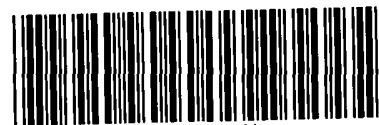


Charity Registration No. 1083225

Company Registration No. 04088392 (England and Wales)

**EARTHBALANCE 2000**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

WEDNESDAY



\*A6LNDXA2\*  
A30 20/12/2017 #304  
COMPANIES HOUSE

**stokoerodger**  
CHARTERED ACCOUNTANTS

# EARTHBALANCE 2000

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr T Fraser Mr G Kemp Dr A G Rutherford Mr D P Wilkinson Dr D R Kell	(Appointed 10 July 2017)
<b>Secretary</b>	Mr K Nicholson	
<b>Charity number</b>	1083225	
<b>Company number</b>	04088392	
<b>Principal address</b>	West Sleekburn Farm Bomarsund Bedlington Northumberland NE22 7AD	
<b>Registered office</b>	West Sleekburn Farm Bomarsund Bedlington Northumberland NE22 7AD	
<b>Independent examiner</b>	A K Dunn BA (Hons) ACA St Matthews House Haugh Lane Hexham Northumberland NE46 3PU	
<b>Bankers</b>	HSBC Bank PLC 110 Grey Street Newcastle upon Tyne NE1 6JG	
<b>Solicitors</b>	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF	

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# **EARTHBALANCE 2000**

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# **EARTHBALANCE 2000**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017**

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The trustees present their report and the unaudited accounts of the charity for the year ended 31 March 2017:

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

### **Objectives and activities**

The charitable company provides a public benefit through the promotion of urban or rural regeneration and support for enterprise, education and employment; conservation of the environment; to promote physical and mental health and relieve sickness and the promotion of sustainable development through the regeneration of the Earth Balance site.

The trustees seek to provide important local, public support for enterprise and employment through the provision of premises and land. This has been very successful with properties being occupied by tenants 100% at the year end. In addition we saw increased numbers of the general public visiting the site to access the natural resources available there.

The Trustees continue to work hard to listen to stakeholders in helping to deliver the charitable objects and carry out activities and this has widened from Northumberland County Council to include Northumbria NHS Foundation Trust, funders including the Big Lottery Fund, the local Parish Council Disabled Group, the local Special Needs School, some hard to reach sections of the local community and local residents. In particular, there continues to be an open dialogue aspect to the work of the charity which ensures that the charity develops work in line with those it serves. The Trustees have been successful in establishing positive working relationships which has provided the charity with a strong and sustainable base from which it can continue to regenerate the site.

During the year, work began on the planning consultation process and in bringing together a more formal group around the Health and Wellbeing Village which will feature in the centre of the site, complementing the Proton Therapy Cancer Centre. We are undertaking this work sensitively with partners and at a pace suited to regenerating the site in line with our objects whilst meeting local community needs. The regeneration needed requires meeting future housing, health and social care needs and responding to the current and future needs of those accessing the site today and in the future.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

# **EARTHBALANCE 2000**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017**

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### **Achievements and performance**

The site covers an area of 116.3 Acres (47.09 Hectares) that straddles the South East Northumberland railway line to Ashington and Lynemouth. It is bordered by the A189 and has two power lines running through the site. The 'Sleekburn' runs through the site to an estuary with a salt marsh as a designated Nature Reserve.

In 2016, in line with recommendations from the Charity Commission and its legal advisors, we registered a wholly owned trading subsidiary which will allow it to carry out trading activity, managing the risk at arms length from the charity and allowing the trading company to maximise the current trading opportunities. The trading company has two shared board members with the charity to maintain a high level of shared understanding at a strategic level and is supported by the charity to help achieve its charitable objects. The Trading Company has begun trading and is predicted to make a small surplus during the first quarter of 2017/18, which will begin to be passed to the Charity after operating costs, during the 2017/18 financial year.

The site has maintained its organic status via the Soil Association for another year for the soil and fishery and is home to a diverse mix of wildlife, with onsite habitat creation and the development of "wildlife corridors" that allow safe movement of wildlife through areas that are created to support their specific needs, wetland habitats that support a startling array of water birds and over the last two years we have been lucky enough to attract the Water Vole a native British rodent very much in decline throughout the UK.

