REGISTERED NUMBER: 03368008 (England and Wales)

Waste Recycling Environmental Limited

Strategic Report,

Report of the Directors and

Financial Statements

for the Year Ended

31st March 2018

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COMPANIES HOUSE

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

Contents of the Financial Statements for the Year Ended 31st March 2018

Company Information
for the Year Ended 31st March 2018

DIRECTORS:	Mr C Ellis Mr G Allen Mr M Woods Ms S A Scott Mrs J A Fourcade
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 Year Ended 31st March 2018

The directors present their strategic report for the year ended 31st March 2018.

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).

REVIEW OF BUSINESS

The 2017/18 financial year saw WREN complete the final phase of restructuring. A further programme of redundancies was needed to allow WREN to change the staffing structure and create a business model that is sustainable in the short to medium term, with costs being contained within the LCF and SLCF guidelines. The staffing structure will not need to be revisited again and no more redundancies are planned.

Further investment in technology has seen the business change its financial package to a cloud-based system called Xero, as well as appointing a new external IT support provider. A commitment to improve the use of technology throughout the business has allowed the company to continue to operate efficiently and effectively with largely the same successful business model, but with a vastly reduced staff base and with substantially reduced overheads costs.

LCF
In the 2017 Autumn Budget, the Chancellor confirmed what he had previously announced in the Spring Budget, that the value of the Landfill Communities Fund would remain unchanged for the 2017/18 financial year at £39.3 million. With the diversion rate remaining unchanged 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. WREN continues to make good progress in all three of these key areas and ended the financial year with substantially reduced levels of both uncommitted and unspent funds held and with overhead costs being contained at 6.04%.

SLCF
The total value of the SLCF remains unchanged at £9.8 million with the diversion rate remaining unchanged at 5.6%.

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, throughout what has been a challenging transitional period.

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 WREN reports to ENTRUST for its business activity in England and Wales and SEPA for its business activity in Scotland:

	LCF	**SLCF**
Landfill tax credit income received	£7,713,615	£1,391,281
Operating costs for the business	£612,425	£110,703
Cost to spend ratio (%)	6.04	N/A
Cost to income ratio (%)	7.94	7.95
New Grant commitments made during the year	£8,033,046	£2,236,355
Commitment Balance at the year end	£7,358,182	£1,910,454
Project spend during the year	£10,145,360	£1,052,038

Level of unspent funds held at the end of the year	£9,114,860	£2,665,393
Level of uncommitted funds held at the end of the year	£1,544,178	£717,439
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 2018.

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.

During this year the company has received and processed 404 new project applications with a total requested value of £15,596,034. Of the new project applications received and processed, 234 were awarded funding to a value of £10,269,400.

PRINCIPAL RISKS AND UNCERTAINTIES
The principal risks are:
- The diversion rate not being adjusted to maintain the value of the LCF at £39.3 million
- The Chancellor reallocating some of the £39.3 million currently allocated to the LCF to tackle waste crime
- The outcome of the historical HMRC investigation
- Closure of the scheme.

FINANCIAL RISK MANAGEMENT
The WREN 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.

PEOPLE

Further changes to the staffing structure have been made through a programme of redundancies, which have seen the number of employees reduce from 14 to 9. No further redundancies are scheduled and the business now has a sustainable staffing structure.

ON BEHALF OF THE BOARD:

G. Allen
....
Mr G Allen - Director

Date: 6-9-2018

Report of the Directors
for the Year Ended 31st March 2018

The directors present their report with the financial statements of the company for the year ended 31st March 2018.

DIVIDENDS
No dividends will be distributed for the year ended 31st March 2018.

DIRECTORS
The directors shown below have held office during the whole of the period from 1st April 2017 to the date of this report.

Mr C Ellis
Mr G Allen
Mr M Woods

Other changes in directors holding office are as follows:

Mr J Joyce - resigned 4th January 2018
Ms S A Scott - appointed 9th January 2018

Mrs J A Fourcade was appointed as a director after 31st March 2018 but prior to the date of this report.

Mr K Dales ceased to be a director after 31st March 2018 but prior to the date of this report.

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.

Report of the Directors
for the Year Ended 31st March 2018

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

Date: 5-9-2018

Opinion
We have audited the financial statements of Waste Recycling Environmental Limited (the 'company') for the year ended 31st March 2018 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 2018 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.

