

Northumbria Calvert Trust

**Trustees' Report
and
Financial Statements**

For the year ended 30 November 2017

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Northumbria Calvert Trust

Year ended 30 November 2017

Charity Reference and Administration Details

1. Northumbria Calvert Trust is a company limited by guarantee and not having a share capital. It is a registered charity, number 511851, with Company number 01596913.

2. The Trustees and Directors who served during the year were as follows:

- ♦ C M Green (Chairman and Managing Trustee Committee Member)
- ♦ Dr J N Bridge
- ♦ Dr A M Charlton (Managing Trustee Committee Member)
- ♦ C R Drax
- ♦ P R Loyd
- ♦ M S Priestley (Managing Trustee Committee Member)
- ♦ M F Schooler
- ♦ P H Straker
- ♦ E C T Trevelyan FCA (Managing Trustee Committee Member)

Sir Ranulph Fiennes Bt and Fra' Matthew Festing are Emeritus Trustees

3. Chief Executive and Company Secretary

- ♦ P J V Cockerill

4. Registered Office and Centre Address:

Calvert Trust Kielder
Kielder Water & Forest Park
Hexham
Northumberland
NE48 1BS

Telephone: 01434 250232
Fax: 01434 250015
Email: enquiries@calvert-kielder.com
Website: www.Calvert-Trust.org.uk

5. Accountants:

P J Arnold & Co Ltd
Chartered Accountants
West Orchard House
Allendale Road
Hexham
NE46 2DE

6. Registered Statutory Auditors:

Ryecroft Glenton
32 Portland Terrace
Newcastle upon Tyne
NE2 1QP

7. Bankers:

Svenska Handelsbanken
11 The Court Yard
St Mary's Chare
Hexham
NE46 1NH

Barclays Bank Plc
Priestpople
Hexham
NE46 1PE

Northumbria Calvert Trust

Year ended 30 November 2017

Trustees' Annual Report

The Trustees, who are also Directors of the Charity for the purpose of the Companies Act 2006, present their report and the audited financial statements for the year ended 30 November 2017 which are also prepared to meet the requirements for a Directors' Report and Accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Statement of Recommended Practice applicable to charities.

Objectives and Activities

Our Charitable Objects

The objects for which the Trust is established are

'the provision of specialised facilities for outdoor activities in the countryside for the education or otherwise for the relief of people who have need of such facilities by reason of disability of any nature or age or social or economic circumstances provided always that priority for the use of such facilities shall be afforded to people with disabilities'.

Our Aims, Objectives Mission and Benefits

Our Mission is to enable people with disabilities, together with their families and friends and others, to achieve their potential through the challenge of adventurous activities in the countryside.

The benefits and enjoyment of the activities are offered to all, irrespective of ability. These benefits include:

Inner Strength (Permanent and Portable)
Enrichment of life for each individual
Personal development and rehabilitation leading to integration
Greater self-confidence and greater self esteem

Strategy for Achieving our Aims and Objectives

Our Strategic Plan 2017 to 2019 has been shaped by two overriding needs; the financial needs of our beneficiaries for affordable services and the need for the Charity to establish a strong and viable organisation for the long term. The ever increasing desire among disabled people for inclusion and integration has also shaped the plan.

To deliver the strategy we will continue to deliver our services from our centre in the Kielder Water & Forest Park. We will increase the number of our accessible self-catered units which provide a more affordable option for beneficiaries. We will add new and exciting outdoor activities that will attract new users and enhance the experiences of returning beneficiaries. We will continue to grow our services for Colleges, Universities and Corporates. We will listen to what our beneficiaries want rather than providing what we think they should have.

Main Activities Undertaken

The Trust provides a wide range of accessible and challenging indoor and outdoor activities from its base in the Kielder Water & Forest Park in Northumberland.

Sailing, canoeing, kayaking and cruising is run from its boathouse on the shores of Kielder Water. Climbing, orienteering, archery, trail buggies, king swing, high ropes, swimming and more are provided on site at its main centre.

Uniquely to England we provide a 24 hour Respite Care service combined with the activities above for disabled adults.

Fully catered and self-catered facilities are provided and day visitors are also catered for.

Northumbria Calvert Trust

Year ended 30 November 2017

Trustees' Annual Report cont'd...

The main centre building comprises 25 ground floor accessible rooms for up to 38 people all of which, except two, are ensuite. In addition there is an indoor swimming pool, recreation hall, snoozelum, TV lounge, dining room, conference room, reception and small bar and shop.

A further 14 self-catering chalets provide accommodation for a further 78 people.

We have a team of qualified and experienced instructors and carers who deliver our activities and respite care programmes. Domestic, catering, maintenance, fundraising and administration staff complete the staffing.

