



# The carbon community

Annual Report 2020 / 2021



TUESDAY



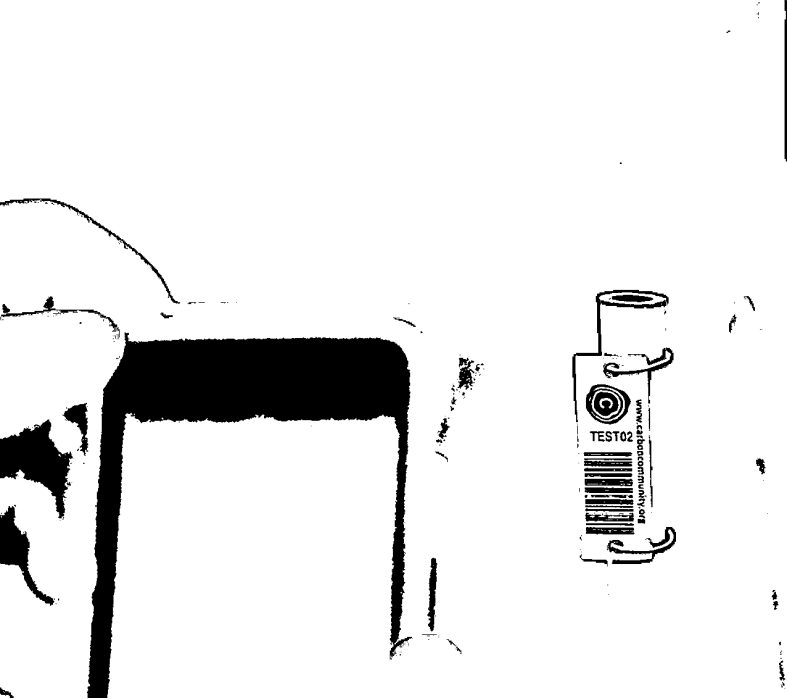
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COMPANIES HOUSE



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The Carbon Community is a UK Registered Charity  
number 1187231 and formed as a private company  
limited by guarantee, registration number 12273280.

## Cover Letter from the Trustees

Despite Covid, 2020/2021 was a landmark year for The Carbon Community. Looking back on the huge challenges we overcame, we are immensely grateful for everyone who has been part of The Carbon Community. Together, we've achieved a lot: we've created a new forest, we've kicked off our landmark Carbon Study, and we've catalogued thousands of trees with our volunteer community scientists.

At The Carbon Community our aim is to connect **trees**, **science** and **people**. The rolling hills of the Glandwr Forest sit on a 70 hectare site on what centuries ago would have been woodland. This year we received a Glastir Woodland Creation grant which enabled us to return almost 100,000 **trees** to the hillside. The woodland was planted with species native to the area, including Oak, Silver Birch, Hazel, Rowan, Alder, Aspen, Wild Cherry, Holly, Wych Elm, Goat Willow planned carefully across the landscape to support local wildlife. We've also enhanced significant open areas, supporting peat bog and wildflower meadows.

Nestled in this woodland is one of the largest **science** facilities to study carbon sequestration in forests in the UK. Covering 11 hectares, this facility is home to a world-first field trial aiming to accelerate and enhance the sequestration of carbon dioxide (CO<sub>2</sub>) in trees and soil to tackle the climate crisis.

The study is designed and run in partnership with leading scientists from ETH Zürich Crowther Lab; Leverhulme Centre for Climate Change Mitigation at the University of Sheffield; The Grantham Institute on Climate Change and the Environment, Imperial College London; and The Royal Botanic Gardens, Kew. The project is uniquely assessing the combined effects of soil microbiome inoculation and the deployment of enhanced rock weathering, and their ability to accelerate and enhance forest carbon sequestration in conifer monoculture and mixed broadleaf forests.

As part of this project 5,000 trees have already been individually tagged and measured by our wonderful volunteer community scientists. It is the **people** that bring the magic. None of this would be possible without our volunteers, our scientific advisory board, our forestry partner, the planting crews and our supporters. Thank you to everyone for your questions, challenges, time and energy and being a part of The Carbon Community.

Thank you! Diolch!

