

**Waste Recycling Environmental Limited**

**Strategic Report,**

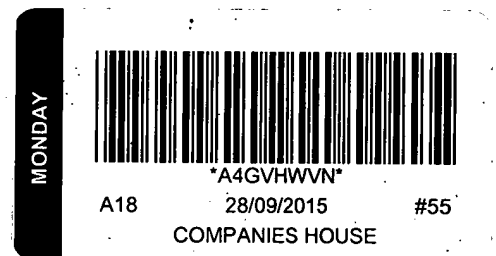
**Report of the Directors and**

**Financial Statements**

**for the Period**

**1 January 2014 to 31 March 2015**

Haines Watts  
Statutory Auditor  
8 Hopper Way  
Diss  
Norfolk  
IP22 4GT



**Waste Recycling Environmental Limited**

**Contents of the Financial Statements  
for the Period 1 January 2014 to 31 March 2015**

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**Waste Recycling Environmental Limited**

**Company Information**  
**for the Period 1 January 2014 to 31 March 2015**

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**DIRECTORS:**

Mr J Joyce  
Mr P M Cox  
Dr G J Thomas  
Mr T Cutts  
Mr C Ellis  
Mr K Dales

**SECRETARY:**

Mr J H Burkett

**REGISTERED OFFICE:**

Wren House  
Manor Farm  
Bridgham  
Norwich  
Norfolk  
NR16 2RX

**REGISTERED NUMBER:**

03368008 (England and Wales)

**AUDITORS:**

Haines Watts  
Statutory Auditor  
8 Hopper Way  
Diss  
Norfolk  
IP22 4GT

**SOLICITORS:**

Fisher Jones Greenwood LLP  
Charter Court, Newcomen Way  
Severalls Business Park  
Colchester  
Essex  
CO4 9YA

**Strategic Report**  
**for the Period 1 January 2014 to 31 March 2015**

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The directors present their strategic report for the period 1 January 2014 to 31 March 2015.

The purpose of the Strategic Report is to inform stakeholders in the Landfill Communities Fund (LCF) and help them assess how the directors have performed their duty under section 172 (duty to promote success of the company).

**REVIEW OF BUSINESS**

The company is still the largest recipient of funds directly from a landfill operator within the UK Government initiative known as The Landfill Communities Fund (LCF). This unique public monies to private sector scheme has justifiably been under pressure to reduce the funds held for the grant support of community projects of all shapes and sizes. More recently a public consultation on potential Reform of the Landfill Communities Fund has closed, and the industry are now poised for the published outcome. It is likely that there will be a number of significant changes that will follow but all involved in the scheme acknowledge that over £1billion of funds have been distributed since 1997, and WREN has achieved over £200million in that same timescale.

The directors have invested in updating governance and operations to facilitate some of the changes that are likely to arise as a consequence of the Reform. Regardless of whether these will be a requirement, the directors have implemented changes as a responsible company that seeks to embrace the underlying outcome sought by Government. Also the directors have changed the year end from December to March, making the WREN Landfill Communities Fund reporting align with HMRC reporting for the industry as a whole. After consideration of the results for the year and the position at the year-end the company is deemed to have performed satisfactorily but there must be improvement on the operating costs.

This assessment is based on the following key indicators of the financial performance.

	2015	2013
Income received (LCF) after adjustment for accrued income	£17,854,107	£19,920,278
New grant commitments made during the year	£23,490,783	£14,790,201
Operating costs for the company	£1,744,207	£1,226,350
Regulator levy payable	£434,631	£398,676
Uncommitted funds available to the company	£13,408,848	£20,328,620
Cost to income ratio (%)	9.77	6.16

There is a continued emphasis on reducing funds held by the company. This is acceptable because the company has received its income from the donor landfill company on an arrears basis, but this is to change next year.

The directors have recognised the continuing requirement of H.M. Treasury to reduce the unspent monies held by the company, and have brought in measures to bring that about in a cost effective manner. During this extended year the company has supported projects with:

Community grants awarded	£14,583,441
Biodiversity grants awarded	£ 6,624,239
Heritage grants awarded	£ 1,457,783
The National Memorial Arboretum	£ 650,000
The Imperial War Museum	£ 150,000

The company has applied for Approved Body status allowing WREN to distribute Scottish Landfill Communities Fund monies. This is a separate tax regime following the devolution of tax powers for Scotland

**PRINCIPAL RISKS AND UNCERTAINTIES**

The impending Reform will most likely impact on:

- Capping the operating costs
- Fixing the timescale for a receipt from the landfill operator to be allocated and spent within
- Changing the reporting requirements, particularly on outcomes

The company is supportive of change to the LCF but mindful of the impact that may ensue on project delivery within the communities being supported.