Our guests of all ages visit from the North East and across the UK. We cater for disabled people with physical, mental and sensory disabilities of all degrees of severity, many with profound and multiple disabilities. Our disabled guests visit with their families and carers and in groups. Disabled adults can visit alone on our respite care programme.

Public Benefit

The Trust seeks to make its services available at a cost that is affordable. A bursary scheme is in place that seeks to mitigate the costs for those who find it difficult to finance the cost of their stay.

The Trustees have confirmed that they have referred to the guidance contained in the Charity Commissioners' guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities of the Trust.

The Trustees have concluded that the Northumbria Calvert Trust complies with the two principles of public benefit as follows:

There are identifiable benefits, and

These benefits are available to people with disabilities, their carers and families or friends without restriction

Achievements and Performance

Main Achievements

2017 was our 36th year of transforming the lives of disabled people. We were proud to be one of only 100 organisations in the UK to be awarded the Visit England Rose Award.

During the year we received 6,017 (2016: 5,703) residential guests representing 21,432 (2016: 22,812) bednights. Of these 7,044 (2016: 8,465) bednights were sold to fully catered guests and a further 14,388 (2016: 14,347) bednights to self-catered guests.

These figures are particularly encouraging given the very difficult financial circumstances so many of our beneficiaries face. A large contract of £120,000 for the Challenge Network also came to an end. Nonetheless our fully catered provision is below the point we would wish.

In line with our policy of encouraging inclusion and integration we were glad to see continuing usage of our facilities by able bodied guests. Our able bodied guests comprise the family members and carers of disabled guests and the friends of disabled guests. In addition we continued to extend our services to local companies, universities and schools who are supportive of our work and who are keen for their staff and pupils to get to know and be at ease with disabled people. Many of these users also have disabled staff on their teams. This outreach work takes place mainly in our shoulder and low season when we have spare capacity. The income generated forms an import element in strengthening our overall viability and cross subsidises our services to disabled people. The feedback from our disabled guests and the organisations has been fantastic, both parties benefiting greatly from the experience. In order to promote these services to our new markets the Trust has created a new brand called 'Calvert Kielder'.

We continued to receive guests with a wide range of impairments in particular those with learning difficulties such as autism and many with profound and multiple learning disabilities (PMLD). Our guests consistently report how their self-confidence, resilience and enjoyment of life is enhanced by their stay. They say this in turn provides the foundations and confidence for them to take their place in society and so lead more fulfilling lives.

Northumbria Calvert Trust

Year ended 30 November 2017

Trustees' Annual Report cont'd...

Some 425 people enjoyed on our unique respite care service, slightly lower than the previous year. The feedback from families on the positive impact of this service is tremendous. All too often respite care means little more than four walls and a bed. For our guests it means a full range of outdoor activities with personal care. As a result our guests return home reinvigorated and the carers have a rest without the feeling of guilt that can arise when a bare minimum form of respite care is provided.

Our fundraising performance was in line with budget and we were particularly pleased with the success of our Capital Fundraising. We wish to thank especially our many benefactors who make our work possible.

Key Performance Indicators

The Trust seeks to build the inner strength of guests that provides the foundation and confidence necessary to lead more fulfilling lives within the community. We measure our success in this area by the following criteria;

Outcome monitoring is measured by;

- ♦ Feedback questionnaires
- ♦ Oral feedback from guests
- ♦ Monitoring of web activity about our service

Output monitoring is measured by;

- ♦ Levels of repeat visits
- ♦ Number of guests pa
- ♦ Number of bednights provided

Financial Review

This is our first full application of FRS102 and as note 2(c) on page 19 states the trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP (FRS102) the restatement of comparative items was required. Also a legacy for £73,346 should be recognised as income in the 2016 comparatives in the year ended 30 November 2017 accounts, rather than in the current year figures.

Headline results

Total Income £1.9m (2016: £2.1m)

Total Expenditure excluding depreciation £1.9m (2016: £1.8m)

Total capital expenditure £0.147m (2016: £0.255m)

We achieved total income of £1.9m, £0.2m lower than last year due to a £0.25m legacy received in 2016. Total expenditure increased by £0.1m due mainly to a higher spend on charitable activities.

Charitable Activities

We provide our service to enable disabled people to live more independent lives. Fees and grants for delivering our services form the major part of our income. This income dropped marginally by £27,347 compared to 2016 due to slightly lower occupancy. We seek to set our tariffs at a level the market can bear. We also provide bursaries for those in financial need funded by charitable donations. Expenditure on Charitable activities grew by £0.1m compared to 2016 and reflects our continued investment in marketing and sales activities and refurbishment work to our accommodation facilities.

Capital Expenditure and Fixed Assets

Capital expenditure is funded from fundraising activity. Changes in fixed assets are shown on note 8 to the accounts. The freehold land and buildings are shown in the Trust's balance sheet at cost less depreciation. No valuation has been undertaken in view of the specialised nature of these buildings and the objectives of the Trust.

