

REGISTERED COMPANY NUMBER: 11193702 (ENGLAND AND WALES)
REGISTERED CHARITY NUMBER: 1180681

BLACK MOUNTAINS COLLEGE PROJECT
(A company limited by guarantee)
ANNUAL REVIEW AND FINANCIAL STATEMENTS
FOR THE YEAR ENDING 28 FEBRUARY 2020



BLACK MOUNTAINS COLLEGE PROJECT

INDEX TO THE FINANCIAL STATEMENTS for the year ending 28 February 2020

	Page
Legal and Administrative Details	1
Report of the Trustees	2
Report of the Independent Accountants	5
Statement of Financial Activities	6
Balance Sheet	7
Notes to the Financial Statements	8

BLACK MOUNTAINS COLLEGE PROJECT

28 FEBRUARY 2020

LEGAL AND ADMINISTRATIVE DETAILS

Directors/Trustees

Dr W Newton-Smith (Chairman)
Mr C Blake
Professor O Sheers
Ms E Durrant
Mr D Isaac
Ms S E Passey
Mrs M Fforde (appointed 22 January 2020)

Registered Office

Unit 2 Great House Barns
New Street
Talgarth
Brecon
LD3 0AH

Registered Charity Number

1180681

Registered Company Number

11193702

Reporting Accountants

W J James & Co
Bishop House
10 Wheat Street
Brecon
Powys

Bankers

Barclays Bank Plc
Worcester 2
Leicestershire
England
LE87 2BB

BLACK MOUNTAINS COLLEGE PROJECT

REPORT OF THE TRUSTEES for the year ending 28 February 2020

AIMS AND OBJECTIVES

As stated in its Articles, Black Mountains College Project (BMC) is a project for the establishment of a college of higher and further education for the public good.

STURCTURE, GOVERNANCE AND MANAGEMENT

Black Mountains Community Project, trading as BMC, is a company limited by guarantee, registered with Companies House in England and Wales with the number 11193702.

Registered office address is Unit 3 Great House Barns, New Street, Talgarth, Brecon, Wales, LD3 0AH/

Company type is listed as 'Private Limited Company by guarantee without share capital use of 'Limited' exemption'. Incorporated on 7 February 2018.

The nature of BMC business (SIC) is listed as:

- 85410 - Post-secondary non-tertiary education
- 85421 - First-degree level higher education
- 85600 - Educational support services

BMC is registered with the charities commission, with the number: 1180681.

Registration was approved on 14 November 2018.

The charity is governed by the Memorandum and Articles of Association lodged with Companies House and dated 7 February 2018.

RECRUITMENT AND APPOINTMENT OF TRUSTEES

Six trustees were appointed at the founding board meeting on February 4, 2018 as directors of the company. A further trustee was appointed to the board on 4 January 2020 bringing the total trustee representatives to seven.

The same seven trustees are registered as trustees with the Charities Commission and declared their other directorships and trusteeships at that time and any conflicts of interest. There were none.

Care was taken to recruit a balanced cohort of trustees with a range of expertise and professional experience. The charity maintains a skills matrix of its trustees to ensure a balance.

Trustees serve by mutual agreement and for an indeterminate period.

A chair, Dr. Bill Newton-Smith, was appointed by the trustees. His term as chair was agreed to be limited to two years from December 2018.

All seven Trustees were resigned and were reappointed on 6 March 2020 as per the Articles of Association.

BLACK MOUNTAINS COLLEGE PROJECT

REPORT OF THE TRUSTEES (Continued) for the year ending 28 February 2020

CHAIRMAN'S REPORT

Overview

The charity had a positive second year, continuing to establish itself, raising further funds, progressing the work plan and bringing on additional staff to complement the initial two employees.

The business case work was completed on time and on budget. The next phase of the project was to manage the funds awarded by Arwain Rural Development Programme for an options appraisal on potential campus sites. That work continued through the reporting period extending into the next. But it showed that the Mid Wales Hospital site was not recommended as a venue for the launch of BMC and instead was better suited as a secondary venue for expansion. The board endorsed the recommendations of consultants and proposed to pursue a preferred launch strategy at another adjacent site whilst also keeping open the option of rented accommodation for launch.

Delivery

Conversations with potential validation partners – existing UK universities – progressed. As well as possible MoUs with other sites of learning.

BMC signed an agreement with Neath Port Talbot College for the joint delivery of NVQ Level 2 qualifications in the Black Mountains area, commencing in September 2020, although Coronavirus may affect the roll-out.