Over the last few years the site has also developed one of the highest rated Soil Association aquaculture system for breeding of Organic Brown and Rainbow Trout.

During the year the charity provided:

- Protection of the environment and wild life through the maintenance and protection of 116.3 acres of land in the heart of an urban area that has become home to a wide range of wildlife not normally seen in the area.
- Maintenance of statutory rights of way
- Information provided in response to enquiries for information advice and guidance about the site
- 16,779 bags of organic vegetables and fruit were produced and delivered from the site to the general public
- 5 members of the village regularly attended the Men's Shed group on site free of charge
- 50 individuals with mental or physical disability accessed weekly textiles activities and support free of charge which equates to 2,400 individual interventions
- 39 individuals with forensic or mental and physical learning needs accessed horticultural activities and support free of charge which equates to 1,872 individual interventions

# **EARTHBALANCE 2000**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2017**

---

The existing buildings and curtilage continue to be improved and the site is gradually seeing a larger number of visitors being attracted to utilise the open public spaces, visit tenants and be welcomed into the community.

Remedial works have continued to tidy up the site, reinstate existing landscaped areas, roads, paths and bridleways, and to progress new works to enhance the site.

The Men's Shed group, based from the indoor maintenance building and which utilises the site assets to carry out projects on and off site to benefit the local community continues to grow. During the year, the group were able to access funding, with the support of the Earth Balance General Manager. The works the men carry out include joinery, maintenance and building small useful items such as planters and fencing. The Big Lottery Fund Awards for All scheme to put a small play area on site has encouraged the public to get involved and use the site and we look forward to watching the group flourish over the next year.

A significant milestone achieved during the year was the signing of a substantial lease with Proton Partners International which will see England's first Proton Therapy Cancer Centre come to the site. This is an important milestone, as it sets up the Health and Wellbeing village front and centre of the Northumbria NHS Foundation Trust agenda to transform the centre site into an exemplary site for the local community and in attracting visitors from out of the area and out of the country. Another significant relationship, generated by the Chair is that with Newcastle University, who have a research interest in the health aspects of the site regeneration. We expect this will be cemented in 2017/18 with a more formal arrangement alongside the health partners Dementia Care, Northumbria NHS Foundation Trust, Synergy Healthcare, Northumberland County Council Social Services and the forthcoming Dementia Consortium led by St Oswald's Hospice.

The Charity has improved its ability to record public access to the site and the level of activities and services provided on site. This has resulted in clearer data available at the year end and we will encourage the improvement of this into 2017/18.

# **EARTHBALANCE 2000**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017**

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### **Financial review**

The Charity continues a financial recovery, and has maintained a level of cash during the year, without needing to rely on a loan for at least half of the year, which is an improvement on previous years. The Trustees and General Manager have worked hard during the year to manage income and expenditure with the Trustees relying on consultancy support to be able to deliver existing services and responsibilities at a reduced cost to the charity.

The financial position for the period shows a reduced deficit of income over expenditure of £2,359 (£52,945 in 2016) including a profit of income over expenditure for the year in respect of unrestricted funds of £10,424 (a deficit of £56,462 in 2016). This results in a balance of £184,012 on restricted funds, and a net deficit in respect of unrestricted funds of £201,701. The increase in creditors is due to a sum of money which was mistakenly paid into the charity bank account on the 31st March 2017 rather than the trading company account.

The trustees have kept abreast of the charitable company's deficient unrestricted reserves and have taken action to cut costs, increase income and redress this position. The financial statements show a long term loan which has been taken in accordance with Charity law as best value for the charity following a considered approach, supported by our solicitors, Muckles LLP guidance. The long term loan appears as part of the Creditors amount falling due after more than one year and has been externally arranged by an independent financial advisor. In addition, the small employment costs have been reduced during the year, reducing the full time permanent staff team from one to zero, utilising consultants to meet operational need without the need for ongoing commitments.

The trustees recognise that at the year end the unrestricted reserves are deficient and that the charitable company relies on the support of ORCA Steel DMCC. The Trustees will again set a budget for the following year to show a surplus generated through the plans in place and continue to monitor progress against budget on a monthly basis.

ORCA Steel DMCC have agreed not to demand repayment of the loan amounts outstanding to them as presented in the accounts, until the Charity is in a financial position to repay them over an agreed period. We have worked with our legal advisors at each step of this process and followed their guidance.