Northumbria Calvert Trust
Year ended 30 November 2017

Trustees' Annual Report cont'd...

Donations and Legacies

We received a substantial legacy of £253,000 in 2016 but none in 2017. This was offset in part by a £102,000 increase in donations to £454,631. Expenditure on raising funds has decreased by £11,470 reflecting a restructure of staffing arrangements. Our ratio of fundraising income to fundraising costs is 4:1 (2016: 4.8)

Outturn

The deficit for the year for the Unrestricted Fund was (£253,830), (2016: £157,864 surplus)
The net asset value of the Trust has decreased by £194,971 to £5,281,186.
(2016: increased by £46,636 to £5,476,157)

Investment Policy

The Trustees took the decision to hold most of our funds in cash since we had short to medium term projects that required readily available cash. These funds are held with main clearing banks and equivalent institutions in interest bearing accounts.

There are £87,663 of funds invested in a corporate bond and Charities Official Investment Fund. The Trust does not knowingly invest in an organisation whose primary purpose conflicts with our objects. We take advice from external advisers from time to time on this policy

Reserves Policy

The Trustees have adopted a risk based approach to reserves and the policy is to hold a minimum level of unrestricted reserves of £550,000. This should be sufficient to cover the following risks:

- Net costs arising from a downturn in trading
- Lower fundraising income
- Unforeseen capital expenditure
- Uninsured losses
- Shortfall in working capital

The Trustees recognise that the circumstances that may arise to the above risks would not all necessarily occur at the same time and this has been reflected in setting the level of contingency noted above.

In addition, the Trustees have set up a Designated Fund of £386,648 towards underwriting the costs of the Realising Potential Capital Programme. In both cases the Trustees review the numbers at each year end

There are Restricted Funds of £480,528 at 30 November 2017.

A second Designated Fund represents the amount of money invested in Tangible Fixed Assets and amounted to £4,293,468 at 30 November 2017.

Change In Financial Reporting

A new Statement of Recommended Practice (SORP) was issued by the Charity Commission in 2014 to incorporate the changes required by the latest Financial Reporting Standard (FRS 102). As both a charity and a company Northumbria Calvert Trust has complied with the requirements of the SORP and FRS 102 when compiling the annual report and accounts. This has included the restatement of accounts for the year ending 2016. Further details can be found on pages 18 and 19.

Plans For Future Periods

In response to the needs and wishes of beneficiaries and following a review of its development programme the Trustees have agreed the following capital development projects to be progressed as funding allows;

- Installation of new and exciting activities
- Conversion of two staff houses to self-catering units
- Construction of additional self-catering units
- Redevelopment of the main centre building
- Redevelopment of an existing building to provide indoor activities and associated facilities
- Landscaping of the site

The Trust will continue to invest in fundraising, marketing and sales activity in order to help and reach as many beneficiaries as possible. In particular the Trust will raise funds for bursary support and operating costs in order to keep charges to beneficiaries at an affordable level.

The Trust has an ethos of continuous improvement and development programmes are focussed on enhancing the quality of service for our clients and broadening the skills of our staff with accredited training.

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee and not having a share capital. It was incorporated on 10th November 1981. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Managing Trustee Committee

At its first meeting in 1981 the Directors delegated their responsibilities for the day to day management of the Trust to the Trustees. The Trustees subsequently formed a Managing Trustee Committee to undertake these duties which is answerable to the Trustees as and when required. The Managing Trustee Committee meets four times a year and currently comprises four members from a variety of professional backgrounds.

Responsibility for the day to day provision of services rest with the Chief Executive along with the Senior Management Team.

Trustees of the Charity

The Directors of the charitable company become Members of the company on appointment and Trustees for the purposes of charity law. The Trustees who have served during the year and since the year end are shown in the Charity Reference and Administration Details on page 2.

Under the Articles of association one third of the trustees must retire by rotation each year and are eligible for re-election.

All Trustees give their time voluntarily and receive no benefits from the Charity. Should any expenses be reclaimed from the Charity these will be set out in the notes to the accounts.

The traditional business skills are well represented on the Trustee Board. The composition of the Trustees' board and its experience and training is kept under review. Where specific skills are lost due to retirement the Board seeks to ensure individuals are approached to fill the skills gap.

Northumbria Calvert Trust

Year ended 30 November 2017

Trustees' Annual Report cont'd...

Recruitment, Appointment and Induction of Trustees

The Trustees are from a variety of relevant professional, business and charitable backgrounds with a number having experience in the disability field and as beneficiaries of the Charity.

There is a Trustee Recruitment policy that sets out the procedures and responsibilities for recruitment. Recruitment is conducted by advertising and word of mouth. Trustees must provide two referees and undertake the Disclosure and Barring (DBS) process.