In summer of 2019, BMC held its first summer school at Coleg Trefeca. Some courses were cancelled due to lack of interest but those that ran were highly rated and very popular. The summer school covered its costs and enabled BMC to put on free events for the community of a high calibre.

PUBLIC BENEFIT

The charity was registered with the charities commission, met the requirements of registration and has had regard to the Charity Commissions guidance on public benefit during the period.

It has not commenced delivering education for the public good as yet, but expects to offer courses funded through statutory mechanism with Neath Port Talbot College from September 2020.

FINANCIAL REVIEW

The charity was established with private gifts from several donors. These funds were used to open the bank account and cover initial expenditures as well as to count as match funding to unlock the seed funds from the Brecon Beacons National Park.

Income

The Arwain grant (Welsh Government Powys County Council LEADER 'ARWAIN' funding) was to create an 'Options Appraisal' on a campus site and vocational qualifications in the region. The funding was for the sole purpose of employing consultants to research, develop and create a final report to be available in the public domain.

The College did not receive income directly from the ARWAIN project however the outcomes of the project were beneficial in successfully securing funding for the next financial period of the Directors salary for an additional year.

A large private donation of £103,000 ensured the sound financial footing of the college for the following financial period.

BLACK MOUNTAINS COLLEGE PROJECT

REPORT OF THE TRUSTEES (Continued) for the year ending 28 February 2020

BMC was successful in securing a grant from the National Lottery Community Fund, People and Places programme. This grant provides for £97,000 over 2 years. A portion of this grant was dedicated to salary of a new FT position and 0.25 of existing staff salary.

Several private donations of 5k continued to come in. As well as match funding from a private individual to employ a Communications Director three days a week.

Expenditure

The grants in Q2 and Q3 gave BMC the confidence to release some of its existing reserves to hire fundraising consultants The Philanthropy Company and matching funds to hire the Communications Director.

Other than staff, the significant expenditures were a stand and associated talks at the Hay Festival which boosted BMC's profile and work on brand identity and a new website which began in Q1 2020.

As of the close of the reporting period, the charity was on a sound financial footing with operating costs fully covered until September 2020 from additional reserves from private gifts and the prospect of other gifts in the future.

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RESERVES POLICY

As at 28 February 2020 Black Mountains College Project held reserves of £85,646. It is the aim of the trustees to hold reserves sufficient to cover all liabilities and operating expenses (salaries, rent, overheads) for 6 months ahead.

It is the policy of the charity to hold reserves sufficient to cover all liabilities and operating expenses for 3 months ahead.

BLACK MOUNTAINS COLLEGE PROJECT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Black Mountains College Project for the purposes of company law) are responsible for preparing the Trustees' Annual 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 which 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 those financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate 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.

Approved by the trustees and signed on their behalf by:



Dr W Newton-Smith
Chairman

06/08/2020

Date

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF BLACK MOUNTAINS COLLEGE PROJECT

I report to the charity trustees on my examination of the accounts of the company for the year ending 28 February 2020 which are set out on pages 7 to 14.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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



J M Roderick BSc ACA
W J James & Co.
Chartered Accountant
Bishop House
10 Wheat Street
Brecon
Powys

BLACK MOUNTAINS COLLEGE PROJECT

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account) for the year ending 28 February 2020

	Notes	Unrestricted funds £	Restricted funds £	2019 Total £	2019 Total £
Income					
Donations		200,819	-	200,819	36,194
<i>Charitable activities:</i>					
Grants and contracts	3	-	65,786	65,786	75,000
Investment income	4	57	-	57	1
Other income	5	7,873	-	7,873	2,530
Total income		<u>208,749</u>	<u>65,786</u>	<u>274,535</u>	<u>113,725</u>
Expenditure					
Charitable activities	6	182,180	75,456	257,636	44,978
Total expenditure		<u>182,180</u>	<u>75,456</u>	<u>257,636</u>	<u>44,978</u>
NET INCOME /(EXPENDITURE)		26,569	(9,670)	16,899	68,747
Transfers between funds	16	(22,535)	22,535	-	-
NET MOVEMENT IN FUNDS		<u>4,034</u>	<u>12,865</u>	<u>16,899</u>	<u>68,747</u>
Balance brought forward as at 1 March 2019		68,747	-	68,747	-
Balances carried forward as at 28 February 2019	14	<u>72,781</u>	<u>12,865</u>	<u>85,646</u>	<u>68,747</u>

The Charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity are classed as continuing.

