

FCC Communities Foundation Limited

Strategic Report,

Report of the Directors and

Financial Statements

For The Year Ended

31st March 2023

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

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For The Year Ended 31st March 2023**

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DIRECTORS:	Mr C J Ellis Mr G Allen Mrs S A Scott Mrs J A Fourcade Ms C H Sambridge
REGISTERED OFFICE:	8 Hopper Way Diss Norfolk IP22 4GT
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 2023**

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 THE BUSINESS

The 2022/23 financial year saw the LCF income remain static and in line with what was received in the previous (2021/22), financial year. The financial year ended with the business receiving £7,712,356.89 in LCF income, which is £88,997.52 up on the previous financial year and £851,332.89 ahead of forecast. This puts the business in a strong financial position.

With income remaining well ahead of forecast, the Board agreed to launch a second round of the annual Flagship Funding programme. This was launched and ran alongside the main FCC Community Action fund and FCC Scottish Action Fund. This programme continues to create an opportunity for the business to fund some larger projects, which are of regional or national importance, working with several new and some existing award partners.

With interest rates dramatically increasing over the second half of the financial year, the business ended the financial year having generated £58,010 in interest earnings. The Board took the decision to give the interest earnings away as Gift Aid and awarded £55,000 to the Wychwood Forest Trust to deliver a programme of work at Foxburrow Wood.

The General Manager restructured the business, so that all the staff now work permanently from home. As part of this transition the business moved out of Unit 1E, Snetterton Business Park, where it had operated its head office for the last four years. The transition went smoothly and represents a significant cost saving for the company moving forward.

LCF

Budget Announcement: Spring 2023

As part of the Spring Budget announcement on 22nd March 2023, HMRC released their Landfill Tax Briefing which states the following in relation to the Landfill Communities Fund:

1. The Landfill Communities Fund (LCF) for 2023-2024 is set at £32.9m
2. The diversion rate for contributors from Landfill Operators will remain at 5.3%
3. The ENTRUST Levy for 2023-2024 has been set at 3.38%

Looking ahead, we expect the scheme will continue to help foster sustainable communities and promote environmental stewardship across England & Northern Ireland.

This was published by ENTRUST on their website on Budget Day.

Performance against Key Targets

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. They are also expected to limit the amount of funds held to no more than 1.5 times the total amount of income they receive across a single financial year.

The level of unspent LCF funds held by the business on 31st March 2023 rose by £640,823 to £9,913,804 on the previous financial year, however this is well within the 1.5 times the total annual income received target, against which the performance of the business is measured. The level of uncommitted LCF funds held by the business on 31st March 2023, (less contingency), reduced by £1,009,361 to £1,656,842. Given that income remained high throughout the 2022/23 financial year, The Directors are comfortable with the level of unspent funds held and are pleased with the progress that has been made to reduce the level of uncommitted funds held. The company committed £8,442,217 to new projects in England and a further £526,862 to new projects in Scotland in the 2022/23 financial year, which is more than at any time in the previous five financial years. The Directors are happy with the way the outcome of the second year of the Flagship Funding programme, with seven new projects being awarded funding, with Grants totalling £1,809,411. The Board will decide on whether to launch a third round of the Flagship Funding programme for the 2023/24 financial year at the AGM in September 2023. I am confident that the business will reduce the level of unspent funds held before the end of the 2023/24 financial year, as well as continuing to reduce the level of uncommitted funds held.

LCF overhead costs were contained at 5.70% cost to spend, against a target of no more than 7.5%.

SLCF

The diversion rate remained unchanged at 5.6%, but despite this remaining static the total value of the SLCF has risen from £5.2 million in the 2020/21 financial year, to £6.6 million at the end of the 2021/22 financial year. (Revenue Scotland Data provided by SEPA).

Strategic Report For The Year Ended 31st March 2023

FCC Communities Foundation saw income in Scotland increase from £560,616.71 in the 2021/22 financial year to £601,740.73 at the end of the 2022/23 financial year. SLCF overhead costs were contained at 10.22% cost to income for the financial year and 9.48% when averaged out across all the financial years going back to the launch of the SLCF and therefore within the target set by SEPA of 10% cost to income. It is worth recording that the only reason that the SLCF overhead costs came in at more than 10% was that a proportion of the costs associated with moving the business out of Unit 1E, Snellerton Business Park were apportioned to the SLCF. As these are a one-off cost, I forecast that the cost to income ratio will reduce to below 10% again in the 2023/24 financial year.