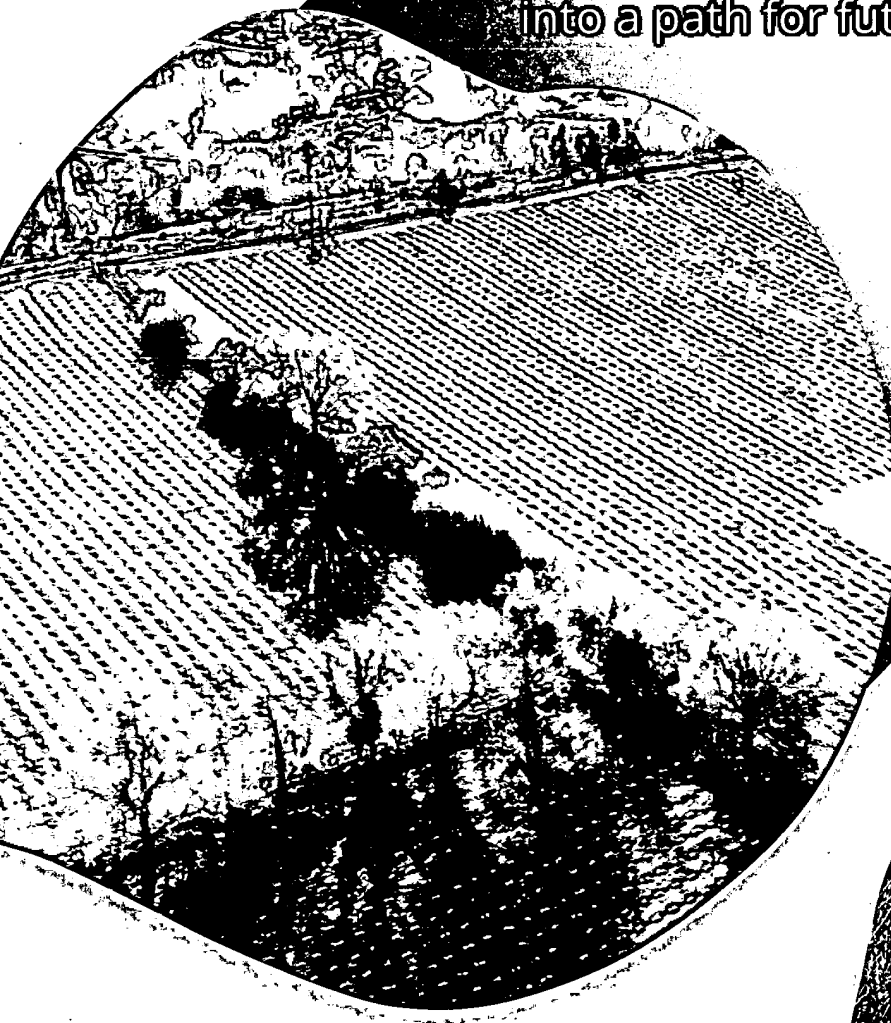
*Charles, Heather and Jane*



# Highlights

## A view from Glandwr Forest

Home to over 100,000 trees, sensitive grassland and interconnected trails woven into a path for future generations to enjoy.



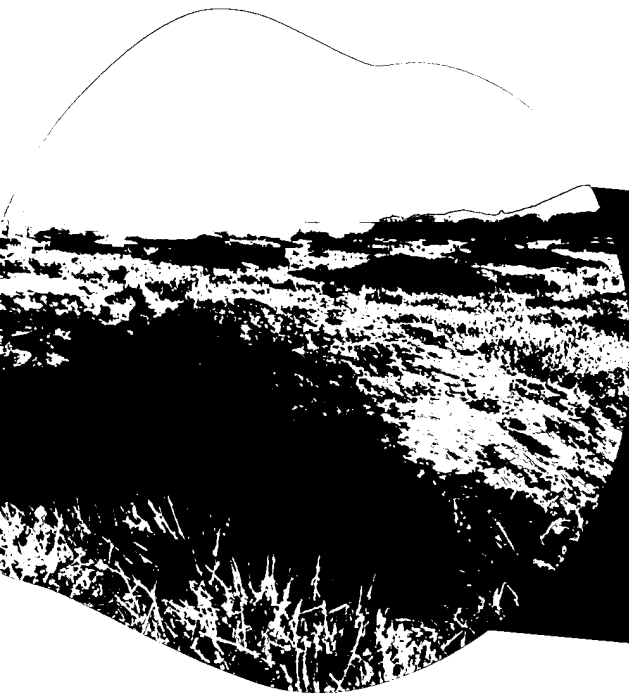
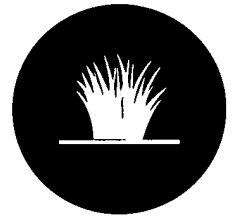
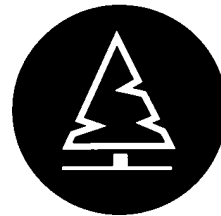


# Highlights: Our Carbon Study

Two types of trees, and grassland control will be studied

- Native broadleaf species from Wales, Silver Birch (*Betula pendula*), Alder (*Alnus glutinosa*), Aspen (*Populus tremula*), Cherry (*Prunus avium*), Aspen (*Sorbus aucuparia*) and Oak (*Quercus petraea*)
- Monoculture conifer forest comprising Sitka Spruce (*Picea sitchensis*)
- Grassland control which will be left unplanted for natural regeneration.