**HEALTH & SAFETY**

The company is committed to conducting its business in a socially responsible manner, ensuring the protection of our employees, stakeholders, applicants and the environment. The company is committed to proactive training to ensure the highest standards of health and safety are achieved.

**Strategic Report**  
**for the Period 1 January 2014 to 31 March 2015**

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**FINANCIAL RISK MANAGEMENT**

The Managing Director has responsibility for the company's liquidity and financial risk. The company is moving back to a quarterly receipt basis which ensures cash management is a principal focus, especially as all unspent reserves have been allocated.

It is the directors intention to ensure that the company implements a cash position of approximately 6 months receipts but with a reserve strong enough to meet its liabilities in the event of the closure of the LCF. This will be monitored annually.

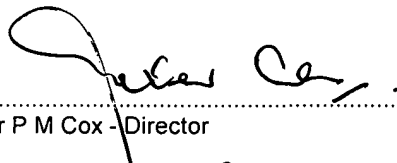
**PRICING RISK**

The company is subject to regulatory oversight on operating costs and therefore must maintain controls on expenditure. The now closed public consultation on Reform of the Landfill Communities Fund is likely to change the parameters that the company can work within.

**PEOPLE**

The TUPE transfer of staff to the company went smoothly and there have been no reductions of staff as a consequence.

**ON BEHALF OF THE BOARD:**



.....  
Mr P M Cox - Director

Date: 22nd September, 2015.

## **Waste Recycling Environmental Limited**

### **Report of the Directors for the Period 1 January 2014 to 31 March 2015**

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The directors present their report with the financial statements of the company for the period 1 January 2014 to 31 March 2015.

#### **DIVIDENDS**

No dividends will be distributed for the period ended 31 March 2015.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

Mr J Joyce  
Mr P M Cox  
Dr G J Thomas  
Mr T Cutts  
Mr C Ellis

Other changes in directors holding office are as follows:

Mr M J Snell - resigned 29 July 2014  
Mrs P M Lyons - resigned 25 July 2014  
Mr M Rutherford - resigned 8 December 2014  
Mr M Singh - resigned 1 August 2014  
Mr K Dales - appointed 19 March 2014

The following directors were also members during the period.

Mr P M Cox  
Mr C Ellis  
Mr M Rutherford  
Mr K Dales

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 company will continue in business.

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

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Waste Recycling Environmental Limited**

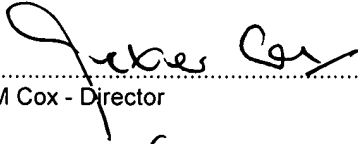
**Report of the Directors  
for the Period 1 January 2014 to 31 March 2015**

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**AUDITORS**

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



.....  
Mr P M Cox - Director

Date: 22nd September, 2015.

## Report of the Independent Auditors to the Members of Waste Recycling Environmental Limited

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We have audited the financial statements of Waste Recycling Environmental Limited for the period ended 31 March 2015 on pages seven to fifteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its deficit for the period 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.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where 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.



Matthew Neale (Senior Statutory Auditor)  
for and on behalf of Haines Watts  
Statutory Auditor  
8 Hopper Way  
Diss  
Norfolk  
IP22 4GT