The business is forecasting that income will reduce by approximately 15% in Scotland for the forthcoming financial year.

EXECUTIVE SUMMARY

After consideration of the results for the year, the instability of the economy and the pressures facing the UK with the cost of living crisis the Directors feel that the company has performed well with all the key 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 receive	£9,272,980.68	£601,740.73
Operating costs for the business	£ 369,536.10	£ 61,469.24
Cost to spend ratio (%)	5.70%	N/A
Cost to income ratio (%)	N/A	10.12%
New Grant commitments made during the year	£8,442,217.40	£526,861.84
Commitment Balance at the year end	£8,044,462.30	£463,728.64
Project spend during the year	£6,485,447.33	£700,029.16
Level of write backs during the year	£ 306,584.91	£ 99,017.55
Level of unspent funds held at the end of the year	£9,913,803.87	£690,644.84
Level of uncommitted funds held at the end of the year	£1,656,842	£ 189,416
Level of funds retained for wind up of the business	£ 212,500.00	£ 37,500.00

*The above data is based on a cash basis as required by and reported to ENTRUST and SEPA as at 31 March 2023.

The business continues to recognise the importance of reducing the level of both uncommitted and unspent monies held, and a more active programme of profile raising has been undertaken to ensure that this can be achieved in the 2023/24 financial year.

It is important to recognise that the rapidly changing economic climate in England and Scotland as the UK begins to recover from the COVID-19 pandemic and adjusts to leaving the EU is having a direct impact on the ability of projects to reach fruition, with increasing material costs and high fuel costs both creating issues. The Board has taken the decision that it will begin to consider awarding additional funding to any project that is unable to reach fruition due to escalating contractors costs and has introduced a formal Policy and supporting procedures to manage this.

During this financial year the company has received and processed 197 new LCF project applications and 42 new SLCF project applications. Of the new project applications received and processed, 120 LCF projects and 21 SLCF projects were awarded funding. The business also funded 7 new Flagship projects, working in partnership with English Heritage, Woodland Trust, Birmingham Museum & Art Gallery, Norfolk Wildlife Trust, Berkshire, Buckinghamshire & Oxfordshire Wildlife Trust, Sheffield & Rotherham Wildlife Trust and RSPB. The total amount committed to new projects through the LCF was £8,442,217.40 and the total amount committed to new projects through the SLCF was £526,861.84.

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 money currently allocated to the LCF to other governmental priorities
- The Chancellor announcing the end of the LCF
- Revenue Scotland announcing the end of the SLCF

Strategic Report

For The Year Ended 31st March 2023

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 and the level of uncommitted funds held. This is monitored monthly.

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. This is per ENTRUST guidance and the costs allowed are for the wind down of the business if it were to cease trading prior to the end of the LCF/SLCF.

PEOPLE

FCC Communities Foundation employs 7 full-time and 1 part-time members of staff. The number of employees working for the business did not change during the 2022/23 financial year. The staff who were contracted to work full-time at head office, have had the Terms & Conditions of their Contract of Employment updated to reflect the fact that they now work permanently from home. No further changes to the staffing structure are expected.

ON BEHALF OF THE BOARD:

Mr G Allen - Director

14th September 2023

**Report of the Directors
For The Year Ended 31st March 2023**

The directors present their report with the financial statements of the company for the year ended 31st March 2023.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st April 2022 to the date of this report.

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

Other changes in directors holding office are as follows:

Mr M J Woods - resigned 7th September 2022
Ms C H Sambridge - appointed 24th January 2023

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

14th September 2023

Report of the Independent Auditors to the Members of FCC Communities Foundation Limited

Opinion

We have audited the financial statements of FCC Communities Foundation Limited (the 'company') for the year ended 31st March 2023 which comprise the Statement of 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 2023 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Report of the Independent Auditors to the Members of FCC Communities Foundation Limited

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.