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 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, 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 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 four, 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

Date: 10 - 9 - 2018

Income Statement
for the Year Ended 31st March 2018

	Notes	2018 £	2018 £	2017 £	2017 £
TURNOVER			**9,245,005**		9,275,961
Staff costs	3	**474,488**		591,270	
Depreciation		**4,798**		12,298	
Other operating expenses		**10,010,550**		9,557,549	
			10,489,836		10,161,117
OPERATING DEFICIT	4		**(1,244,831)**		(885,156)
Interest receivable and similar income			**50,808**		78,674
DEFICIT BEFORE TAXATION			**(1,194,023)**		(806,482)
Tax on deficit	6		**772**		-
DEFICIT FOR THE FINANCIAL YEAR			**(1,194,795)**		(806,482)

The notes form part of these financial statements

Other Comprehensive Income
for the Year Ended 31st March 2018

	Notes	2018 £	2017 £
DEFICIT FOR THE YEAR		**(1,194,795)**	(806,482)
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(1,194,795)**	(806,482)

The notes form part of these financial statements

Statement of Financial Position
31st March 2018

	Notes	2018 £	2018 £	2017 £	2017 £
FIXED ASSETS					
Tangible assets	7		**2,602**		18,538
CURRENT ASSETS					
Debtors	8	**2,120,744**		1,954,379	
Cash at bank	9	**11,780,254**		14,762,502	
		13,900,998		16,716,881	
CREDITORS					
Amounts falling due within one year	10	**8,440,083**		10,077,107	
NET CURRENT ASSETS			**5,460,915**		6,639,774
TOTAL ASSETS LESS CURRENT LIABILITIES			**5,463,517**		6,658,312
RESERVES					
Income and expenditure account	12		**5,463,517**		6,658,312
			5,463,517		6,658,312

The financial statements were approved by the Board of Directors on 5-9-2018 and were signed on its behalf by:

Mr G Allen - Director

The notes form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31st March 2018

	Retained earnings £	Total equity £
Balance at 1st April 2016	7,464,794	7,464,794
Changes in equity		
Total comprehensive income	(806,482)	(806,482)
Balance at 31st March 2017	6,658,312	6,658,312
Changes in equity		
Total comprehensive income	(1,194,795)	(1,194,795)
Balance at 31st March 2018	5,463,517	5,463,517

The notes form part of these financial statements

Statement of Cash Flows
for the Year Ended 31st March 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	**(3,043,629)**	(4,970,588)
Tax paid		**-**	(24,928)
Net cash from operating activities		**(3,043,629)**	(4,995,516)
Cash flows from investing activities			
Purchase of tangible fixed assets		**(25,735)**	-
Sale of tangible fixed assets		**36,308**	-
Interest received		**50,808**	78,674
Net cash from investing activities		**61,381**	78,674
Decrease in cash and cash equivalents		**(2,982,248)**	(4,916,842)
Cash and cash equivalents at beginning of year	2	**14,762,502**	19,679,344
Cash and cash equivalents at end of year	2	**11,780,254**	14,762,502

The notes form part of these financial statements

Notes to the Statement of Cash Flows
for the Year Ended 31st March 2018

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

	2018	2017
	£	£
Deficit before taxation	(1,194,023)	(806,482)
Depreciation charges	10,771	12,298
Profit on disposal of fixed assets	(5,973)	-
Finance income	(50,808)	(78,674)
	(1,240,033)	(872,858)
(Increase)/decrease in trade and other debtors	(165,800)	1,280,780
Decrease in trade and other creditors	(1,637,796)	(5,378,510)
Cash generated from operations	(3,043,629)	(4,970,588)

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 2018

	31/3/18	1/4/17
	£	£
Cash and cash equivalents	11,780,254	14,762,502

Year ended 31st March 2017

	31/3/17	1/4/16
	£	£
Cash and cash equivalents	14,762,502	19,679,344

1. **STATUTORY INFORMATION**

Waste Recycling Environmental 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.

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.

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.

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2. **ACCOUNTING POLICIES - continued**

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.

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.

continued...

3. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	**418,726**	511,200
Social security costs	**35,750**	51,198
Other pension costs	**20,012**	28,872
	474,488	591,270

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

	2018	2017
Administration	**13**	19

The remuneration of key management personnel amounted to £56,375.

	2018	2017
	£	£
Directors' remuneration	**16,681**	73,633
Directors' pension contributions to money purchase schemes	**-**	4,722
Compensation to director for loss of office	**-**	29,734

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

Money purchase schemes	**-**	1

4. OPERATING DEFICIT

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

	2018	2017
	£	£
Depreciation - owned assets	**11,336**	12,298
Profit on disposal of fixed assets	**(5,973)**	-
Auditors' remuneration	**6,424**	6,424

5. EXCEPTIONAL ITEMS

	2018	2017
	£	£
Exceptional items	**706,570**	1,031,065

continued...

	2018	2017
	£	£
Release of committed grants	706,570	1,031,065

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

	2018	2017
	£	£
Current tax:		
UK corporation tax	**772**	-
Tax on deficit	**772**	-

UK corporation tax has been charged at 19%.