New Trustees undergo an orientation period to brief them on their legal obligations under Charity and company law, the content of the Memorandum and Articles, the decision making process, the business plan and recent financial performance of the Charity. They also meet key employees and other Trustees. Induction also includes a tour of the site including the activities available.

Risk Management

The major risks which the Charity might be exposed to have been reviewed by the Managing Trustee Committee and systems have been established to mitigate those risks.

Working with vulnerable adults and young people entails risks. The Trustees are ultimately responsible for risk management and they are satisfied that the appropriate internal control systems and risk management processes are in place. The Trustees consider that the following framework provides the Trust with adequate measures to reduce the impact of identified risk.

At each quarter of the year Trustees receive a full operational report covering all aspects of the Trusts activities. This report includes serious incidents and near miss reports. The Trust has a full Risk Register which is reviewed by the senior management team and any significant changes in the risk profile are notified to Trustees along with the mitigation measures. At the departmental level risk assessments are in place for all activities. Our most significant risks and mitigating actions are set out below:

Potential risk	Action to mitigate
Physical or emotional abuse or neglect of a disabled or vulnerable guest.	Safeguarding policies and procedures supported by training and support and guidance for our staff. Strong whistleblowing and quality frameworks. Working closely with safeguarding authorities, Care Quality Commission and regulators. Strong risk assessment and safety culture.
Preventable death or serious injury to a disabled person in our care, an employee or volunteer.	Strong risk assessment and safety culture with regular monitoring by senior managers. Thorough induction procedures and ongoing staff training and development.
Serious breach of information obligations with regard to sensitive personal data.	Clear data protection and confidentiality policies and procedures.
Insufficient reserves	Close monitoring by the senior management team. Robust reserves policy. Strong focus on income generation and cost control

Northumbria Calvert Trust

Year ended 30 November 2017

Trustees' Annual Report cont'd...

Related Parties

Northumbria Calvert Trust is a corporate Trustee of 'The Calvert Trust' (Reg Charity No. 1042423). 'The purpose of 'The Calvert Trust' is to promote and co-ordinate the work of Northumbria Calvert Trust, Calvert Trust Exmoor (Reg Charity No. 1005776), The Lake District Calvert Trust (Reg Charity No. 270923) and Calvert Trust Chilterns Foundation (Reg Charity No. 1148277)

Working together has enabled us to embark on major initiatives to co-ordinate our fundraising and marketing and to improve performance in other areas by co-operation. The Trustees of Northumbria Calvert Trust have provided positive support in this programme of co-operative working.

The Northumbria Calvert Trust is a Founding Member of the Kielder Water & Forest Park Development Trust. Its purpose is to promote the sustainable development of the Kielder Water & Forest Park area and to improve the conditions of life for those in socially and economically disadvantaged communities at Kielder.

Regulators

The Trusts Respite Care service is regulated by the Care Quality Commission (CQC). During 2017 the Trust was awarded the standard of Good by the CQC for its respite care service.

The trusts outdoor activity service is regulated by the Adventure Activity Licensing Authority (AALA) and maintained its registration throughout 2017.

Significance of Volunteers

The Trust benefits from the services of over 36 unpaid volunteers who complement the work of paid staff. Volunteers help with both service delivery and fundraising usually on an event by event basis. Volunteers are ancillary to and do not replace paid staff.

Pay Policy for Senior Staff

The pay of the senior staff is reviewed annually by the Managing Trustees Committee and normally increased in accordance with the retail price index increase

Statement as to disclosure to our Auditors

The Trustees of the charitable company who held office at the date of approval of these financial statements, as set out below, each confirm so far as they are aware, that:

- (a) there is no relevant information, being information needed by the auditors' in connection with preparing their report, of which the Auditor is unaware; and
- (b) the Trustees, having made enquiries of fellow Trustees and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Northumbria Calvert Trust

Year ended 30 November 2017

Trustees' Annual Report cont'd...

Trustees' Responsibilities Statement

The Trustees (who are also the Directors of Northumbria Calvert Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

Auditors

A resolution proposing that Ryecroft Glenton be re-appointed as auditors of the company will be put to the Annual General Meeting.

General

The Trustees would like to thank, on behalf of all our guests, our benefactors for their very generous support and the staff employed by the Trust for their commitment and hard work.

This report was approved by the Trustees on 6 March 2018 and signed on their behalf by:

ON BEHALF OF THE TRUSTEES



C M Green

6 March 2018

NORTHUMBRIA CALVERT TRUST

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF NORTHUMBRIA CALVERT TRUST

OPINION

We have audited the financial statements of Northumbria Calvert Trust (the 'charitable company') for the year ended 30 November 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 November 2017 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 Auditors' 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 Trustees' 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.