- How we obtained an understanding of the entity's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance.
- How we obtained an understanding of the entity's risk assessment process, including the risk of fraud;
- The testing of significant transactions, in particular the evaluation of the business rationale for any which appear unusual or outside the company's normal course of business;
- Our review of the financial statements and testing the disclosures against supporting documentation.

However, because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation.

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

14th September 2023

Statement of Comprehensive Income
For The Year Ended 31st March 2023

		2023		2022	
	Notes	£	£	£	£
TURNOVER			7,952,326		8,404,002
Staff costs	3	322,300		302,577	
Depreciation		833		1,501	
Other operating expenses		8,793,469		6,855,591	
			9,116,602		7,159,669
			(1,164,276)		1,244,333
Interest receivable and similar income			58,010		1,991
(DEFICIT)/SURPLUS BEFORE TAXATION	5		(1,106,266)		1,246,324
Tax on (deficit)/surplus	6		572		366
(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR			(1,106,838)		1,245,958
OTHER COMPREHENSIVE INCOME			-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			(1,106,838)		1,245,958

The notes form part of these financial statements

Statement of Financial Position

31st March 2023

	Notes	2023 £	£	2022 £	£
FIXED ASSETS					
Tangible assets	7		1,693		268
CURRENT ASSETS					
Debtors	8	1,268,554		1,630,983	
Cash at bank	9	<u>10,604,449</u>		<u>10,141,435</u>	
		11,873,003		11,772,418	
CREDITORS					
Amounts falling due within one year	10	<u>7,729,222</u>		<u>6,520,374</u>	
NET CURRENT ASSETS			<u>4,143,781</u>		<u>5,252,044</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,145,474</u>		<u>5,252,312</u>
RESERVES					
Income and expenditure account	12		<u>4,145,474</u>		<u>5,252,312</u>
			<u>4,145,474</u>		<u>5,252,312</u>

The financial statements were approved by the Board of Directors and authorised for issue on 14th September 2023 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 2023**

	Retained earnings £	Total equity £
Balance at 1st April 2021	4,006,354	4,006,354
Changes in equity		
Total comprehensive income	1,245,958	1,245,958
Balance at 31st March 2022	<u>5,252,312</u>	<u>5,252,312</u>
Changes in equity		
Total comprehensive income	(1,106,838)	(1,106,838)
Balance at 31st March 2023	<u>4,145,474</u>	<u>4,145,474</u>

Statement of Cash Flows
For The Year Ended 31st March 2023

		2023	2022
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	407,641	1,368,871
Tax paid		(378)	(1,377)
Net cash from operating activities		407,263	1,367,494
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,259)	-
Interest received		58,010	1,991
Net cash from investing activities		55,751	1,991
Increase in cash and cash equivalents		463,014	1,369,485
Cash and cash equivalents at beginning of year	2	10,141,435	8,771,950
Cash and cash equivalents at end of year	2	10,604,449	10,141,435

The notes form part of these financial statements

Notes to the Statement of Cash Flows
For The Year Ended 31st March 2023

1. RECONCILIATION OF (DEFICIT)/SURPLUS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2023	2022
	£	£
(Deficit)/surplus before taxation	(1,106,266)	1,246,324
Depreciation charges	834	1,501
Finance income	(58,010)	(1,991)
	(1,163,442)	1,245,834
Decrease/(increase) in trade and other debtors	362,429	(213,380)
Increase in trade and other creditors	1,208,654	336,417
Cash generated from operations	407,641	1,368,871

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 2023

	31/3/23	1/4/22
	£	£
Cash and cash equivalents	10,604,449	10,141,435

Year ended 31st March 2022

	31/3/22	1/4/21
	£	£
Cash and cash equivalents	10,141,435	8,771,950

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/22	Cash flow	At 31/3/23
	£	£	£
Net cash			
Cash at bank	10,141,435	463,014	10,604,449
	10,141,435	463,014	10,604,449
Total	10,141,435	463,014	10,604,449

**Notes to the Financial Statements
For The Year Ended 31st March 2023**

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. Based on these assessments, 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	- 33% 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.

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.