Date: 22/9/15



**Waste Recycling Environmental Limited**

**Income and Expenditure Account  
for the Period 1 January 2014 to 31 March 2015**

	Notes	Period 1/1/14 to 31/3/15		Year Ended 31/12/13	
		£	£	£	£
<b>TURNOVER</b>			<b>17,854,107</b>		<b>19,920,278</b>
Other operating income	2		-		135,280
			<b>17,854,107</b>		<b>20,055,558</b>
Staff costs	3	793,433		585,540	
Depreciation		30,766		156,383	
Other operating charges		25,161,218		14,810,076	
			<b>25,985,417</b>		<b>15,551,999</b>
<b>OPERATING (DEFICIT)/SURPLUS</b>	4		<b>(8,131,310)</b>		<b>4,503,559</b>
Interest receivable and similar income			214,422		392,859
<b>(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			<b>(7,916,888)</b>		<b>4,896,418</b>
Tax on (deficit)/surplus on ordinary activities	6		2,884		(2,185)
<b>(DEFICIT)/SURPLUS FOR THE FINANCIAL PERIOD</b>			<b>(7,919,772)</b>		<b>4,898,603</b>
Retained surplus brought forward			19,328,620		15,430,017
			<b>11,408,848</b>		<b>20,328,620</b>
Transfer to/from other reserve			2,000,000		(1,000,000)
<b>RETAINED SURPLUS CARRIED FORWARD</b>			<b>13,408,848</b>		<b>19,328,620</b>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current period or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

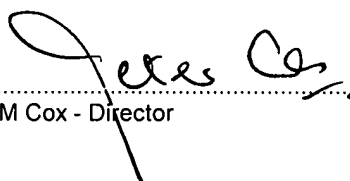
The company has no recognised gains or losses other than the deficit for the current period and the surplus for the previous year.

The notes form part of these financial statements

**Balance Sheet**  
**31 March 2015**

	Notes	2015 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	8	59,249	58,913
<b>CURRENT ASSETS</b>			
Debtors	9	13,294,039	16,409,193
Cash at bank and in hand		15,144,835	22,073,789
		28,438,874	38,482,982
<b>CREDITORS</b>			
Amounts falling due within one year	10	(15,089,275)	(17,213,275)
<b>NET CURRENT ASSETS</b>		13,349,599	21,269,707
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		13,408,848	21,328,620
<b>RESERVES</b>			
Other reserves		-	2,000,000
Income and expenditure account		13,408,848	19,328,620
	13	13,408,848	21,328,620

The financial statements were approved by the Board of Directors on 22nd September and were signed on its behalf by:

  
.....  
Mr P M Cox - Director

**Waste Recycling Environmental Limited**

**Cash Flow Statement  
for the Period 1 January 2014 to 31 March 2015**

		<b>Period 1/1/14 to 31/3/15 £</b>	<b>Year Ended 31/12/13 £</b>
<b>Net cash outflow from operating activities</b>	<b>Notes</b> <b>1</b>	<b>(7,112,274)</b>	<b>(6,959,108)</b>
<b>Returns on investments and servicing of finance</b>	<b>2</b>	<b>214,422</b>	<b>392,859</b>
<b>Taxation</b>		<b>-</b>	<b>(71,197)</b>
<b>Capital expenditure</b>	<b>2</b>	<b>(31,102)</b>	<b>(52,643)</b>
<b>Decrease in cash in the period</b>		<b><u>(6,928,954)</u></b>	<b><u>(6,690,089)</u></b>
<hr/>			
<b>Reconciliation of net cash flow to movement in net funds</b>	<b>3</b>		
Decrease in cash in the period		<b><u>(6,928,954)</u></b>	<b><u>(6,690,089)</u></b>
Change in net funds resulting from cash flows		<b><u>(6,928,954)</u></b>	<b><u>(6,690,089)</u></b>
<b>Movement in net funds in the period</b>		<b><u>(6,928,954)</u></b>	<b><u>(6,690,089)</u></b>
<b>Net funds at 1 January</b>		<b><u>22,073,789</u></b>	<b><u>28,763,878</u></b>
<b>Net funds at 31 March</b>		<b><u>15,144,835</u></b>	<b><u>22,073,789</u></b>

The notes form part of these financial statements

Notes to the Cash Flow Statement  
for the Period 1 January 2014 to 31 March 2015

