,670</b>	<b>1,762,053</b>	<b>1,824,146</b>	<b>-</b>	<b>377,577</b>

The restricted and permanent endowment funds totalling £205,811 are represented by cash balances held within Cash at Bank.

Sir John Cass's Foundation - Restricted Funds for Landmark 2019.

Sandy and Zorica Glen Charitable Settlement - Restricted Funds for Pinnacle 2021 (now 2022).

The Exilarch's Foundation - Restricted Funds for DNG & Infinity Expeditions 2019. Carried forward balances to be used on future DNG expeditions.

The Peter Cundill Foundation - Restricted Funds for UK Explorers 2019 and Young Explorer Bursaries. Carried forward balances to be used on future expeditions.

Hengistbury Investment Partners LLP - Restricted Funds for Explorer Miles expedition bursaries.

**BRITISH EXPLORING SOCIETY****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 October 2020**

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**16. Reconciliation of net movement in funds to net cash flow from operating activities**

	2020	2019
	£	£
Net (expenditure)	371,572	(62,093)
Add back depreciation	26,167	8,237
Deduct interest income shown in investing activities	(914)	(1,868)
(Increase) in debtors	49,651	(33,009)
(Decrease)/increase in creditors	(90,627)	2,288
<b>Net Cash Used in Operating activities</b>	<b>355,849</b>	<b>(86,445)</b>

**17. Related party transactions**

Donations amounting to £38,800 were received from Council members (2019: £22,000). There are no other related party transactions during the year (2019: nil).