A huge thank you to Tilhill, our forestry partner, and the ground prep and planting crews.



A continuous mounder was used for ground preparation, giving each tree double the top soil for planting. Mounding disturbs the soil less than using a plough for tree planting, and prevents water run-off.

Broadleaf planting Spring 2021



Conifer planting Spring 2021



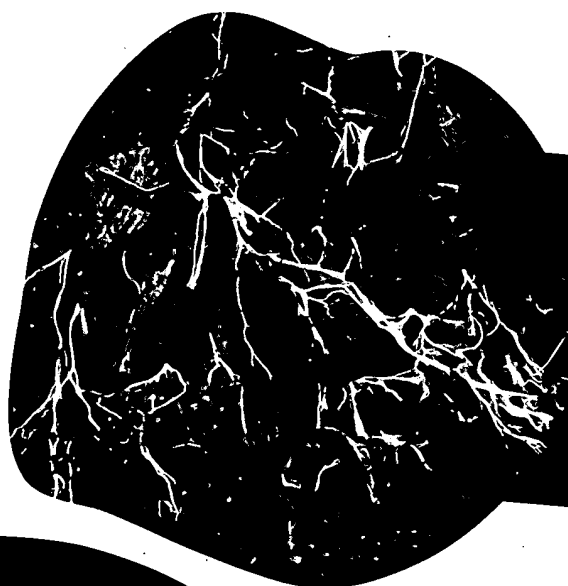
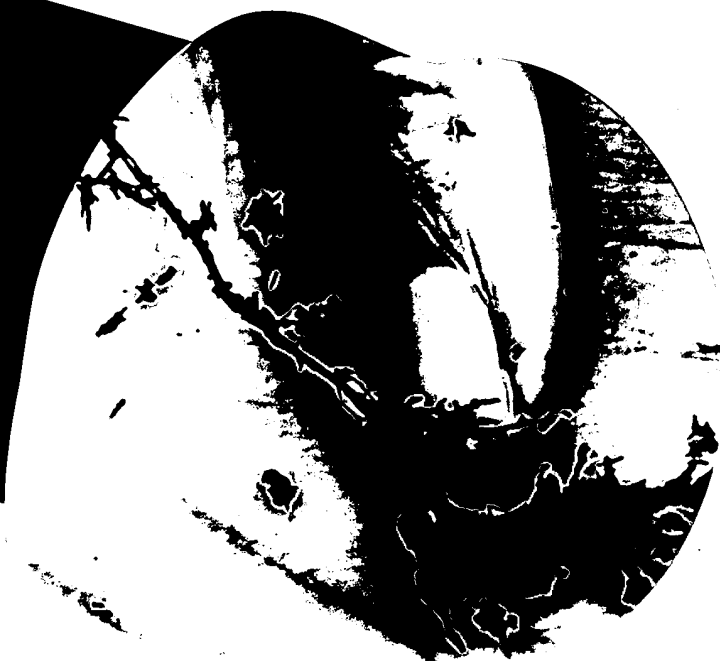
# Highlights: Our Carbon Study

## Soil Microbiome Inoculation

In some test cells we have planted the associated forest microbiome - the complex community of soil bacteria and fungi - integral to how trees obtain soil resources and grow.



Soil Inoculation.  
Looking for mycorrhizal  
fungi at one of the donor  
sites for the soil innocula.



Branching threads of  
fungus mycelium.



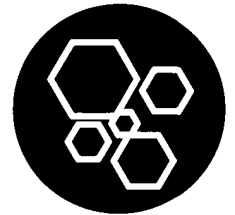


# Highlights: Our Carbon Study

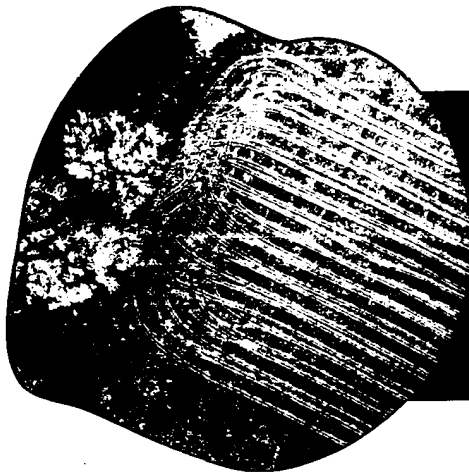
## Basalt Addition (Enhanced Rock Weathering)

Crushed basalt, a by-product of mining local to our site, was applied ahead of planting to increase soil nutrients and to enhance forest carbon sequestration.

