REGISTERED NUMBER: 03368008 (England and Wales)

FCC Communities Foundation Limited

Strategic Report,

Report of the Directors and

Financial Statements

For The Year Ended

31st March 2020

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

Contents of the Financial Statements
For The Year Ended 31st March 2020

	Page
Company Information	1
Strategic Report	2 to 4
Report of the Directors	5 to 6
Report of the Independent Auditors	7 to 9
Income Statement	10
Other Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Notes to the Statement of Cash Flows	15
Notes to the Financial Statements	16 to 23

Company Information
For The Year Ended 31st March 2020

DIRECTORS:	Mr C J Ellis Mr G Allen Mr M J Woods Mrs S A Scott Mrs J A Fourcade
REGISTERED OFFICE:	Unit 1E Snetterton Business Park Snetterton Norwich Norfolk NR16 2JU
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 Year Ended 31st March 2020

The directors present their strategic report for the year ended 31st March 2020.

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

COVID-19
On week commencing 16th March 2020, FCC Communities Foundation took the decision to temporarily close its head office as a reaction to the ever worsening coronavirus pandemic and to ensure that it put the health and safety of its head office based staff first and foremost. At the time of writing the strategic report head office remains closed.

Despite taking the decision to close head office, FCC Communities Foundation has retained all its workforce. No staff were furloughed.

Investment in IT infrastructure over the course of the last two financial years means that all of the operating systems used by the business are now cloud based and all the staff, including those who are based full-time at head office, have IT equipment that allows them to be home based when/if necessary.

The business was able to operate efficiently and effectively throughout lock-down and continues to do so as lock-down eases without facing any major issues.

Both ENTRUST, as the Regulator of the Landfill Communities Fund (LCF) in England and SEPA, as the Regulator of the Scottish Landfill Communities Fund in Scotland have been supportive throughout lock-down and communicated regularly with the business.

REVIEW OF BUSINESS
The 2019/20 financial year saw FCC Communities Foundation settle into its new head office at Snetterton Business Park and benefit from the cost savings associated with relocating to a much smaller and more fit for purpose office. The staffing structure has remained the same, albeit with one role dropping from a full-time position to a part-time position. Both LCF and SLCF income remained strong throughout the financial year and whilst the business had forecast a reduction in income of around 15% on the previous financial year, the year ended with income remaining almost in line with the 31st March 2019 position.

LCF
As part of the Budget announcement on 29th October 2018, HM Treasury and HMRC published their Overview of Tax Legislation and Rates document, which included a section on the LCF. This set the value of the fund for the 2019/20 financial year at £32.9 million, with the diversion rate remaining at 5.3%.

HMRC, through ENTRUST is continuing to monitor the level of uncommitted funds held and unspent funds held by Environmental Bodies, as well as the level of overheads costs being incurred by Environmental Bodies across the sector. Environmental Bodies are expected to continue to reduce the level of uncommitted and unspent funds being held and to contain their administration costs to within 7.5% cost to spend. FCC Communities Foundation continues to make good progress in all three of these key areas and ended the financial year with reduced levels of both uncommitted and unspent funds held and with LCF overhead costs being contained at 6.46% cost to spend, (5.80% cumulatively for the whole business).

SLCF
The diversion rate remained unchanged at 5.6%, but with reducing levels of waste being disposed of by landfill in Scotland, the total value of the SLCF has reduced from £7,733,320 in the 2018/19 financial year to £5,973,472.99 in the 2019/20 financial year.

FCC Communities Foundation saw income in Scotland drop off in the final quarter of the financial year, however this was forecast and had been accounted for in the business planning. SLCF overhead costs were contained at 9.13% cost to income and within the target set by SEPA of 10% cost to income.

EXECUTIVE SUMMARY

After consideration of the results for the year and the position at the year-end the Directors feel that the company has performed well with all the critical targets set by HMRC having been met.

This assessment is based on the following key performance indicators (KPI's)* of the financial performance. The KPI's have been split in to LCF and SLCF as FCC Communities Foundation reports to ENTRUST for its business activity in England and SEPA for its business activity in Scotland:

	LCF	**SLCF**
Landfill tax credit income received	£6,538,755	£657,597
Operating costs for the business	£389,701	£60,065
Cost to spend ratio (%)	6.46	N/A
Cost to income ratio (%)	N/A	9.13
New Grant commitments made during the year	£5,985,633	£723,751
Commitment Balance at the year end	£6,749,986	£717,477
Project spend during the year	£6,033,749	£1,724,419
Level of write backs during the year	£119,938	£100,375
Level of unspent funds held at the end of the year	£8,161,367	£782,325
Level of uncommitted funds held at the end of the year	£1,198,881	£27,348
Level of funds retained for wind up of the business	£212,500	£37,500

*The above data is based on a cash basis as required by and reported to ENTRUST and SEPA as at 31 March 2020.