During the year the Charity benefited from support from Northumberland County Council to the value of £298,987 to meet the cost of providing additional electricity to the site which was immediately paid out in full to Northern Power Grid.

The financial statements, which have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (as amended for accounting periods commencing from 1 January 2016) and comply with the charity's governing documents.

### **Reserves policy**

It is the policy of the charitable company to aim to achieve unrestricted funds, which are the free reserves of the charitable company, that equate to approximately three months running costs within the next few years. This will provide sufficient funds to cover management, administration and support costs. The Charity is currently not able to meet this level and so we will seek to reduce and manage our limited costs and maximise income to be able to do so in future periods. The subsidiary trading company began to generate a profit from Q1 2017/18 and so we envisage financial support to the charity will follow in 2017/18. Despite the deficiency on unrestricted reserves, the cash balance at the end of the year shows that the charity is making progress towards achieving a reserves figure in line with this policy and it is expected that the trading subsidiary will be able to contribute to the charity during the 2017/2018 financial year to at least the value of one month running costs.

# **EARTHBALANCE 2000**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017**

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### **Risk policy**

The trustees have assessed the major risks to which the charitable company is exposed, in particular those relating to the operations and finances of the charitable company, and are satisfied that systems are in place to mitigate our exposure to the major risks. A risk register maintains the risks and mitigations and is discussed by Trustees at each meeting.

In addition, the risks posed by trading have been mitigated further by the set up and successful first year operation of a wholly owned subsidiary trading company to separate specific risks from the charity.



# **EARTHBALANCE 2000**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017**

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### **Plans for future periods**

Continuance of the regeneration of the site is rapidly progressing across the areas of Furthering Charitable Objects, Energy, Site Development and Health and Wellbeing, and with the first new tenant of significance onsite, we are keen to build on the head of steam generated. There has been significant local and regional interest in the site and we are continuing to receive enquiries on an increasing basis.

During the year, the Trustees review the implementation of the new statutory legislation as brought about by the new Charities (Protection and Social Investment) Act 2016 and the Trustees feel that the changes therein do not warrant an update to the current Memorandum and Articles of Association.

The Health and Wellbeing village progress has got off to a strong start with significant support from Northumberland County Council in terms of financial support and political support as well as support from the officers of the Council. Proton Partners International commenced on site during the year and have an expected practical completion date of March 2018 with the commissioning of the Proton machine taking a further approximate 9 months. The back end of the year saw a more formal grouping meet regularly, the basis of which will for the remainder of the Health and Wellbeing Village as we want to complete the area around the Proton Therapy site as soon as possible thereafter for the benefit of patients in attendance. This is a significant milestone in the site's history and a real demonstration of its rebirth. Planning has been approved for a small cafe with veranda and terrace and a large agricultural building with training space with further planning applications due in the future including supported housing and an overall outline planning application for the site.

The site will continue to champion sustainability, as a thriving eco centre where a variety of enterprises, technologies, events, training courses and projects are established and on view to raise the awareness of sustainability issues within the local community and far beyond. In particular, the environmental considerations in the planning process will take a high priority, as will the human geography elements of the site, with the economic elements ranked thereafter.

The Trustees signed a covenant with the Armed Forces Covenant scheme to help support veterans, active and retired, in the local community and work will progress into the next financial year.

The site benefitted from a further opening up to the public with an inaugural annual open day which took place on Bank Holiday Monday 28th August 2016 where all tenants and stakeholders were on site to support a community family fun day and talk about the work of the site along with around 200 members of the local community.

During the year the tenants remained the same; Bomarsund Men's Shed, ReDress, Horticultural Training Unit, Proton Partners International, Fresh Element, Toby Henderson Trust, North East Organic Growers, Black Sheep Organics and a shared charity project office, welcoming partners to the site.

The Trustees continue to work diligently in partnership with Northumberland County Council and other stakeholders including Northumbria NHS Foundation Trust, the local Parish Council, the local school, the nearby Parish Disabled group and local residents during the year to develop a site strategy which meets the needs of the local communities and future users of the site.

The Trustees have held further meetings with planning officials from Northumberland County Council and set up a Local Design Team to prepare a master plan to ensure a proper working protocol is established to sensitively bring the site back to life as the regeneration journey continues, a sustainable income for the charity and also create long term jobs, opportunities and facilities for the local community.