A modified lime spreader spread the basalt ahead of planting.



As the basalt weathers it will fix inorganic carbon in the soil, increasing forest carbon sequestration.



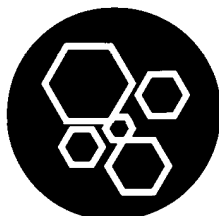
**Co-deployment of Basalt Addition and Soil Microbiome Inoculation to look for combinatorial effects.**



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# Highlights: Our Carbon Study

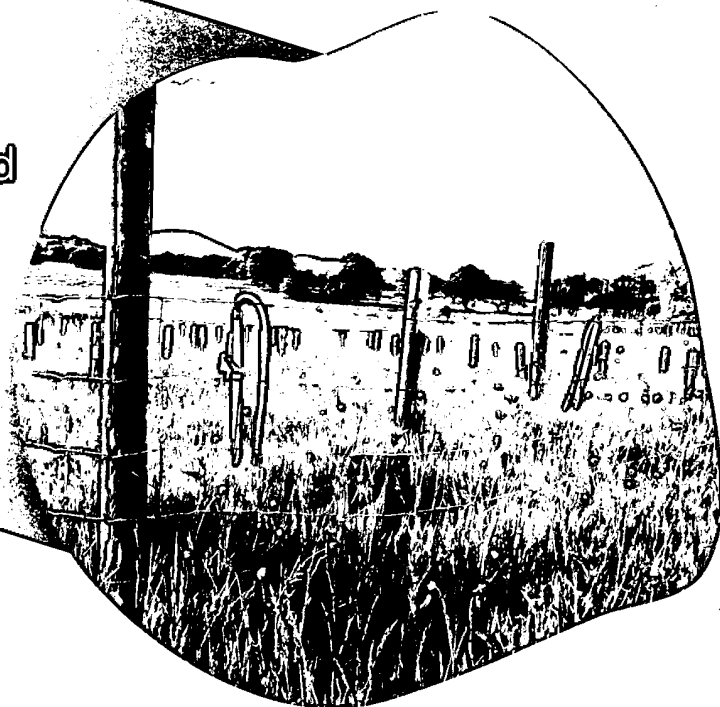
## Measurement

There are nine test cells replicated 8 times across the site to ensure we will have a robust set of measurements.

The study looks at carbon sequestration above and below ground with a combination of instrumentation as well as measurements from community science volunteers. Tree survival and soil biodiversity and the restoration of the soil microbiome are among the many aspects of the study. The site was comprehensively mapped following soil sampling to understand the Soil Organic Carbon, Nitrogen and Phosphorus levels in each of the test areas. Following planting, soil, leaf and root sampling will enable us to study the effects of the different treatments.

2020/21 was the first year of the study with the baseline tree measurements taken. Our tree survival rate, following planting, was 96%. The 4% of trees that didn't make it through the first year have subsequently been replaced.

Lysimeters enable our scientific teams to take samples of water in the soil at root depth to study carbon, soil acidity and understand what the plants are drinking.