1. RECONCILIATION OF OPERATING (DEFICIT)/SURPLUS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Period 1/1/14 to 31/3/15 £	Year Ended 31/12/13 £
Operating (deficit)/surplus	(8,131,310)	4,503,559
Depreciation charges	40,366	156,383
Profit on disposal of fixed assets	(9,600)	-
Decrease/(increase) in debtors	3,115,154	(12,026,226)
(Decrease)/increase in creditors	(2,126,884)	407,176
<b>Net cash outflow from operating activities</b>	<b>(7,112,274)</b>	<b>(6,959,108)</b>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Period 1/1/14 to 31/3/15 £	Year Ended 31/12/13 £
<b>Returns on investments and servicing of finance</b>		
Interest received	214,422	392,859
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>214,422</b>	<b>392,859</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(40,702)	(52,643)
Sale of tangible fixed assets	9,600	-
<b>Net cash outflow for capital expenditure</b>	<b>(31,102)</b>	<b>(52,643)</b>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/14 £	Cash flow £	At 31/3/15 £
Net cash:			
Cash at bank and in hand	22,073,789	(6,928,954)	15,144,835
	<u>22,073,789</u>	<u>(6,928,954)</u>	<u>15,144,835</u>
<b>Total</b>	<b><u>22,073,789</u></b>	<b><u>(6,928,954)</u></b>	<b><u>15,144,835</u></b>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**Turnover**

All turnover is accounted for on a receivable basis and represents landfill tax credits from waste management businesses.

Any surpluses which may arise are a result of timing differences between the accrued grant commitments and the dates that the landfill tax credits are receivable.

During the year to 31 December 2013, the landfill operator changed the way they remit the landfill tax credits to the Company from a quarterly basis to an annual basis, with payments being received on 1 April following the year end. As a result, the Company decided to change its accounting period to 31 March.

**Tangible fixed assets**

Depreciation is provided from the date the assets are brought into use on the cost in equal annual instalments, with a full year's charge in the period of acquisition and none in the period of disposal, over the estimated useful lives of the assets. The depreciation rates are as follows:

Computer equipment	3 years
Furniture, fixtures, fittings and equipment	5years
Motor Vehicles	4 years

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Pension costs and other post-retirement benefits**

The company contributes to a money purchase pension scheme on behalf of an individual employee. Contributions to the scheme are charged to the profit and loss account as they are made.

**Expenditure**

Expenditure is accounted for on an accruals basis. Grants are accrued upon the establishment of a commitment to a project via communication of the approval of a project by the Board of Directors.

**Grants committed**

The company records grants committed as a liability once the award of the grant has been approved and the applicant has been advised of the success of their application and any particular conditions attached to the award.

Unclaimed grants are reviewed quarterly and those that have expired, are for projects that have ceased or are not active are released back to the profit and loss account.

At the year end the directors make an estimate of the likely amounts included within creditors that are not expected to become payable and reduce the liability accordingly. This estimate is based upon cumulative grants released.

2. OTHER OPERATING INCOME

Other operating income relates to amounts received from other Environmental Bodies and/or recharge of staff time spent on the Composting Research Project.

3. STAFF COSTS

	Period 1/1/14 to 31/3/15 £	Year Ended 31/12/13 £
Wages and salaries	688,163	510,276
Social security costs	69,655	49,399
Other pension costs	35,615	25,865
	<u>793,433</u>	<u>585,540</u>

The average monthly number of employees during the period was as follows:

	Period 1/1/14 to 31/3/15	Year Ended 31/12/13
Administration	<u>22</u>	<u>17</u>

4. OPERATING (DEFICIT)/SURPLUS

The operating deficit (2013 - operating surplus) is stated after charging/(crediting):

	Period 1/1/14 to 31/3/15 £	Year Ended 31/12/13 £
Depreciation - owned assets	40,366	156,384
Profit on disposal of fixed assets	(9,600)	-
Auditors' remuneration	<u>14,656</u>	<u>8,790</u>
Directors' remuneration	149,852	91,615
Directors' pension contributions to money purchase schemes	<u>5,879</u>	<u>4,607</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2015 £	2013 £
Money purchase schemes	<u>1</u>	<u>1</u>

5. EXCEPTIONAL ITEMS

	2015 £	2013 £
Release of committed grants	<u>865,644</u>	<u>1,195,551</u>

During the year the company has released accruals for previously committed grants where the grants have not been taken up or have otherwise lapsed.

## 6. TAXATION

### Analysis of the tax charge/(credit)

The tax charge/(credit) on the deficit on ordinary activities for the period was as follows:

	Period 1/1/14 to 31/3/15 £	Year Ended 31/12/13 £
Current tax:		
UK corporation tax	2,884	-
Tax overprovision	-	(2,185)
	<u>2,884</u>	<u>(2,185)</u>
Tax on (deficit)/surplus on ordinary activities	<u>2,884</u>	<u>(2,185)</u>

UK corporation tax has been charged at 20%.

