

FCC Communities Foundation Limited

Strategic Report,

Report of the Directors and

Financial Statements

For The Year Ended

31st March 2021

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

**Contents of the Financial Statements
For The Year Ended 31st March 2021**

	Page
Company Information	1
Strategic Report	2 to 5
Report of the Directors	6 to 7
Report of the Independent Auditors	8 to 10
Income Statement	11
Other Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Notes to the Statement of Cash Flows	16
Notes to the Financial Statements	17 to 24

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 2021

The directors present their strategic report for the year ended 31st March 2021.

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

The business continued to operate effectively and efficiently, with its workforce remaining home based throughout the entirety of the 2020/21 financial year.

The Board has adapted to meeting remotely, with technology, (Microsoft Teams/Zoom), allowing decisions to be made without any adverse effect or delay.

Some time and resource savings have been identified because of the pandemic, principally relating to travel, subsistence and accommodation as no site based work or face to face meetings were undertaken.

At the time of writing the strategic report the company's head office remains closed.

**Strategic Report
For The Year Ended 31st March 2021**

REVIEW OF BUSINESS

The 2020/21 financial year saw FCC Communities Foundation needing to adapt to the challenges that were presented by the COVID-19 pandemic and the country spending long periods of time in lockdown. The staff who are usually office based adapted well to working from home. The company reaped the benefits of investing in technology over the course of the last two years, with a move away from site-based servers and switching to cloud based systems, meaning that it was able to continue to operate largely unaffected.

The staffing structure changed, with one member of staff being made redundant and leaving the business on 31st December 2020. This was planned and reflects a drop off in SLCF income in Scotland. The Member of staff was employed solely to work in Scotland and the reduced level of SLCF income and the far smaller number of new projects being funded in Scotland meant that a full-time member of staff was no longer affordable. No further staffing changes are expected.

The COVID-19 pandemic resulted in dramatic fluctuations in LCF income over the course of the financial year, with the April to June Tax Quarter being hit the hardest when the country was in full lockdown. As lockdown eased between June and December there was a significant bounce back, which helped the LCF income to recover and meant that it was only 2.6% down on forecast at the end of the tax year. SLCF income remained static and in line with what was received in the previous financial year.

The business has now successfully settled the ongoing historic case with FCC Environment relating to clawback. FCC Environment formally accepted a settlement agreement which was signed off by the FCC Communities Foundation Board on 1st December 2020. This matter is now closed.

LCF

As part of the Budget announcement on 3rd March 2021, HMRC released their Landfill Tax Briefing which states the following in relation to the Landfill Communities Fund:

As announced at Budget 2021, the potential value of the LCF for 2021/22 will be set at £34.4 million.

The diversion rate remains at 5.3%

The ENTRUST Levy will increase from 2.26% to 2.91%.

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. FCC Communities Foundation reduced the level of unspent funds held at the end of the financial year, although the level of uncommitted funds held rose slightly. LCF overhead costs were contained at 6.90% cost to spend, (7.31% 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 remain in line with the previous financial year. SLCF overhead costs were contained at 11.86% cost to income, but importantly at 8.93% when averaged out across the previous five years since the launch of the SLCF and therefore within the target set by SEPA of 10% cost to income.

The business is forecasting a further 20% reduction in SLCF income over the course of the next two financial years.

Strategic Report

For The Year Ended 31st March 2021

EXECUTIVE SUMMARY

After consideration of the results for the year, the challenges and impact of the pandemic and the position at the year-end 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 received	£5,732,590.00	£504,373.00
Operating costs for the business	£ 369,154.73	£ 59,816.69
Cost to spend ratio (%)	6.90%	N/A
Cost to income ratio (%)	N/A	11.86%
New Grant commitments made during the year	£5,217,070.00	£440,903.00
Commitment Balance at the year end	£6,145,287.54	£644,853.02
Project spend during the year	£5,352,092.65	£512,360.70
Level of write backs during the year	£ 469,675.27	£ 1,165.57
Level of unspent funds held at the end of the year	£8,063,124.73	£708,825.13
Level of uncommitted funds held at the end of the year	£1,705,337.19	£ 26,472.11
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 2021.

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

As reported last year, 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 169 new LCF project applications and 35 new SLCF project applications. Of the new project applications received and processed, 110 LCF projects and 21 SLCF projects were awarded funding. The business did not fund any LCF flagship projects, nor did it support any projects using Gift Aid. The total amount committed to new projects through the LCF was £5,217,070 and the total amount committed to new projects through the SLCF was £440,903.

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 £34.4 million 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 2021

FINANCIAL RISK MANAGEMENT

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. 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 reduced by one during the 2020/21 financial year. No further changes to the staffing structure are expected.

ON BEHALF OF THE BOARD:

Mr G Allen - Director

2nd September 2021

**Report of the Directors
For The Year Ended 31st March 2021**

The directors present their report with the financial statements of the company for the year ended 31st March 2021.

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 2020 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.

**Report of the Directors
For The Year Ended 31st March 2021**

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

2nd September 2021

Opinion

We have audited the financial statements of FCC Communities Foundation Limited (the 'company') for the year ended 31st March 2021 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 2021 and of its surplus 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.