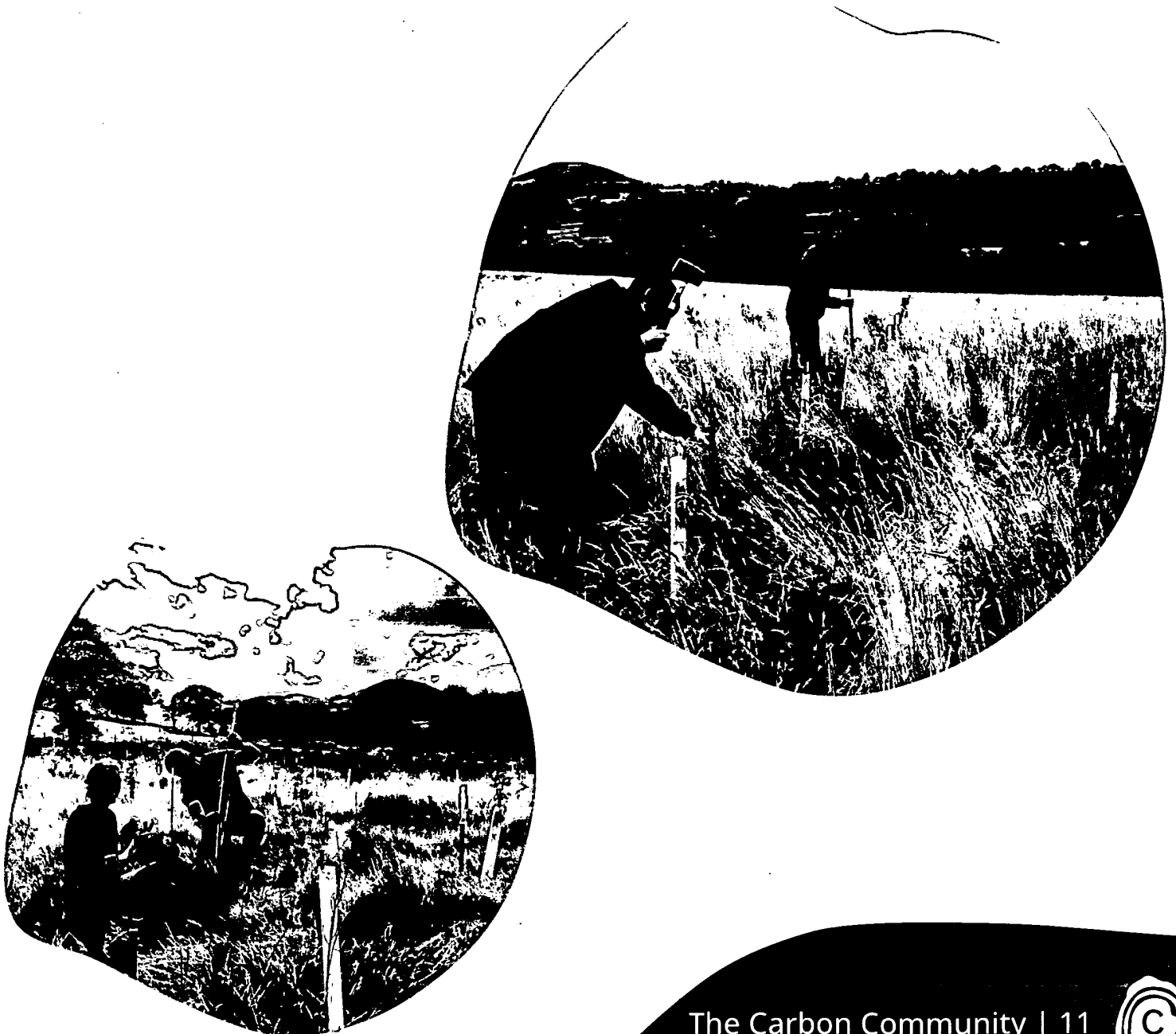


# ■ Highlights: Our Carbon Study

## Community Science

Over the course of 2020/2021 more than 80 volunteers joined us for our community science days. Together they tagged, measured and catalogued 5,000 individual trees. This is a massive task, taking 100 days of volunteer time in 2020/21 and we rely on volunteers to help us to get these essential tree measurements which are the basis for our carbon study.

Volunteers use our tree tracking app which automatically uploads tree measurement data into our cloud database. The data then goes through a quality control process to check accuracy and consistency.



## A world-class facility in Wales

When The Carbon Community was established, our goal was to create a facility where scientists could take ideas proven in the lab and scale them up in the field. In addition to our main carbon study, we were delighted in 2020/21 to host a Masters of Forestry student from Bangor University who conducted their dissertation work at Glandwr Forest.

We were also delighted that a Geography class at Swansea University was able to study the project during lock down. They had a virtual visit to the site via a film made by their professor and then a Q&A session was held with one of our Trustees.



# Highlights

## Our Scientific Advisory Board

*"This is an important world-first field trial which will measure carbon sequestered in trees and soil on a scope and scale not seen before. Studies continue to find that introduction of native soil communities can dramatically increase plant survival. How these fungi may in turn affect tree seedling growth and survival rates and ecosystem carbon sequestration at scale remains unknown, and is one example of how The Carbon Community is pushing the frontiers of nature-based climate solutions."* Colin Averill, Crowther Lab

Dr Colin Averill	ETH Zürich Crowther Lab
Professor David Beerling	Leverhulme Centre for Climate Change Mitigation at the University of Sheffield
Professor Martin Bidartondo	Imperial College London & The Royal Botanic Gardens, Kew
Professor Pete Smith	University of Aberdeen
Dr Laura M. Suz	The Royal Botanic Gardens, Kew
Dr Bonnie Waring	The Grantham Institute on Climate Change and the Environment at Imperial College London

## Funders

All of this takes funding. In May 2020/21 we received the contract for our Glastir Woodland Creation grant from Natural Resources Wales. Although payment of the grant was not received until November 2021, the receipt of the contract was a huge boost to The Carbon Community, it helped us finance the planting and critically further funds will be received to fund the maintenance of the trees for the next twelve years.