BLACK MOUNTAINS COLLEGE PROJECT

BALANCE SHEET

as at 28 February 2020

	Note	2020 £	2019 £
CURRENT ASSETS			
Debtors	12	13	13
Cash at bank and in hand		95,644	76,104
		<u>95,657</u>	<u>76,117</u>
CREDITORS: Amounts falling due within one year	13	(10,011)	(7,370)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>85,646</u>	<u>68,747</u>
FUNDS			
Unrestricted	14	72,781	68,747
Restricted	15	12,865	-
		<u>85,646</u>	<u>68,747</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ending 28 February 2020

The members have not required the company to obtain an audit of its financial statements for the year ending 28 February 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial period and of its profit or loss for each financial period in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Approved on behalf of the board on 06/08/2020



Dr W Newton-Smith
Chairman

BLACK MOUNTAINS COLLEGE PROJECT

NOTES TO THE FINANCIAL STATEMENTS

for the period ending 28 February 2020

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention 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 United Kingdom and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011.

Black Mountains College Project 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 charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

Incoming resources

Voluntary income including donations, gifts and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract or, where entitlement to grant funding is subject to specific performance conditions, is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when grants are received in advance of the event to which they relate.

Volunteers and donated services and facilities

The value of services provided by volunteers is not incorporated into these financial statements.

Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

BLACK MOUNTAINS COLLEGE PROJECT

NOTES TO THE FINANCIAL STATEMENTS for the period ending 28 February 2020

1. ACCOUNTING POLICIES (Continued)

Resources expended (continued...)

All expenditure is accounted for on an accruals basis. Contractual arrangements and performance related grants are recognised as goods or services supplied. Other grant payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the provision of advocacy services and include both the direct costs and support costs relating to this activity.
- Governance costs include those incurred in the governance of the charity and its assets, and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Debtors

Debtors are recognised at their settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts.

Cash at bank and in hand

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

Grants receivable

- Revenue grants are credited to the income and expenditure account on a receipts basis unless they are in respect of a specific expense, when they are credited in the period in which expenditure is incurred.
- Capital grants are matched with the relevant expenditure as and when incurred. Until the expenditure is incurred, the grants are carried forward.

Creditors

Creditors and provisions are recognised where the charity has a present obligation from a past event that will probably result in the transfer of fund to a third party and the amount due to settle the obligation 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.

Pensions

The charitable company operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the charitable company, being invested with insurance companies. Pension costs charged in the Statement of Financial Activities represents contributions payable by the charitable company in the year.

BLACK MOUNTAINS COLLEGE PROJECT

NOTES TO THE FINANCIAL STATEMENTS for the period ending 28 February 2020

1. ACCOUNTING POLICIES (Continued)

Fund accounting

Funds held by the charity are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Resources expended

Costs are apportioned to activities as considered appropriate.

2. NET RESOURCES EXPENDED FOR THE YEAR

This is stated after charging:-

	2020	2019
	£	£
Accountants' charges	1,200	750

3. GRANTS AND CONTRACTS	Unrestricted funds	Restricted funds	2020	2019
	£	£	£	£
Revenue grants				
National Lottery Community Fund	-	16,750	16,750	-
Arwain Rural Development Programme				
Leader plus European Funds	-	49,036	49,036	-
Community Foundation in Wales grant	-	-	-	45,000
Brecon Beacons National Park Sustainable Development Fund	-	-	-	30,000
	-	65,786	65,786	75,000

4. INVESTMENT INCOME

	2020	2019
	£	£
Bank and Building Society interest	57	1

5. OTHER INCOME

	2020	2019
	£	£
Training services	4,580	2,530
Employment Allowance	3,293	-
	7,873	2,530

BLACK MOUNTAINS COLLEGE PROJECT

NOTES TO THE FINANCIAL STATEMENTS for the period ending 28 February 2020

6. ANALYSIS OF CHARITABLE EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	2020 £	2019 £
Costs directly allocated to activities				
Staff costs	102,994	2,985	105,979	23,890
Event fees	80	-	80	3,048
Venue hire	2,504	-	2,504	-
Trainer and speaker fees	3,340	-	3,340	2,596
Training	-	900	900	-
Computer software and maintenance costs	261	-	261	140
Printing, postage and stationery	649	-	649	223
Advertising and market research	12,560	-	12,560	4,960
Telephone	264	-	264	-
Rent	1,471	-	1,471	-
Travel	2,204	-	2,204	2,530
Legal & professional fees	50,844	71,571	122,415	6,040
Translation	2,834	-	2,834	-
Insurance	788	-	788	788
Sundry expenses	109	-	109	13
Bank charges	78	-	78	-
Governance costs				
Accountancy	1,200	-	1,200	750
	<u>182,180</u>	<u>75,456</u>	<u>257,636</u>	<u>44,978</u>

7. STAFF COSTS

	2020 £	2019 £
Salaries and wages	103,717	23,833
Employer pension contributions	2,262	57
	<u>105,979</u>	<u>23,890</u>

No employee earned more than £60,000 per annum.