NORTHUMBRIA CALVERT TRUST

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF NORTHUMBRIA CALVERT TRUST

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' 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.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remunerations 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, 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.

NORTHUMBRIA CALVERT TRUST

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF NORTHUMBRIA CALVERT TRUST

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.



Nigel Wyrley-Birch (Senior statutory auditor)

for and on behalf of
Ryecroft Glenton
Chartered Accountants
Statutory Auditor
32 Portland Terrace
Newcastle upon Tyne
NE2 1QP

Date: 6 March 2018

Northumbria Calvert Trust
Year ended 30 November 2017

Statement of Financial Activities (including income and expenditure account)

	Note	Unrestricted funds	Designated funds	Restricted funds	Total funds 2017	Total funds 2016
Income:		£	£	£	£	£
Donations and legacies	3	122,731	-	331,900	454,631	532,033
Charitable activities	4	1,400,927	-	-	1,400,927	1,428,274
Other trading activities						
Fundraising activities		59,909	-	-	59,909	70,952
Investments		4,163	-	2,952	7,115	9,396
Total income		1,587,730	-	334,852	1,922,582	2,040,655
Resources expended:						
Raising funds	5	128,865	-	-	128,865	140,335
Charitable activities	6	1,712,695	231,657	51,704	1,996,056	1,859,490
Total expenditure		1,841,560	231,657	51,704	2,124,921	1,999,825
Net income/(expenditure) before investment gains		(253,830)	(231,657)	283,148	(202,339)	40,830
Net gains on investments		-	-	7,368	7,368	4,806
Net income/(expenditure)		(253,830)	(231,657)	290,516	(194,971)	45,636
Transfers between funds:						
Capital transactions		(103,989)	120,740	(16,751)	-	-
Net movement in funds		(357,819)	(110,917)	273,765	(194,971)	45,636
Reconciliation of funds:						
Total funds brought forward		478,361	4,791,033	206,763	5,476,157	5,430,521
Total funds carried forward		120,542	4,680,116	480,528	5,281,186	5,476,157

The notes on pages 19 to 26 form part of these financial statements.

All income and expenditure is derived from continuing activities.

All gains and losses recognised in the year are included above.

Northumbria Calvert Trust
Year ended 30 November 2017

Statement of Financial Activities (including income and expenditure account) – previous year

	Note	Unrestricted funds	Designated funds	Restricted funds	Total funds 2016
Income:		£	£	£	£
Donations and legacies	3	440,230	-	91,803	532,033
Charitable activities	4	1,428,274	-	-	1,428,274
Other trading activities					
Fundraising activities		70,952	-	-	70,952
Investments		6,658	-	2,738	9,396
Total income		1,946,114		94,541	2,040,655
Resources expended:					
Raising funds	5	140,335	-	-	140,335
Charitable activities	6	1,647,915	211,575	-	1,859,490
Total expenditure		1,788,250	211,575	-	1,999,825
Net income/(expenditure) before investment gains		157,864	(211,575)	94,541	40,830
Net gains on investments		-	-	4,806	4,806
Net income/(expenditure)		157,864	(211,575)	99,347	45,636
Transfers between funds:					
Capital transactions		(255,979)	255,979	-	-
Restricted funds		202,076	-	(202,076)	-
Net movement in funds		103,961	44,404	(102,729)	45,636
Reconciliation of funds:					
Total funds brought forward		374,400	4,746,629	309,492	5,430,521
Total funds carried forward		478,361	4,791,033	206,763	5,476,157

Northumbria Calvert Trust
Year ended 30 November 2017

Balance Sheet

	Note	2017		2016	
		£	£	£	£
Fixed assets:					
Tangible assets	8	4,293,468		4,404,385	
Investments	9	87,663		114,561	
Total fixed assets			4,381,131		4,518,946
Current assets:					
Stock		15,315		10,612	
Debtors	10	140,145		156,825	
Cash at bank and in hand		1,102,995		1,005,784	
Total current assets		1,258,455		1,173,221	
Liabilities:					
Creditors falling due within one year	11	(253,476)		(216,010)	
Net current assets			1,004,979		957,211
Total assets less current liabilities					
			5,386,110		5,476,157
Creditors falling due after more than one year	12	(104,924)		-	
Net assets			5,281,186		5,476,157
The funds of the charity:					
Unrestricted		120,542		478,361	
Designated	14	4,680,116		4,791,033	
Total unrestricted funds			4,800,658		5,269,394
Restricted	13	480,528		206,763	
Total charity funds			5,281,186		5,476,157

The Trustees have prepared financial statements in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 19 to 26 form part of these financial statements.