# Highlights

In addition, we received:

£110,347 in unrestricted donations

£5,180 towards tree planting

And £22,744 towards scientific research

We are delighted that more organisations are showing interest in support scientific research. Research that will advance tree planting techniques in our own projects and beyond.

We wish to say thank you to all the supporters of The Carbon Community. To everyone who has volunteered, donated or helped spread the word, thank you for a fantastic year!

## Looking to the future

At the Carbon Community, our goal is not just to plant trees, rather, through scientific research, to discover how to plant trees that sequester more carbon. Through this research, we will enable all tree planting, everywhere, to become more effective.

Of course, for trees to sequester more carbon, they need to survive being transplanted from the nursery and get a good start in life. The first few years are so critical, and the techniques we are testing are designed to help young trees to get established fast, be resilient to pests, disease and climate change.

2021/2022 will be a critical year when most of the heavy lifting and scientific research will come to fruition. We anticipate publishing our first results in early 2023, subject always to reaching the right level of statistical confidence in our data. Through this critical period we will need your support, particularly on the ground with our community science volunteering program.

In 2021/22 we will also continue to seek funding from individuals and organisations to support our research, our support for young scientists, and our facilities and organisation. People who want to make an impact connecting trees, science and people.



Company registration number: 12273280

Charity registration number: 1187231

# The Carbon Community

(A company limited by guarantee)

Annual Report and Financial Statements  
for the Year Ended 30 September 2021

UHY Ross Brooke  
31a Charnham Street  
Hungerford  
Berkshire  
RG17 0EJ



## **The Carbon Community**

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# The Carbon Community

## Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 30 September 2021.

### Trustees

C M Nicholls  
H Allen  
J K Nicholls

### Objectives and activities

#### *Objects and aims*

The Carbon Community is a charity dedicated to carbon capture. Focused on natural solutions, we started with a question. 'How do you maximise carbon capture in a forest?' This led to many conversations that helped shape our mission: to accelerate carbon capture in trees and soil, with breakthrough science.

Our founding objects set out in our governing document are as follows:

"to conserve, improve and protect the physical and natural environment for the public benefit by:

- The creation, promotion and sustainable management of new community forests specifically optimised for maximum carbon sequestration in trees & soil;
- Providing individuals, communities and businesses and other organisations with opportunities to participate in sustainable carbon sequestration projects; and
- to advance the education of the public in the protection, enhancement and rehabilitation of the environment, in particular but not exclusively in relation to reforestation as a means of carbon sequestration, and to promote study and research in such subjects and dissemination of the results of such research and study to the public."

#### *Our Mission:*

Accelerate carbon capture in trees & soil with breakthrough science.

#### *Our guiding principles:*

In parallel with our mission, all of our work is grounded within the following guiding principles:

<b>Action</b>	Plant trees in ways that accelerate carbon capture sequestration in trees and soil.
<b>Research</b>	Enable scientists, funding primary research and providing a research facility for masters and PhD students.
<b>Education</b>	Share our findings, learnings and insights with our community scientists, students and the global community.
<b>Advocacy</b>	Advance planting techniques for trees everywhere.
<b>Community</b>	Create a community of people working to address the climate and biodiversity crises both local to our projects and in locations where our research can help local projects accelerate carbon capture.



# The Carbon Community

## Trustees' Report

### Fundraising disclosures

#### **Public Fundraising:**

The Carbon Community's aim is to raise funds in a respectful way that is aligned with our values. The charity is registered with The Fundraising Regulator. In all of our fundraising we work diligently to comply with the Code of Fundraising Practise and uphold the standards it promotes.

### Public benefit

The public benefits that shape our annual activity are environmental protection and climate restoration. In shaping our objectives for the year and planning our activities, the trustees have given consideration to the Charity Commission's guidance on public benefit (PB2). The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### *Data Protection*

The Carbon Community places great importance on the security of support and volunteer data and personal information. For information on how the charity uses and protects personal data, please see our privacy policy. <https://www.carboncommunity.org/privacy-policy>

### Achievements and performance

#### **2020 / 2021 Our Second Year in Review**

##### **Action**

This year the group planted almost 100,000 trees in Glandwr Forest with the support of a Glastir Woodland Creation grant. The woodland was planted with species native to the area planned carefully across the landscape. We've also enhanced significant open areas, supporting peat bog and wild flower meadows and created areas for viewpoints and footpaths for future generations.