However, not all future events or conditions can be predicted. Brexit and the COVID-19 viral pandemic are the most significant economic events 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 trade, customers, suppliers and wider economy. The Directors' view on the impact of COVID-19 and Brexit is disclosed within the accounting policies note.

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 six, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- 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.

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

2nd September 2021

Income Statement
For The Year Ended 31st March 2021

	Notes	2021 £	£	2020 £	£
TURNOVER			6,287,695		7,076,262
Other operating income	3		<u>10,000</u>		<u>3,161</u>
			6,297,695		7,079,423
Staff costs	4	330,812		328,813	
Depreciation		1,989		7,494	
Other operating expenses		<u>5,501,959</u>		<u>6,931,618</u>	
			5,834,760		<u>7,267,925</u>
OPERATING SURPLUS/(DEFICIT)	5		462,935		(188,502)
Interest receivable and similar income			<u>8,520</u>		<u>68,042</u>
SURPLUS/(DEFICIT) BEFORE TAXATION			471,455		(120,460)
Tax on surplus/(deficit)	7		<u>1,377</u>		<u>2,517</u>
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR			<u>470,078</u>		<u>(122,977)</u>

The notes form part of these financial statements

**Other Comprehensive Income
For The Year Ended 31st March 2021**

	Notes	2021 £	2020 £
SURPLUS/(DEFICIT) FOR THE YEAR		470,078	(122,977)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>470,078</u>	<u>(122,977)</u>

The notes form part of these financial statements

Statement of Financial Position
31st March 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	8		1,769		16,158
CURRENT ASSETS					
Debtors	9	1,417,603		1,366,748	
Cash at bank	10	<u>8,771,950</u>		<u>8,943,692</u>	
		10,189,553		10,310,440	
CREDITORS					
Amounts falling due within one year	11	<u>6,184,968</u>		<u>6,790,322</u>	
NET CURRENT ASSETS			4,004,585		3,520,118
TOTAL ASSETS LESS CURRENT LIABILITIES			4,006,354		3,536,276
RESERVES					
Income and expenditure account	13		<u>4,006,354</u>		<u>3,536,276</u>
			4,006,354		3,536,276

The financial statements were approved by the Board of Directors and authorised for issue on 2nd September 2021 and were signed on its behalf by:

Mr G Allen - Director

Mr C J Ellis - Director

**Statement of Changes in Equity
For The Year Ended 31st March 2021**

	Retained earnings £	Total equity £
Balance at 1st April 2019	3,659,253	3,659,253
Changes in equity		
Total comprehensive income	(122,977)	(122,977)
Balance at 31st March 2020	<u>3,536,276</u>	<u>3,536,276</u>
Changes in equity		
Total comprehensive income	470,078	470,078
Balance at 31st March 2021	<u>4,006,354</u>	<u>4,006,354</u>

The notes form part of these financial statements

Statement of Cash Flows
For The Year Ended 31st March 2021

		2021	2020
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	(191,146)	(1,201,099)
Tax paid		(1,516)	(3,129)
Net cash from operating activities		(192,662)	(1,204,228)
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(1,207)
Sale of tangible fixed assets		12,400	-
Interest received		8,520	68,042
Net cash from investing activities		20,920	66,835
Decrease in cash and cash equivalents		(171,742)	(1,137,393)
Cash and cash equivalents at beginning of year	2	8,943,692	10,081,085
Cash and cash equivalents at end of year	2	8,771,950	8,943,692

The notes form part of these financial statements

Notes to the Statement of Cash Flows
For The Year Ended 31st March 2021

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

	2021	2020
	£	£
Surplus/(deficit) before taxation	471,455	(120,460)
Depreciation charges	7,652	7,494
Profit on disposal of fixed assets	(5,663)	-
Roundoff	-	1
Exceptional items	10,000	-
Government grants	(10,000)	-
Finance income	(8,520)	(68,042)
	<u>464,924</u>	<u>(181,007)</u>
(Increase)/decrease in trade and other debtors	(50,855)	118,229
Decrease in trade and other creditors	(605,215)	(1,138,321)
Cash generated from operations	<u>(191,146)</u>	<u>(1,201,099)</u>

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 2021

	31/3/21	1/4/20
	£	£
Cash and cash equivalents	<u>8,771,950</u>	<u>8,943,692</u>

Year ended 31st March 2020

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

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/20	Cash flow	At 31/3/21
	£	£	£
Net cash			
Cash at bank	<u>8,943,692</u>	<u>(171,742)</u>	<u>8,771,950</u>
	<u>8,943,692</u>	<u>(171,742)</u>	<u>8,771,950</u>
Total	<u>8,943,692</u>	<u>(171,742)</u>	<u>8,771,950</u>

4. EXCEPTIONAL ITEMS

The exceptional expense of £10,000 relates to the settlement agreed with the Landfill Operator netted off by the insurance claim.

**Notes to the Financial Statements
For The Year Ended 31st March 2021**

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.

Changes in accounting estimates

In the year the client has changed their depreciation policies. These reflect a change in accounting estimate. The change has resulted in an increase in depreciation charged to the P&L in the year of £451.