The business continues to recognise the importance of reducing the level of both uncommitted and unspent monies held, and all new grants must complete within 12 months from the date of the original commitment.

It is important to recognise that the COVID-19 pandemic has had a direct impact on the ability of projects to reach fruition, something that has been recognised by both ENTRUST and SEPA. The Board has taken the decision that no project should be adversely affected by the COVID-19 pandemic and, with this in mind, has agreed to allow projects additional time to deliver. This is an approach that has been supported by both ENTRUST and SEPA, who have been communicating regularly and working closely with the sector.

During this year the company has received and processed 189 new LCF project applications and 56 new SLCF project applications. Of the new project applications received and processed, 110 LCF projects and 21 SLCF projects were awarded funding. The business also funded two LCF flagship projects and three projects using Gift Aid. The total amount committed to new projects through the LCF was £5,985,633 and the total amount committed to new projects through the SLCF was £723,751.

PRINCIPAL RISKS AND UNCERTAINTIES
The principal risks are:
- The diversion rate for both the LCF and SLCF not being adjusted to maintain the annual value of the two funds
- The Chancellor reallocating some of the £32.9 million currently allocated to the LCF to tackle waste crime
- The outcome of the insurance claim lodged with AIG
- The Chancellor announcing the end of the LCF
- Revenue Scotland announcing the end of the SLCF

FINANCIAL RISK MANAGEMENT
The FCC Communities Foundation Board has responsibility for the company's liquidity and financial risk.

The Directors are committed to reducing the level of unspent funds held to no more than 12 months income and the level of uncommitted funds to no more than 3 months income. This is monitored quarterly.

The Board has a policy of not forward committing funds based on financial projections and is therefore always in a position to meet its liabilities in the event of the closure of the LCF and/or SLCF.

An annual winding up provision is made in the budget to allow the business to meet all its obligations in the event of the closure of the LCF and/or SLCF.

PEOPLE
FCC Communities Foundation employs 8 full-time and 1 part-time members of staff. The number of employees working for the business remained static throughout the 2019/20 financial year. The only change to the staffing structure was that the Finance Officer role reduced from a full-time to a part-time position, based on a three-day working week.

With a greatly reduced income stream in Scotland the sustainability of the Grant Manager role in Scotland will need to be assessed before the end of the 2020/21 financial year.

ON BEHALF OF THE BOARD:

Mr G Allen - Director

21st September 2020

The directors present their report with the financial statements of the company for the year ended 31st March 2020.

DIVIDENDS
No dividends will be distributed for the year ended 31st March 2020.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
The directors shown below have held office during the whole of the period from 1st April 2019 to the date of this report.

Mr C J Ellis
Mr G Allen
Mr M J Woods
Mrs S A Scott
Mrs J A Fourcade

DIRECTORS' RESPONSIBILITIES STATEMENT
The directors are responsible for preparing the Strategic Report, 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

ON BEHALF OF THE BOARD:

Mr G Allen - Director

21st September 2020

Opinion
We have audited the financial statements of FCC Communities Foundation Limited (the 'company') for the year ended 31st March 2020 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31st March 2020 and of its deficit 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

However, not all future events or conditions can be predicted. the COVID-19 viral pandemic is the most significant economic event for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's income, suppliers and wider economy. The Directors' view on the impact of COVID-19 is disclosed in the strategic report and in the notes.

Other information
The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

Opinions 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 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; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement set out on page five, the directors 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 directors determine 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 a Report of the Auditors 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 Report of the Auditors.

Use of our report

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.

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

21st September 2020

Income Statement
For The Year Ended 31st March 2020

	Notes	2020 £	2020 £	2019 £	2019 £
TURNOVER			**7,076,262**		8,376,942
Other operating income	3		**3,161**		35,075
			7,079,423		8,412,017
Staff costs	4	**328,813**		320,202	
Depreciation		**7,494**		7,567	
Other operating expenses		**6,931,618**		9,962,838	
			7,267,925		10,290,607
OPERATING DEFICIT	5		**(188,502)**		(1,878,590)
Interest receivable and similar income			**68,042**		76,466
DEFICIT BEFORE TAXATION			**(120,460)**		(1,802,124)
Tax on deficit	7		**2,517**		2,140
DEFICIT FOR THE FINANCIAL YEAR			**(122,977)**		(1,804,264)