### Factors affecting the tax charge/(credit)

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1/1/14 to 31/3/15 £	Year Ended 31/12/13 £
(Deficit)/surplus on ordinary activities before	<u>(7,916,888)</u>	<u>4,896,418</u>
(Deficit)/surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013 - 24%)	<u>(1,583,378)</u>	<u>1,175,140</u>
Effects of:		
Depreciation in excess of capital allowances	8,073	22,162
Utilisation of tax losses	-	16,151
Adjustments to tax charge in respect of previous periods	-	(2,185)
Income and expenses not deductible for tax purposes	<u>1,578,189</u>	<u>(1,213,453)</u>
Current tax charge/(credit)	<u>2,884</u>	<u>(2,185)</u>

The Company has no taxable trading profit and it is only taxed on interest received.

## 7. REGULATORY ISSUES

The Regulator, Entrust, has brought to the Companies attention issues which, in its opinion, have caused the Company to be potentially in breach of certain of its responsibilities. The Company has sought independent legal advice and Senior Counsels Opinion in this regard and as a consequence of the advice and of Senior Counsels Opinion do not believe that they have acted inappropriately. The Company is in ongoing discussions with The Regulator to resolve the matter.

## 8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 January 2014	79,553	26,754	332,912	439,219
Additions	-	32,051	8,651	40,702
Disposals	-	(26,754)	-	(26,754)
At 31 March 2015	79,553	32,051	341,563	453,167
<b>DEPRECIATION</b>				
At 1 January 2014	75,687	21,738	282,881	380,306
Charge for period	1,228	5,684	33,454	40,366
Eliminated on disposal	-	(26,754)	-	(26,754)
At 31 March 2015	76,915	668	316,335	393,918
<b>NET BOOK VALUE</b>				
At 31 March 2015	2,638	31,383	25,228	59,249
At 31 December 2013	3,866	5,016	50,031	58,913

## 9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2013 £
Trade debtors	13,132,974	16,338,186
Other debtors	72,000	-
Accrued income	24,615	38,635
Prepayments	64,450	32,372
	<u>13,294,039</u>	<u>16,409,193</u>

The balance in Other debtors as of 31 March 2015 consists entirely of credit notes issued by the Grant Support People Limited for overcharge of services in the year.

## 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2013 £
Corporation tax	2,884	-
Social security and other taxes	17,383	13,246
Other creditors	10,430	100,150
Grants agreed by the board but not paid	14,727,348	16,725,093
Accrued expenses	331,230	374,786
	<u>15,089,275</u>	<u>17,213,275</u>

## 11. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings	
	2015 £	2013 £
Expiring: Within one year	<u>33,000</u>	<u>33,000</u>



12. RELATED PARTY DISCLOSURES

During the year the company paid £70,472 in director's fees and expenses (2013 - £36,089) to the following directors:

M Rutherford £41,611  
M Singh £10,360  
J Joyce £2,192  
G Thomas £8,050  
T Cutts £2,096  
P Lyons £2,894  
M Snell £3,269

Also during the year the company paid professional fees totalling £211,194 (2013 - £222,500) to The Grant Support People Limited for grant administration services. Given specific guidance on the LCF, the directors of the company decided to terminate an administrative outsource contract in the final quarter of 2014. As a consequence of the termination of the administrative outsource contract, the company experienced an increase in the number of staff in the final quarter of 2014.

13. RECONCILIATION OF MOVEMENTS IN RESERVES

	2015 £	2013 £
(Deficit)/surplus for the financial period	(7,919,772)	4,898,603
Net (reduction)/addition to reserves	(7,919,772)	4,898,603
Opening reserves	21,328,620	16,430,017
Closing reserves	13,408,848	21,328,620

14. CAPITAL AND RESERVES

The company is limited by guarantee and has no share capital. Every member undertakes to contribute such amounts as may be required (not exceeding £1) to the company's assets if it should be wound up while they are a member or within one year after they cease to be a member. There were 4 members during the year ended 31 March 2015 (2013 - 4).

The reserves are not attributable to members as the company is prevented by its Memorandum from paying dividends, bonuses or other distributions to the members of the company.

15. CONTROLLING INTEREST

The company is controlled by the member directors as listed on page 4.