The total amount of employee benefits received by key management personnel is £41,000.

The average monthly headcount was 3 staff and the average number of full-time equivalent staff employed by the charity during the year was 3.

8. REMUNERATION OF TRUSTEES AND CONNECTED PERSONS

No trustees received remuneration during the year. No other trustees, nor any person connected with them, received any remuneration from the Charity during the year.

BLACK MOUNTAINS COLLEGE PROJECT

NOTES TO THE FINANCIAL STATEMENTS for the period ending 28 February 2020

9. RELATED PARTY TRANSACTIONS AND TRUSTEES' EXPENSES

The only trustee reimbursed for costs, incurred in the course of their work as volunteer advocates, by the charity during the year was Ms E Durrant, who was reimbursed £134 for travel and accommodation expenses for attending a conference.. There are no other related party transactions.

10. TAXATION

The charity 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.

11. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITY FIGURES

	Unrestricted funds £	Restricted funds £	2019 Total £
Income			
Donations	36,194	-	36,194
<i>Charitable activities:</i>			
Grants and contracts	75,000	-	75,000
Investment income	1	-	1
Other income	2,530	-	2,530
Total income	<u>113,725</u>	<u>-</u>	<u>113,725</u>
Expenditure			
Charitable activities	44,978	-	44,978
Total expenditure	<u>44,978</u>	<u>-</u>	<u>44,978</u>
NET MOVEMENT IN FUNDS	<u>68,747</u>	<u>-</u>	<u>68,747</u>
Balances carried forward as at 28 February 2019	<u>68,747</u>	<u>-</u>	<u>68,747</u>

BLACK MOUNTAINS COLLEGE PROJECT

NOTES TO THE FINANCIAL STATEMENTS for the period ending 28 February 2020

12. DEBTORS	2020	2019
	£	£
Other debtors	13	13
	<u> </u>	<u> </u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020	2019
	£	£
Accruals and deferred income	750	750
Social security and other taxes	6,919	3,958
Other creditors	2,342	2,662
	<u> </u>	<u> </u>
	10,011	7,370
	<u> </u>	<u> </u>

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

At 28 February 2020

	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£
Fund balances at 28 February 2020 are represented by:			
Current assets	82,792	12,865	95,657
Current liabilities	(10,011)	-	(10,011)
	<u> </u>	<u> </u>	<u> </u>
	72,781	12,865	85,646
	<u> </u>	<u> </u>	<u> </u>

As at 28 February 2019

	Unrestricted Funds	Restricted Funds	Total 2019
	£	£	£
Fund balances at 28 February 2019 are represented by:			
Current assets	76,117	-	76,117
Current liabilities	(7,370)	-	(7,370)
	<u> </u>	<u> </u>	<u> </u>
	68,747	-	68,747
	<u> </u>	<u> </u>	<u> </u>

BLACK MOUNTAINS COLLEGE PROJECT

NOTES TO THE FINANCIAL STATEMENTS for the period ending 28 February 2020

15. RESTRICTED FUNDS

	Balance as at 1 March 2019 £	Incoming Resources £	Outgoing Resources £	Transfers	Balance as at 31 March 2019 £
National Lottery Community Fund	-	16,750	(3,885)	-	12,865
Arwain Rural Development Programme Leader plus European Funds	-	49,036	(71,571)	22,535	-
	-	65,786	(75,456)	22,535	12,865

Restricted funds represent grants received for specific purposes. When the expenditure to which these grants relate is incurred it is charged to the fund in the Statement of Financial Activities.

The National Lottery Community Fund relates to monies received that are restricted for Further Education Support.

The Arwain Rural Development Programme Leader Plus European Fund relates to money received to be used for options appraisal work on campus sites.

16. TRANSFERS

Money has been transferred from the General Fund to the Arwain Rural Development Programme Leader plus European Fund to cover the deficit on this.

17. LEGAL STATUS OF THE TRUST

Black Mountains College Project is a private company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.