The notes form part of these financial statements

Other Comprehensive Income
For The Year Ended 31st March 2020

	Notes	2020 £	2019 £
DEFICIT FOR THE YEAR		**(122,977)**	(1,804,264)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(122,977)**	(1,804,264)

The notes form part of these financial statements

Statement of Financial Position
31st March 2020

	Notes	2020 £	2020 £	2019 £	2019 £
FIXED ASSETS					
Tangible assets	8		**16,158**		22,446
CURRENT ASSETS					
Debtors	9	**1,366,748**		1,484,977	
Cash at bank	10	**8,943,692**		10,081,085	
		10,310,440		11,566,062	
CREDITORS					
Amounts falling due within one year	11	**6,790,322**		7,929,255	
NET CURRENT ASSETS			**3,520,118**		3,636,807
TOTAL ASSETS LESS CURRENT LIABILITIES			**3,536,276**		3,659,253
RESERVES					
Income and expenditure account	13		**3,536,276**		3,659,253
			3,536,276		3,659,253

The financial statements were approved by the Board of Directors and authorised for issue on 21st September 2020 and were signed on its behalf by:

Mr G Allen - Director

Mr C J Ellis - Director

The notes form part of these financial statements

Statement of Changes in Equity
For The Year Ended 31st March 2020

	Retained earnings £	Total equity £
Balance at 1st April 2018	5,463,517	5,463,517
Changes in equity		
Total comprehensive income	(1,804,264)	(1,804,264)
Balance at 31st March 2019	3,659,253	3,659,253
Changes in equity		
Total comprehensive income	(122,977)	(122,977)
Balance at 31st March 2020	3,536,276	3,536,276

The notes form part of these financial statements

Statement of Cash Flows
For The Year Ended 31st March 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	**(1,201,099)**	(1,748,412)
Tax paid		**(3,129)**	(772)
Net cash from operating activities		**(1,204,228)**	(1,749,184)
Cash flows from investing activities			
Purchase of tangible fixed assets		**(1,207)**	(26,451)
Interest received		**68,042**	76,466
Net cash from investing activities		**66,835**	50,015
Decrease in cash and cash equivalents		**(1,137,393)**	(1,699,169)
Cash and cash equivalents at beginning of year	2	**10,081,085**	11,780,254
Cash and cash equivalents at end of year	2	**8,943,692**	10,081,085

The notes form part of these financial statements

Notes to the Statement of Cash Flows
For The Year Ended 31st March 2020

1. RECONCILIATION OF DEFICIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2020	2019
	£	£
Deficit before taxation	**(120,460)**	(1,802,124)
Depreciation charges	**7,494**	6,529
Loss on disposal of fixed assets	-	77
Roundoff	**1**	-
Finance income	**(68,042)**	(76,466)
	(181,007)	(1,871,984)
Decrease in trade and other debtors	**118,229**	635,767
Decrease in trade and other creditors	**(1,138,321)**	(512,195)
Cash generated from operations	**(1,201,099)**	(1,748,412)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31st March 2020

	31/3/20	**1/4/19**
	£	**£**
Cash and cash equivalents	**8,943,692**	**10,081,085**

Year ended 31st March 2019

	31/3/19	1/4/18
	£	£
Cash and cash equivalents	10,081,085	11,780,254

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/19	**Cash flow**	**At 31/3/20**
	£	**£**	**£**
Net cash			
Cash at bank	**10,081,085**	**(1,137,393)**	**8,943,692**
	10,081,085	**(1,137,393)**	**8,943,692**
Total	**10,081,085**	**(1,137,393)**	**8,943,692**

The notes form part of these financial statements

1. STATUTORY INFORMATION

FCC Communities Foundation Limited is a private company, limited by guarantee , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis. The Directors have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the Directors have tested their cash flow analysis to take into account the impact on the business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

Turnover
Turnover is measured at the fair value of the consideration received.

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

Turnover is recognised at the time the Landfill Operator charges landfill tax. The amount of landfill tax credits are set in the Budget.

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.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

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.

continued...

2. **ACCOUNTING POLICIES - continued**

Taxation

Current tax represents the amount of tax payable or receivable in respect of the interest receivable for the current period. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

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 monthly 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.

continued...

2. ACCOUNTING POLICIES - continued

Interest receivable
Interest income is recognised using the effective interest method on an accruals basis.

Trade and other debtors and creditors
Trade and other debtors and creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective rate of interest method except where the effect of discounting would be immaterial.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with maturities of three months or less.

Provisions
Provisions are recognised when the Company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Critical accounting judgements and key sources of estimation uncertainty
In the application of the Company's accounting policies, which are described above, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The key source of estimation uncertainty that has a significant effect on the amounts recognised in the financial statements is the provision for grant clawbacks.