Approved by the Trustees on 6 March 2018 and signed on their behalf by:



C M Green
Chair and Trustee

Company registration number: 01596913

Northumbria Calvert Trust
Year ended 30 November 2017

Statement of Cash Flows

	Note	2017	2016
		£	£
Cash flows from operating activities:			
Net cash provided by operating activities	18	81,553	193,933
Cash flows from investing activities			
Dividends, interest and rents from investments		7,115	9,396
Proceeds from the sale of property, plant and equipment		12,500	-
Purchase of property, plant and equipment		(147,474)	(255,979)
Proceeds from sale of investments		34,267	-
Net cash used in investing activities		(93,592)	(246,583)
Cash flows from financing activities			
Cash inflows from new borrowing		109,250	-
Net cash provided by financing activities		109,250	-
Increase / (decrease) in cash and cash equivalents in the year		97,211	(52,650)
Cash and cash equivalents at the beginning of the year		1,005,784	1,058,434
Total cash and cash equivalents at the end of the year		1,102,995	1,005,784

Northumbria Calvert Trust
Year ended 30 November 2017

Reconciliation of equity

	At 1 December 2015		At 30 November 2016	
	Unrestricted Funds	Total Funds	Unrestricted Funds	Total Funds
	£	£	£	£
Funds (as previously stated)	374,400	5,430,521	405,015	5,402,811
Recognition of legacy (note 2c)	-	-	73,346	73,346
Funds (as restated)	<u>374,400</u>	<u>5,430,521</u>	<u>478,361</u>	<u>5,476,157</u>

The transition to the Charities SORP (FRS 102) has only effected the unrestricted funds of the Trust.

Reconciliation of surplus or deficit for the year

	Year ended 30 November 2016	
	Unrestricted Funds	Total Funds
	£	£
Net movement in funds for the year (as previously stated)	30,615	(27,710)
Recognition of legacy (note 2c)	73,346	73,346
Net movement in funds for the year (as restated)	<u>103,961</u>	<u>45,636</u>

The transition to the Charities SORP (FRS 102) has only effected the unrestricted funds of the Trust.

Notes to the financial statements

General information

The Trust is a company limited by guarantee, has no share capital, and is registered in England & Wales. The address of the registered office is Calvert Trust Kielder, Kielder Water & Forest Park, Hexham, Northumberland NE48 1BS.

1. Statement of compliance

These 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 UK and Republic of Ireland (FRS102) (effective 1 January 2015) and the Companies Act 2006.

2. Accounting policies

a) Basis of preparation

The Trust 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 notes.

b) Preparation of the accounts on a going concern basis

There are no material uncertainties associated with the Trust that would cast any doubt on its ability to continue as a going concern. The Trust generates surplus income over expenditure, current assets comfortably exceed current liabilities, and the trustees have no plans that would significantly change these conditions. For these reasons the Trustees have satisfied themselves that it is reasonable to conclude that it is appropriate to prepare financial statements on a going concern basis.

c) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the financial statements, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) the restatement of comparative items was required.

An unrestricted legacy was partly received in 2016 and recognised in the accounts for the year ended 30 November 2016, but in the year ended 30 November 2017 the final part of the legacy was received of £73,346. As at the 30 November 2016 probate had been granted and the receipt of the remaining £73,346 was probable, it meets the requirements of the Charities SORP (FRS102) section 5.31 and should be recognised as income in the comparatives in the year ended 30 November 2017 accounts, rather than in the current year figures. The effect of this FRS102 transition adjustment can be seen in the reconciliation of equity and the reconciliation in the surplus or deficit for the year. The adjustment only affects the unrestricted funds in the 2016 accounts.

d) Donated services and facilities

Donated professional services and donated facilities 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 professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Notes to the financial statements (continued)

e) Income

Income is recognised when the charity is legally entitled to the income and it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either; the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

f) Turnover

Turnover is the amount charged in respect of the provision of accommodation, activities and goods for resale net of value added tax.

g) Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purpose.

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by donors which have been raised by the Trust for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Designated funds are unrestricted funds designated by the Trustees for particular purposes.

Investment income, gains and losses are allocated to the appropriate funds.

h) Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Fundraising costs are those incurred in seeking voluntary contributions. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

j) Tangible fixed assets

Individual tangible fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated economic lives. The main rates used are:

Buildings	2% or 10% straight line
Furniture, fittings and equipment	20% or 10% straight line
Motor vehicle	20% straight line

k) Investments and investment income

Investments are included in the balance sheet at mid-market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities. Investment income is accounted for in the period in which the Charity is entitled to receipt.

Notes to the financial statements (continued)

l) Stock

Stock is valued at the lower of cost and net realisable value.

m) Debtors

Trade and sundry debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Pension costs

The Charity operates a defined contribution scheme for the benefit of its employees. The costs of contributions are written off as resources expended in the year in which they are payable.

o) Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

3. Income from donations and legacies

	2017	2016
	£	£
Unrestricted		
Donations	122,731	186,884
Legacies	-	253,346
	<u>122,731</u>	<u>440,230</u>
Restricted		
Donations	331,900	91,803
	<u>454,631</u>	<u>532,033</u>

The legacies for the year ended 30 November 2016 includes a FRS102 transition adjustment of £73,346. This is described in more detail in note 2c) to the financial statements.