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:

	2018	2017
	£	£
Deficit before tax	**(1,194,023)**	(806,482)
Deficit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	**(226,864)**	(161,296)
Effects of:		
Income and expenses not deductible for tax purposes	**235,996**	177,031
Gift Aid	**(8,360)**	(15,735)
Total tax charge	**772**	-

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

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1st April 2017	58,827	32,051	131,369	222,247
Additions	-	22,990	2,745	25,735
Disposals	-	(55,041)	-	(55,041)
At 31st March 2018	58,827	-	134,114	192,941
DEPRECIATION				
At 1st April 2017	57,900	16,694	129,115	203,709
Charge for year	811	8,012	2,513	11,336
Eliminated on disposal	-	(24,706)	-	(24,706)
At 31st March 2018	58,711	-	131,628	190,339
NET BOOK VALUE				
At 31st March 2018	116	-	2,486	2,602
At 31st March 2017	927	15,357	2,254	18,538

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	2,087,717	1,924,591
Other debtors	-	3,259
Prepayments	33,027	26,529
	2,120,744	1,954,379

9. CASH AT BANK

	2018 £	2017 £
Bank deposit account	7,391,580	10,852,119
Bank current account	4,388,674	3,910,383
	11,780,254	14,762,502

continued...

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Corporation tax	772	-
Social security and other taxes	8,650	11,957
Other creditors	1,880	8,770
Grants agreed by the board but not paid	8,338,711	9,973,280
Accrued expenses	90,070	83,100
	8,440,083	10,077,107

11. LEASING AGREEMENTS

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

	2018	2017
	£	£
Within one year	28,000	42,000
Between one and five years	-	55,200
	28,000	97,200

12. RESERVES

	Income and expenditure account
	£
At 1st April 2017	6,658,312
Deficit for the year	(1,194,795)
At 31st March 2018	5,463,517

continued...

13. **CONTINGENT LIABILITIES**

HMRC have now concluded the historical investigation that was passed to them by Entrust, (the Government appointed Regulator for the Landfill Communities Fund), on 13th December 2016. The investigation focussed on allegations that the business had spent money on activities that were not eligible, placing it in breach of the Regulations.
The draft HMRC report sent to WREN on 5th October 2017 confirms that an amount of £72,500.00 has been identified as being spent on ineligible activity.
The WREN involvement in the HMRC investigation is now complete.
The following statements explain what the potential outcome of the HMRC investigation might be:
1. If HMRC decide to recover the money that they deem to have been spent on ineligible activity, they will recover it directly from the donor landfill operator using a mechanism called claw back.
2. If HMRC decide to claw back the money from the donor landfill operator, the donor landfill operator has indicated that they will pursue WREN for breach of contract.
3. If the donor landfill operator does pursue WREN for breach of contract, WREN will need to claim against its corporate liability insurance. The insurance provider is fully aware of the HMRC investigation and has been fully briefed at each stage of the investigation and from the very outset.

14. **RELATED PARTY DISCLOSURES**

During the year the company paid £16,681 in director's remuneration, fees and expenses (2017 - £19,799) to the following directors:

J Joyce £8,890 (2017 - £17,225)
G Thomas £nil (2017 - £227)
T Cutts £nil (2017 - £77)
M Woods £2,815 (2017 - £845)
G Allen £4,975 (2017 - £1,425)

15. **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 2018 (2017 - 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.

16. **CONTROLLING INTEREST**

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

Detailed Income and Expenditure Account
for the Year Ended 31st March 2018

	2018		2017	
	£	£	£	£
Turnover				
FCC landfill tax credits	9,245,005		9,275,217	
Yorkshire water tax credits received	-		744	
		9,245,005		9,275,961
Other Income				
Interest receivable		50,808		78,674
		9,295,813		9,354,635
Expenditure				
Administration	201,017		339,003	
Entrust levy	240,253		256,452	
Exceptional items	(706,570)		(1,031,065)	
Directors' salaries	7,500		66,773	
Directors' fees	9,181		500	
Directors' social security	472		7,162	
Directors' pension contributions	-		4,722	
Directors' compensation for loss of office	-		29,734	
Wages	402,045		414,193	
Social security	35,278		44,036	
Pensions	20,012		24,150	
Payments made under Gift Aid provisions	44,000		79,170	
Other grants agreed by the board	10,225,400		9,907,366	
Auditors' remuneration	6,424		6,424	
Depreciation of tangible fixed assets	10,771		12,298	
Profit/loss on sale of tangible fixed assets	(5,973)		-	
		10,489,810		10,160,918
		(1,193,997)		(806,283)
Finance costs				
Bank charges		26		199
NET DEFICIT		(1,194,023)		(806,482)

This page does not form part of the statutory financial statements