## **EARTHBALANCE 2000**

### **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017**

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The link with the local school supporting children with mental or physical disabilities has strengthened ties with the site and they have received visitors to talk about the world of work and we are expecting the first work placement to take place on-site in Spring 2017 for a section of the school community who struggle to get access to real world placements due to perceived barriers around their disabilities.

As part of increasing the public access to site and creating a safe and friendly environment, the Trustees are undertaking a review of site conditions and assets in order to make sure on site buildings and areas are properly maintained and improved, following professional advice. In particular, the barn, brewery, energy centre and kitchen buildings and some common areas require maintenance or modernisation for the betterment of the site and give the environment and public a better and safer site experience.

The Trustees would like to take this opportunity to thank all its partners, including Northumberland County Council and Northumbria NHS Foundation Trust for their continued support. In particular the Trustees would like to acknowledge the continued support from sponsors Orca Steel DMCC who have provided support in the form of a long term loan repayable when the charity is able.

# EARTHBALANCE 2000

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2017

---

### Structure, governance and management

The charitable company is limited by guarantee and its governing document is its Memorandum and Articles of Association, dated 6th October 2000 and last amended 16th April 2008.

Earth Balance 2000 ("The Charity") is currently a "Small Charity" (as defined in the Charity Act 2011) and below the audit threshold. It is based at West Sleekburn Farm in the heart of South East Northumberland.

The Governing body of the charitable company are the trustees who meet regularly to decide overall financial policy matters. The trustees have met quarterly to review finances and operational matters.

The directors of the charitable company, also act as trustees of the charitable company.

The accounts show that the charitable company is now only partly reliant upon the ongoing support of the new sponsor ORCA Steel DMCC and is continuing an upward trend of stability into 2017/18, in terms of managing cash well and also in seeing a profit generated in early 2017 by the subsidiary trading company.

New members of the board are elected by nominating bodies during General Meetings.

The articles of association restricts members to a minimum and maximum of five which has been maintained throughout the year.

The trustees maintain a well mixed skill base of expertise and ensure that where members resign, suitable replacement candidates are sought.

Most members are already familiar with the practical work and objectives of the charitable company bringing their own relevant and unique skills and receive an induction upon joining.

Since the formation of the charitable company it has been a main priority for the board to maintain a viable business operation that maximised income and kept operational costs to a minimum whilst furthering the charitable aims and objectives.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr T Fraser

Miss M Fraser

(Resigned 31 August 2016)

Mr G Kemp

Dr A G Rutherford

Mr D P Wilkinson

Mr C Pywell

(Appointed 31 August 2016 and resigned 10 July 2017)

Dr D R Kell

(Appointed 10 July 2017)

The trustees' report was approved by the Board of Trustees.

  
Mr T Fraser

Trustee

Dated: 8/12/17

  
Dr A G Rutherford

Trustee

Dated: 8/12/17

# EARTHBALANCE 2000

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EARTHBALANCE 2000

---

I report on the accounts of the charity for the year ended 31 March 2017, which are set out on pages 10 to 21.

### Respective responsibilities of trustees and examiner

The trustees, who are also the directors of Earthbalance 2000 for the purposes of company law, are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011, the 2011 Act, and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a member of The Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

### Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

### Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
  - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
  - (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

*Anthony Dunn*

A K Dunn BA (Hons) ACA

member of The Institute of Chartered Accountants in England and Wales  
St Matthews House  
Haugh Lane  
Hexham  
Northumberland  
NE46 3PU

Dated: 8 December 2017

# EARTHBALANCE 2000

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b><u>Income from:</u></b>					
Donations and legacies	3	-	-	-	8,500
Charitable activities	4	339,693	-	339,693	66,425
<b>Total income</b>		<u>339,693</u>	<u>-</u>	<u>339,693</u>	<u>74,925</u>
<b><u>Expenditure on:</u></b>					
Charitable activities	5	329,269	12,783	342,052	127,870
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<u>10,424</u>	<u>(12,783)</u>	<u>(2,359)</u>	<u>(52,945)</u>
Fund balances at 1 April 2016		(212,125)	196,795	(15,330)	37,615
<b>Fund balances at 31 March 2017</b>		<u><u>(201,701)</u></u>	<u><u>184,012</u></u>	<u><u>(17,689)</u></u>	<u><u>(15,330)</u></u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# EARTHBALANCE 2000

## BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	8	213,197		216,061	
Investments	9	1		1	
		<u>213,198</u>		<u>216,062</u>	
<b>Current assets</b>					
Debtors	10	10,201		10,678	
Cash at bank and in hand		35,940		2,576	
		<u>46,141</u>		<u>13,254</u>	
<b>Creditors: amounts falling due within one year</b>	11	(56,043)		(14,323)	
Net current liabilities			(9,902)		(1,069)
<b>Total assets less current liabilities</b>		<u>203,296</u>		<u>214,993</u>	
<b>Creditors: amounts falling due after more than one year</b>	12		(220,985)		(230,323)
Net liabilities			<u>(17,689)</u>		<u>(15,330)</u>
<b>Income funds</b>					
Restricted funds	13	184,012		196,795	
Unrestricted funds		(201,701)		(212,125)	
		<u>(17,689)</u>		<u>(15,330)</u>	

# EARTHBALANCE 2000

## BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2017

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Notes	2017		2016	
	£	£	£	£

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2017. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

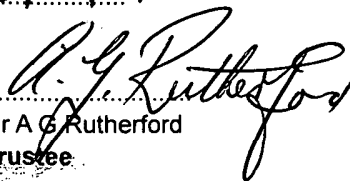
The trustees' responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Trustees on 8/12/17



Mr T Fraser  
Trustee

  
Dr A G Rutherford  
Trustee

Company Registration No. 04088392

# EARTHBALANCE 2000

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

---

### 1 Accounting policies

#### Company information

Earthbalance 2000 is a private company limited by guarantee incorporated in England and Wales. The registered office is West Sleekburn Farm, Bomarsund, Bedlington, Northumberland, NE22 7AD.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts. The validity of the going concern basis is dependent upon current and future sources of funding or support being sufficient for the charitable company to continue its operations.

The trustees continue to keep the business model under careful review to ensure careful management of resources while maintaining a capacity to benefit from new opportunities. This strategy will allow the company to return to surplus and the trustees are confident in the longer term the company will generate funds to repay creditors.

The charitable company is also dependent upon the support of Orca Steel DMCC and their other group entities. The directors of Orca Steel DMCC Limited have confirmed that their respective entities will continue to support the charitable company for the foreseeable future and confirm the loan made will not be demanded for repayment within at least another 12 months.



# EARTHBALANCE 2000

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2017

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#### 1 Accounting policies

(Continued)

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are held for use on specific purposes as determined by restrictions imposed by the funders.

##### Fixed assets - restricted funds

Earthbalance 2000, a company limited by guarantee, having its primary purpose to provide support and facilitate the creation of opportunities for enterprise and education that work in harmony with the environment through the demonstration of environmentally sustainable practices holds assets, partly financed by grants that can only be used for such expenditure.

- Expenditure incurred on fixed assets is capitalised. The fixed asset being depreciated over their useful economic life in accordance with the charitable company's policy.
- Grant and assistance received specifically to finance the expenditure is credited to a restricted fund.

##### 1.4 Incoming resources

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

##### 1.5 Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred.

Charitable expenditure comprises those costs incurred by the charity in the delivery of activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the examination fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. management time.

# EARTHBALANCE 2000

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 1 Accounting policies

(Continued)

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All fixed assets are initially recorded at cost.

Depreciation is calculated to write off the cost less estimated residual value, over the economic life of that asset as follows:

Leasehold property	Over remaining life of the 98 year lease
Fixtures, fittings & equipment	20% Straight line

#### 1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# EARTHBALANCE 2000

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 1 Accounting policies

(Continued)

#### 1.10 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### 1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

	2017	2016
	£	£
Donations and gifts	-	8,500
	=====	=====
<b>Donations and gifts</b>		
Awards for All Grant	-	8,500
	=====	=====
	-	8,500
	=====	=====

# EARTHBALANCE 2000

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 4 Charitable activities

	Rent receivable	Recharges received for services provided	Other income	Total 2017	Total 2016
	£	£	£	£	£
Sales within charitable activities	59,353	8,960	271,380	339,693	66,425