4. Income from charitable activities

	2017	2016
	£	£
Centre accommodation	558,170	668,494
Respite care	425,673	381,759
Self-catering chalets	417,084	378,021
	<u>1,400,927</u>	<u>1,428,274</u>

5. Costs of fundraising

	2017	2016
	£	£
Fundraising	49,474	52,283
Staff costs	79,391	88,052
	<u>128,865</u>	<u>140,335</u>

Northumbria Calvert Trust
Year ended 30 November 2017

Notes to the financial statements (continued)

6. Costs of charitable activities

	2017		2016	
	£	£	£	£
Unrestricted costs				
Direct Costs:				
Instructors and respite salaries	411,933		449,277	
Domestic salaries	72,235		65,875	
Catering	95,168		86,530	
Provisions	89,851		93,448	
Commission	49,107		46,584	
Bar and shop	16,490		24,897	
Activity costs	<u>34,750</u>		<u>29,849</u>	
		769,534		796,460
Support Costs:				
Salaries	418,096		368,335	
Staff training	12,574		11,491	
Rent and rates	25,690		24,040	
Motor and traveling	34,358		42,964	
Light and heat	98,313		88,388	
Telephone	9,549		10,995	
Repairs and renewals	117,236		104,807	
Postage, printing and stationery	22,510		22,644	
Advertising and promotion	40,953		44,857	
Sundry expenses	31,910		24,068	
Insurance	76,016		70,428	
Cleaning materials	12,298		11,483	
Auditors remuneration	6,700		5,500	
Support costs VAT	18,349		21,455	
Bad debts	3,870		-	
Loss on sale of fixed assets	14,234		-	
Loan interest	<u>505</u>		<u>-</u>	
		943,161		851,455
Total unrestricted		<u>1,712,695</u>		<u>1,647,915</u>
Allocated to designated fund (depreciation)		231,657		211,575
Restricted funds:				
Instructors and respite salaries	27,750		-	
Activity costs	5,669		-	
Repairs and renewals	9,889		-	
Bursaries	8,196		-	
Motor costs	<u>200</u>		<u>-</u>	
		51,704		-
Total for all funds		<u><u>1,996,056</u></u>		<u><u>1,859,490</u></u>

Notes to the financial statements (continued)

7. Employees

The average number of persons (excluding Trustees) employed by the Trust during the year was:

	2017	2016
	Number	Number
Service	33	36
Administration	9	8
	<u>42</u>	<u>44</u>

Staff costs of these persons were as follows:

	£	£
Salaries and wages	977,021	925,085
Social security costs	73,970	71,691
Pensions	53,583	47,246
	<u>1,104,574</u>	<u>1,044,022</u>

The number of employees who had employee remuneration in excess of £60,000 excluding employer pension contributions was:

	2017	2016
	Number	Number
£60,000 to £69,999	1	1
£70,000 to £79,999	1	-
	<u>1</u>	<u>-</u>

No Trustee received any remuneration, any other benefits or any reimbursement of expenses in either year.

The key management personnel of the Trust are the Chief Executive Officer, the Director of Operations and the Development Manager whose employee benefits total £211,019 (2016: £203,899).

8. Tangible fixed assets

	Land and Buildings	Motor vehicle	Furniture fittings and equipment	Total
Cost	£	£	£	£
At 1 December 2016	5,984,433	285,679	1,527,968	7,798,080
Additions	115,310	20,206	11,959	147,475
Disposal	-	(15,765)	(14,000)	(29,765)
At 30 November 2017	<u>6,099,743</u>	<u>290,120</u>	<u>1,525,927</u>	<u>7,915,790</u>
Depreciation				
At 1 December 2016	2,081,738	166,919	1,145,038	3,393,695
Charge for the year	133,213	30,806	67,638	231,657
Disposal	-	(2,433)	(597)	(3,030)
At 30 November 2017	<u>2,214,951</u>	<u>195,292</u>	<u>1,212,079</u>	<u>3,622,322</u>
Net book value				
At 30 November 2017	<u>3,884,792</u>	<u>94,828</u>	<u>313,848</u>	<u>4,293,468</u>
At 30 November 2016	<u>3,902,695</u>	<u>118,760</u>	<u>382,930</u>	<u>4,404,385</u>

Northumbria Calvert Trust
Year ended 30 November 2017

Notes to the financial statements (continued)

9. Fixed asset investments

Market value	£
At 1 December 2016	114,561
Unrealised gain	7,368
Movement of cash	(34,266)
At 30 November 2017	<u>87,663</u>
Historical Cost	<u>68,861</u>