Notes to the Financial Statements - continued
For The Year Ended 31st March 2023

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. EMPLOYEES AND DIRECTORS

The remuneration of key management personnel amounted to £84,875 (2022 - £75,386).

	2023	2022
	£	£
Directors' remuneration	<u>4,070</u>	<u>4,219</u>

4. EXCEPTIONAL ITEMS

	2023	2022
	£	£
Exceptional items	<u>405,602</u>	<u>454,799</u>

	2023	2022
£	£	
Release of committed grants	<u>405,602</u>	<u>454,799</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.		

Notes to the Financial Statements - continued
For The Year Ended 31st March 2023

5. (DEFICIT)/SURPLUS BEFORE TAXATION

The deficit (2022 - surplus) is stated after charging:

	2023	2022
	£	£
Depreciation - owned assets	834	1,501
Auditors' remuneration	<u>8,886</u>	<u>7,555</u>

6. TAXATION

Analysis of the tax charge

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

	2023	2022
	£	£
Current tax:		
UK corporation tax	572	378
CT Over/under provision	<u>-</u>	<u>(12)</u>
Tax on (deficit)/surplus	<u>572</u>	<u>366</u>

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:

	2023	2022
	£	£
(Deficit)/surplus before tax	<u>(1,106,266)</u>	<u>1,246,324</u>
(Deficit)/surplus multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	(210,191)	236,802
Effects of:		
Income and expenses not deductible for tax purposes	219,426	(236,436)
Gift Aid	<u>(8,663)</u>	<u>-</u>
Total tax charge	<u>572</u>	<u>366</u>

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

Notes to the Financial Statements - continued
For The Year Ended 31st March 2023

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1st April 2022	13,762	19,809	33,571
Additions	-	2,259	2,259
Disposals	(9,978)	(13,556)	(23,534)
At 31st March 2023	<u>3,784</u>	<u>8,512</u>	<u>12,296</u>
DEPRECIATION			
At 1st April 2022	13,762	19,541	33,303
Charge for year	-	834	834
Eliminated on disposal	(9,978)	(13,556)	(23,534)
At 31st March 2023	<u>3,784</u>	<u>6,819</u>	<u>10,603</u>
NET BOOK VALUE			
At 31st March 2023	<u>-</u>	<u>1,693</u>	<u>1,693</u>
At 31st March 2022	<u>-</u>	<u>268</u>	<u>268</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	1,260,978	1,622,749
Prepayments	<u>7,576</u>	<u>8,234</u>
	<u>1,268,554</u>	<u>1,630,983</u>

9. CASH AT BANK

	2023 £	2022 £
Bank deposit account	8,545,212	6,487,202
Bank current account	<u>2,059,237</u>	<u>3,654,233</u>
	<u>10,604,449</u>	<u>10,141,435</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Corporation tax	572	378
Social security and other taxes	10,171	10,576
Other creditors	2,553	1,487
Grants agreed by the board but not paid	7,657,372	6,417,172
Accrued expenses	<u>58,554</u>	<u>90,761</u>
	<u>7,729,222</u>	<u>6,520,374</u>

Notes to the Financial Statements - continued
For The Year Ended 31st March 2023

11. LEASING AGREEMENTS

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

	2023 £	2022 £
Within one year	-	9,792
Between one and five years	-	7,344
	<u>-</u>	<u>17,136</u>

The leasing commitment relating to the office lease in Snetterton and service charges thereon were fully settled in January 2023 when the business vacated the offices.

12. RESERVES

	Income and expenditure account £
At 1st April 2022	5,252,312
Deficit for the year	(1,106,838)
At 31st March 2023	<u>4,145,474</u>

13. RELATED PARTY DISCLOSURES

During the year the company paid £4,070 in director's remuneration, fees and expenses (2022 £4,219) to the following directors:

S Scott £500 (2022- £500)
J Fourcade £Nil (2022 - £Nil)
M Woods £469 (2022 - £1,219)
G Allen £2,938 (2022 - £2,500)
C Sambridge £164 (2022 - £NIL)

14. 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 2023 (2022 - 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.

15. CONTROLLING INTEREST

The company is controlled by the directors as listed on page 1.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.