Financial instruments and liquidity risk
The directors have ultimate responsibility for liquidity risk management in maintaining adequate reserves and banking facilities. They do this by continuously monitoring forecast and actual cashflows and matching the maturity profiles of financial assets and liabilities.

3. OTHER OPERATING INCOME

Other operating income relates to amounts received from other Environmental Bodies.

4. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	**279,867**	274,373
Social security costs	**27,386**	27,409
Other pension costs	**21,560**	18,420
	328,813	320,202

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4. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	2020	2019
Administration	9	9

The remuneration of key management personnel amounted to £73,462 (2019 - £58,066).

	2020	2019
	£	£
Directors' remuneration	8,550	7,739

5. OPERATING DEFICIT

The operating deficit is stated after charging:

	2020	2019
	£	£
Depreciation - owned assets	7,495	6,530
Loss on disposal of fixed assets	-	77
Auditors' remuneration	5,468	6,462

6. EXCEPTIONAL ITEMS

	2020	2019
	£	£
Exceptional items	220,313	632,681

			2020	2019
	£	£		
Release of committed grants			220,313	632,681

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

7. TAXATION

Analysis of the tax charge

The tax charge on the deficit for the year was as follows:

	2020	2019
	£	£
Current tax:		
UK corporation tax	1,528	2,140
Tax under/(over) provision	989	-
Tax on deficit	2,517	2,140

continued...

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2020	2019
	£	£
Deficit before tax	(120,460)	(1,802,124)
Deficit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(22,887)	(342,404)
Effects of:		
Adjustments to tax charge in respect of previous periods	989	-
Income and expenses not deductible for tax purposes	35,815	355,944
Gift Aid	(11,400)	(11,400)
Total tax charge	2,517	2,140

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

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£
COST				
At 1st April 2019	13,762	23,098	18,602	55,462
Additions	-	-	1,207	1,207
At 31st March 2020	13,762	23,098	19,809	56,669
DEPRECIATION				
At 1st April 2019	10,874	5,293	16,849	33,016
Charge for year	671	5,775	1,049	7,495
At 31st March 2020	11,545	11,068	17,898	40,511
NET BOOK VALUE				
At 31st March 2020	2,217	12,030	1,911	16,158
At 31st March 2019	2,888	17,805	1,753	22,446

continued...

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	**1,351,991**	1,472,082
Prepayments	**14,757**	12,895
	1,366,748	1,484,977

10. CASH AT BANK

	2020	2019
	£	£
Bank deposit account	**6,480,014**	7,443,012
Bank current account	**2,463,678**	2,638,073
	8,943,692	10,081,085

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Corporation tax	**1,528**	2,140
Social security and other taxes	**8,863**	8,879
Other creditors	**1,518**	2,688
Grants agreed by the board but not paid	**6,720,715**	7,848,531
Accrued expenses	**57,698**	67,017
	6,790,322	7,929,255

12. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	**9,792**	9,792
Between one and five years	**26,928**	36,720
	36,720	46,512

continued...

13. RESERVES

	Income and expenditure account £
At 1st April 2019	3,659,253
Deficit for the year	(122,977)
At 31st March 2020	3,536,276

14. CONTINGENT LIABILITIES

The historic HMRC investigation has been concluded and is closed. FCC Environment are seeking to recover £65,250.00 from FCC Communities Foundation. The insurance claim that FCC Communities Foundation submitted to AIG has been unsuccessful. AJG, the insurance broker that FCC Communities Foundation uses, still maintains that the insurance claim is valid, so that matter has reached an impasse. FCC Communities Foundation has filed a formal complaint against both AIG, (insurance provider), and AJG, (insurance broker) and awaits the outcome of this process.

15. RELATED PARTY DISCLOSURES

During the year the company paid £8,550 in director's remuneration, fees and expenses (2019 £7,739) to the following directors:

S Scott £616 (2019 - £690)
J Fourcade £225 (2019 - £172)
M Woods £3,121 (2019 - £1,877)
G Allen £4,588 (2019 - £5,000)

16. POST BALANCE SHEET EVENTS

On 16 March 2020, a week before the UK Government announcement that new measures were to be introduced to put the Nation in a state of lockdown, the company's offices were closed and all employees were asked to work from their homes and to date they have not re-entered the office on a full time basis.

The Company is taking all the necessary steps and available Government measures and aid to reduce the impact of the Covid 19 pandemic.

17. CAPITAL AND RESERVES

The company is limited by guarantee and has no share capital. Every director 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 director or within one year after they cease to be a director. There were 5 directors as at the year ended 31 March 2020 (2019 - 5).

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

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18. CONTROLLING INTEREST

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