Investments comprise	2017	2016
	£	£
Charities Official Investment Fund Units	76,198	69,041
M & G Corporate Bond	11,465	11,254
Bank balance	-	34,266
	<u>87,663</u>	<u>114,561</u>

10. Debtors

	2017	2016
	£	£
Trade debtors	52,660	38,710
Sundry debtors	-	73,346
Prepayments and accrued income	87,485	44,769
	<u>140,145</u>	<u>156,825</u>

11. Creditors: amounts falling due within one year

	2017	2016
	£	£
Other loans (secured)	4,326	-
Trade creditors	67,676	78,835
Other creditors	15,193	-
Accruals and deferred income	166,281	137,175
	<u>253,476</u>	<u>216,010</u>

Other loans are secured by a fixed charge over the property in Butterhaugh, Hexham, Northumberland, NE48 1HG which is included in fixed assets.

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

	2017	2016
	£	£
Other loans (secured)	<u>104,924</u>	<u>-</u>

Other loans outstanding at the year-end include instalments due after more than five years of £86,181 (2016: £nil). This loan is secured by a fixed charge over the property in Butterhaugh, Hexham, Northumberland, NE48 1HG which is included in fixed assets.

Northumbria Calvert Trust
Year ended 30 November 2017

Notes to the financial statements (continued)

13. Restricted funds

	1 December 2016	Income	Expenditure	Transfers	Unrealised gain	30 November 2017
	£	£	£	£	£	£
Postlethwaite Fund	116,953	2,952	-	-	7,368	127,273
Realising Potential Appeal	41,882	288,000	(9,890)	(3,272)	-	316,720
Bursaries Fund	18,352	4,960	(8,196)	14,673	-	29,789
Sundry Appeals	29,576	38,940	(33,618)	(28,152)	-	6,746
Total restricted funds	<u>206,763</u>	<u>334,852</u>	<u>(51,704)</u>	<u>(16,751)</u>	<u>7,368</u>	<u>480,528</u>

The Postlethwaite Fund can be used to provide for the convalescence and maintenance of poor and respectable persons.

The Realising Potential Appeal is a project to build various capital development projects and to fund revenue costs.

Bursaries Fund represents monies received towards the costs of guests' visits.

Sundry Appeals represent monies received for specific items and the transfers from these funds have been made as the monies have been expended.

14. Designated funds

The Fixed Assets fund represents the amount of reserves which are tied up in Fixed Assets. The Realising Potential fund represents the amount of reserves set aside for funding the Trust plans to expand its facilities as described in paragraph 12 of the Trustees' report.

	Fixed Assets	Realising Potential	Total
	£	£	£
As at 1 December 2016	4,404,385	386,648	4,791,033
Additions in year	147,475	-	147,475
Depreciation charge	(231,657)	-	(231,657)
Disposals transferred to unrestricted funds	(26,735)	-	(26,735)
As at 30 November 2017	<u>4,293,468</u>	<u>386,648</u>	<u>4,680,116</u>

15. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension cost charge represents contributions payable by the company to the fund and amounted to £53,583 (2016: £47,246)

Notes to the financial statements (continued)

16. Analysis of net assets between funds

	Restricted Funds	Designated Funds	Unrestricted Funds	Total
	£	£	£	£
Fixed assets	87,663	4,293,468	-	4,381,131
Net current assets	392,865	491,572	120,542	1,004,979
Creditors of more than one year	-	(104,924)	-	(104,924)
Net assets	<u>480,528</u>	<u>4,680,116</u>	<u>120,542</u>	<u>5,281,186</u>

Analysis of net assets between funds – previous year

	Restricted Funds	Designated Funds	Unrestricted Funds	Total
	£	£	£	£
Fixed assets	114,561	4,404,385	-	4,518,946
Net current assets	92,202	386,648	478,361	957,211
Creditors of more than one year	-	-	-	-
Net assets	<u>206,763</u>	<u>4,791,033</u>	<u>478,361</u>	<u>5,476,157</u>

17. Corporation taxation

The Trust is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

18. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2017	2016
	£	£
Net income/(expenditure) for the reporting year	(194,971)	45,636
Adjustments for:		
Depreciation charges	231,657	211,575
Gains on investments	(7,368)	(4,806)
Dividends, interest and rents from investments	(7,115)	(9,396)
Loss on the sale of fixed assets	14,234	-
(Increase) in stocks	(4,704)	(1,268)
Decrease in debtors	16,680	67,381
Increase/(decrease) in creditors	33,140	(115,189)
Net cash provided by operating activities	<u>81,553</u>	<u>193,933</u>

19. Related party transactions

The Calvert Trust donated £5,280 (2016: £nil) to Northumbria Calvert Trust.