##### **Research**

Our world-first field trial aiming to accelerate and enhance the sequestration of carbon dioxide (CO<sub>2</sub>) in trees and soil was launched in May 2021. The study is designed and run in partnership with leading scientists from ETH Zürich Crowther Lab; Leverhulme Centre for Climate Change Mitigation at the University of Sheffield; The Grantham Institute on Climate Change and the Environment, Imperial College London; and The Royal Botanic Gardens, Kew. The project will assess the combined effects of soil microbiome inoculation and the deployment of enhanced rock weathering, and their ability to accelerate and enhance forest carbon sequestration in conifer monoculture and mixed broadleaf forests. The study covers 11 hectares and incorporates 25,600 of the trees in Glandwr Forest. The launch of the study secured media coverage in the New Scientist, The National (Wales), Wales Farmer and The Western Telegraph.



# The Carbon Community

## Trustees' Report

- Education** In April 2021, during lock-down, The Carbon Community was delighted to join a virtual presentation with students from the Swansea University Geography Department. They were able to study the project with a lesson from their professor and then a Q&A session was held with one of our Trustees. In May our first Msc Forestry student from Bangor University began their research for their dissertation at Glandwr and in June we started our community science volunteering days. We were delighted to be joined by many students who had the opportunity to get practical field experience after a year of virtual learning.
- Advocacy** Following the launch of our study, we have had the opportunity to discuss and share our techniques with a number of tree-planting organisations.
- Community** Over the course of 2020/2021 more than 80 volunteers, age 16 to 80, joined us for our community science days. They learned more about carbon sequestration and the techniques that they were studying, and many came back again and again.

### Financial review

All of this takes funding. In May 2020/21 we received the contract for our Glastir Woodland Creation grant from Natural Resources Wales. Although payment of the grant was not received until November 2021, the receipt of the contract was a huge boost to The Carbon Community, it helped us finance the planting and critically further funds will be received to fund the maintenance of the trees for the next twelve years.

#### *In total, we received:*

£285,622 in unrestricted donations  
£5,181 towards tree planting  
And £22,743 towards scientific research.

We are delighted that more organisations are showing interest in supporting scientific research. Research that will advance tree planting techniques in our own projects and beyond.

As mentioned above total income into the charity during the year was £313,546. Total expenditure on charitable activities was £50,637, £22,902 spent on Scientific research, £2,708 spent on Tree planting and £25,027 on unrestricted charitable activities.

#### *The funds held at the end of the year were as follows:*

Unrestricted	£264,177
Designated unrestricted	£619,254
Tree planting	£2,472
Scientific research	£Nil
<b>Total</b>	<b>£885,903</b>

We wish to say thank you to all the supporters of The Carbon Community. To everyone who has volunteered, donated or helped spread the word, thank you for a fantastic year!



# The Carbon Community

## Trustees' Report

### Policy on reserves

In the current stage of TCC's evolution, the Trustees have approved a reserves policy to hold a minimum of three months of reserves and a maximum of nine months of reserves to cover our operating costs.

These reserves will be separate to ensure that we have funds to cover our forward contracts. They will also be separate to ensure that we have sufficient working capital for tree maintenance due to the time lag in receiving funds from our contract with NRW (Natural Resources Wales).

The Trustees will review this Reserves Policy a minimum of once per year. The current level of reserves will be reviewed at each Trustee meeting.

In reviewing our current level of reserves versus our reserves policy, the Trustees have reviewed the forward commitments to our scientific program including the research grant, site preparation and tree planting involved in the research project. The Trustees have also taken into account our ongoing mortgage commitments. The Trustees consider they have sufficient reserves.

### Investment policy and objectives

#### *Investment Policy*

The Charity does not have any investments. The Trustees are committed to developing an investment policy when we reach an appropriate stage in our evolution.

### Plans for future periods

#### *Aims and key objectives for future periods*

At the Carbon Community, our goal is not just to plant trees, rather, through scientific research, to discover how to plant trees that sequester more carbon. Through this research, we will enable all tree planting, everywhere, to become more effective.

Of course, for trees to sequester more carbon, they need to survive being transplanted from the nursery and get a good start in life. The first few years are so critical, and the techniques we are testing are designed to help young trees to get established fast, be resilient to pests, disease and climate change.

2021/2022 will be a critical year when most of the heavy lifting and scientific research will come to fruition. We anticipate publishing our first results in early 2023, subject always to reaching the right level of statistical confidence in our data. Through this critical period we will need your support, particularly on the ground with our community science volunteering program.

In 2021/22 we will also continue to seek funding from individuals and organisations to support our research, our support for young scientists, and our facilities and organisation. People who want to make an impact connecting trees, science and people.