### 5 Charitable activities

	2017 £	2016 £
Staff costs	30,554	29,423
Depreciation and impairment	2,864	6,331
Running costs of Earthbalance site	289,001	64,038
	<u>322,419</u>	<u>99,792</u>
Support costs	11,303	8,842
Governance costs	8,330	19,236
	<u>342,052</u>	<u>127,870</u>
<b>Analysis by fund</b>		
Unrestricted funds	329,269	
Restricted funds	12,783	
	<u>342,052</u>	
<b>For the year ended 31 March 2016</b>		
Unrestricted funds		122,887
Restricted funds		4,983
		<u>127,870</u>

### 6 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year.

# EARTHBALANCE 2000

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 7 Employees

#### Number of employees

The average monthly number employees during the year was: 1

	2017 Number	2016 Number
Administration	1	1
<b>Employment costs</b>	<b>2017</b>	<b>2016</b>
	£	£
Wages and salaries	30,387	28,269
Social security costs	167	1,154
	<u>30,554</u>	<u>29,423</u>

There were no employees whose annual remuneration was £60,000 or more.

### 8 Tangible fixed assets

	Leasehold property £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 April 2016	291,614	3,521	295,135
At 31 March 2017	<u>291,614</u>	<u>3,521</u>	<u>295,135</u>
<b>Depreciation and impairment</b>			
At 1 April 2016	78,370	704	79,074
Depreciation charged in the year	2,160	704	2,864
At 31 March 2017	<u>80,530</u>	<u>1,408</u>	<u>81,938</u>
<b>Carrying amount</b>			
At 31 March 2017	<u>211,084</u>	<u>2,113</u>	<u>213,197</u>
At 31 March 2016	<u>213,244</u>	<u>2,817</u>	<u>216,061</u>

# EARTHBALANCE 2000

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 9 Fixed asset investments

	Other investments
<b>Cost or valuation</b>	
At 1 April 2015 & 31 March 2016	1
<b>Carrying amount</b>	
At 31 March 2017	1
At 31 March 2016	1

	Notes	2017 £	2016 £
Other investments comprise:			
Investments in subsidiaries	18	1	1

### 10 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	9,720	910
Amounts due from subsidiary undertakings	-	5,000
Prepayments and accrued income	481	4,768
	<u>10,201</u>	<u>10,678</u>

### 11 Creditors: amounts falling due within one year

	2017 £	2016 £
Other taxation and social security	3,911	1,274
Trade creditors	14,452	6,264
Amounts due to subsidiary undertakings	25,000	-
Accruals and deferred income	12,680	6,785
	<u>56,043</u>	<u>14,323</u>

### 12 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Other creditors	<u>220,985</u>	<u>230,323</u>

# EARTHBALANCE 2000

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 13 Restricted funds

The funds of the charity include restricted funds comprising the following balances held on trust for specific purposes:

	Balance at 1 April 2016	Movement in funds		Balance at 31 March 2017
	£	Incoming resources	Resources expended	£
Visitor centre	185,895	-	(1,883)	184,012
Wind Turbine Project	2,400	-	(2,400)	-
Men's Shed Project	8,500	-	(8,500)	-
	<u>196,795</u>	<u>-</u>	<u>(12,783)</u>	<u>184,012</u>

### 14 Analysis of net assets between funds

	Unrestricted	Restricted	Total
	£	£	£
Fund balances at 31 March 2017 are represented by:			
Tangible assets	29,185	184,012	213,197
Investments	1	-	1
Current assets/(liabilities)	(9,902)	-	(9,902)
Long term liabilities	(220,985)	-	(220,985)
	<u>(201,701)</u>	<u>184,012</u>	<u>(17,689)</u>

### 15 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017	2016
	£	£
Within one year	<u>607</u>	<u>1,214</u>

### 16 Capital commitments

The charitable company had not contracted for any capital commitments as at 31 March 2017 (2016 - None).

# EARTHBALANCE 2000

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 17 Related party transactions

There were no disclosable related party transactions during the year (2016- none).

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Total paid including on costs	30,554	29,423

### 18 Subsidiaries

These financial statements are separate charity financial statements for Earthbalance 2000.

Details of the charity's subsidiaries at 31 March 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Earth Balance 2000 Trading Company Limited	England & Wales	Trading Arm of Charity	Ordinary	100.00

The aggregate capital and reserves and the result for the year of subsidiaries excluded from these accounts was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Earth Balance 2000 Trading Company Limited	106	(3,893)