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.

Notes to the Financial Statements - continued
For The Year Ended 31st March 2021

2. ACCOUNTING POLICIES - continued

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	- Straight line over 3 years
Motor vehicles	- 25% on cost
Computer equipment	- Straight line over 3 years

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 2021

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 in 2021 relates to grants received from the local council of £10,000 and in 2020 to amounts received from other Environmental Bodies of £3,161.

4. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	281,473	279,867
Social security costs	27,782	27,386
Other pension costs	21,557	21,560
	<u>330,812</u>	<u>328,813</u>

Notes to the Financial Statements - continued
For The Year Ended 31st March 2021

4. **EMPLOYEES AND DIRECTORS - continued**

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

	2021	2020
Administration	<u>8</u>	<u>9</u>

The remuneration of key management personnel amounted to £68,207 (2020 - £73,462).

	2021	2020
	£	£
Directors' remuneration	<u>5,644</u>	<u>8,550</u>

5. **OPERATING SURPLUS/(DEFICIT)**

The operating surplus (2020 - operating deficit) is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation - owned assets	7,652	7,495
Profit on disposal of fixed assets	(5,663)	-
Auditors' remuneration	<u>8,524</u>	<u>5,468</u>

6. **EXCEPTIONAL ITEMS**

	2021	2020
	£	£
Exceptional items	470,841	220,313
Exceptional items	<u>(10,000)</u>	<u>-</u>
	<u>460,841</u>	<u>220,313</u>

	2021	2020
	£	£
Release of committed grants	<u>470,841</u>	<u>220,313</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.		

In the year, the company incurred £10,000 of exceptional expenditure relating to the settlement agreed with the Landfill Operator of £18,250 netted off by the insurance claim repayment of £8,250.

Notes to the Financial Statements - continued
For The Year Ended 31st March 2021

7. TAXATION

Analysis of the tax charge

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

	2021 £	2020 £
Current tax:		
UK corporation tax	1,377	1,528
Tax under/(over) provision	-	989
Tax on surplus/(deficit)	<u>1,377</u>	<u>2,517</u>

Reconciliation of total tax charge included in profit and loss

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

	2021 £	2020 £
Surplus/(deficit) before tax	<u>471,455</u>	<u>(120,460)</u>
Surplus/(deficit) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	89,576	(22,887)
Effects of:		
Adjustments to tax charge in respect of previous periods	-	989
Income and expenses not deductible for tax purposes	(88,199)	35,815
Gift Aid	-	(11,400)
Total tax charge	<u>1,377</u>	<u>2,517</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 2021

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1st April 2020	13,762	23,098	19,809	56,669
Disposals	-	(23,098)	-	(23,098)
At 31st March 2021	<u>13,762</u>	<u>-</u>	<u>19,809</u>	<u>33,571</u>
DEPRECIATION				
At 1st April 2020	11,545	11,068	17,898	40,511
Charge for year	1,118	5,293	1,241	7,652
Eliminated on disposal	-	(16,361)	-	(16,361)
At 31st March 2021	<u>12,663</u>	<u>-</u>	<u>19,139</u>	<u>31,802</u>
NET BOOK VALUE				
At 31st March 2021	<u>1,099</u>	<u>-</u>	<u>670</u>	<u>1,769</u>
At 31st March 2020	<u>2,217</u>	<u>12,030</u>	<u>1,911</u>	<u>16,158</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	1,402,724	1,351,991
Other debtors	531	-
Prepayments	<u>14,348</u>	<u>14,757</u>
	<u>1,417,603</u>	<u>1,366,748</u>

10. CASH AT BANK

	2021 £	2020 £
Bank deposit account	6,485,241	6,480,014
Bank current account	<u>2,286,709</u>	<u>2,463,678</u>
	<u>8,771,950</u>	<u>8,943,692</u>

Notes to the Financial Statements - continued
For The Year Ended 31st March 2021

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Corporation tax	1,389	1,528
Social security and other taxes	9,013	8,863
Other creditors	436	1,518
Grants agreed by the board but not paid	6,111,127	6,720,715
Accrued expenses	63,003	57,698
	<u>6,184,968</u>	<u>6,790,322</u>

12. LEASING AGREEMENTS

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

	2021	2020
	£	£
Within one year	9,792	9,792
Between one and five years	17,136	26,928
	<u>26,928</u>	<u>36,720</u>

13. RESERVES

	Income and expenditure account £
At 1st April 2020	3,536,276
Surplus for the year	470,078
At 31st March 2021	<u>4,006,354</u>

14. RELATED PARTY DISCLOSURES

During the year the company paid £5,644 in director's remuneration, fees and expenses (2020 £8,550) to the following directors:

S Scott £500 (2020 - £616)
J Fourcade £Nil (2020 - £225)
M Woods £1,742 (2020 - £3,121)
G Allen £3,402 (2020 - £4,588)

Notes to the Financial Statements - continued
For The Year Ended 31st March 2021

15. 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.

16. 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 2021 (2020 - 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.

17. CONTROLLING INTEREST

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

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.