# The Carbon Community

## Trustees' Report

### Structure, governance and management

#### *Recruitment and appointment of trustees*

The subscribers to the Memorandum are the first Trustees of the Charity, who shall hold office for such a term of office as they determine. Any person who is willing to act as a Trustee of the Charity and is permitted to be so appointed by law and the articles, may be appointed to be a Trustee by a resolution of the Trustees. A Trustee shall serve a four year term of office (unless the Trustees resolve that he or she should be appointed for a shorter period) and may be reappointed with no limit on the number of consecutive terms of office a Trustee may hold.

#### *Organisational structure*

The Carbon Community was officially registered at Companies House on 21st October 2019 and by the Charity Commission on 6th January 2020.

The charity was constituted as a company limited by guarantee and is governed by Memorandum and Articles of Association dated 21 October 2019.

The Trustees are directors for the purpose of company law. In the event of the company being wound down members are required to contribute an amount not exceeding £1.

The charity's trustees are:

C M Nicholls (Chair)

J K Nicholls

H Allen

### Major risks and management of those risks

Throughout the course of 2020/2021, the Trustees have looked at five areas of risk for The Carbon Community – land management, science project implementation, financial resilience, volunteer safety on site and reputational risks.

#### *Land Management*

Ground preparation at The Glandwr Forest began in October 2020 with the final trees planted in June 2021. Forest management is being handled by Tilhill Forestry who manage day to day forestry operations including ground preparation, tree planting, fencing and site access. The Trustees agreed to invest in additional strengthening of the flood defences to protect the access bridge. These have been carried out in summer 2021 ahead of the winter rainy season. Third party liability insurance is in place and as the trees planted this season grow larger, the Trustees plan to investigate additional insurance to protect against pest, disease and fire risk.

#### *Science Project Implementation*

Our science project was launched successfully on May 27, 2021. Measurements of results are ongoing and there is a project team which regularly reviews and manages risk.



# The Carbon Community

## Trustees' Report

### ***Financial Resilience***

The Trustees have agreed that the best time for the sale of the groups carbon credits will be 2022-2024, subject to finding the right buyer. We have established strong credibility with launch of our science project. The Trustees have had discussions with carbon credit specialists who have advised that with more time for the trees to be in the ground, our carbon credits are potentially more valuable. The repayment mortgage terms of the mortgage have been extended accordingly. During the past year, The Carbon Community secured a Glastir Woodland Creation Grant from Natural Resources Wales which has funded approximately 100,000 trees and will cover maintenance on those trees over the next 12 years. To address our long-term financial resilience the Trustees continue to look at additional sources of funding to secure the long term success of the charity.

### ***Volunteers***

In July 2021, The Carbon Community began our community science volunteer program. Risk assessments and safety briefings are in place.

### ***Reputational risk***

The trustees have also discussed which kind of companies the charity should partner with and accept donations from. For each corporate donation, the trustees ensure that they are satisfied, and able to show, that it is in the best interests of the charity to accept the donation. This involves a careful consideration, based on evidence, of the risks of accepting the donation against its benefit. In the future this will also be the same process for the sale of carbon credits.



# The Carbon Community

## Trustees' Report

### Reference and Administrative Details

#### *Trustees and officers*

The trustees and officers serving during the year and since the year end were as follows:

#### **Trustees**

C M Nicholls  
H Allen  
JK Nicholls

#### **Principal Office**

40 Alma Road  
Windsor  
Berks  
SL4 3HJ

#### **Company Registration Number**

12273280

#### **Charity Registration Number**

1187231

The charity is incorporated in England and Wales

#### **Independent Examiner**

UHY Ross Brooke  
31a Charnham Street  
Hungerford  
Berkshire  
RG17 0EJ

#### **Solicitors**

IBB Solicitors Capital Court  
30 Windsor Street  
Uxbridge  
Middlesex  
UB8 1AB

#### **Solicitors**

AgriAdvisor  
Henllan  
Pumsaint  
Llanwrda  
SA19 8AX

#### **Bankers**

Starling Bank Limited  
3rd Floor  
2 Finsbury Avenue  
London  
EC2M 2PP



# The Carbon Community

## Trustees' Report

### Statement of Trustees' Responsibilities

The trustees (who are also the directors of The Carbon Community for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

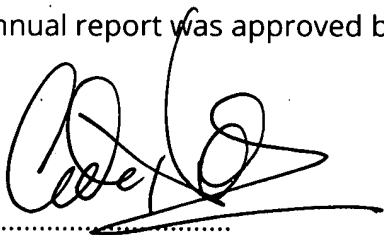
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 14<sup>th</sup> July 2022 and signed on its behalf by:



.....  
C M Nicholls  
Chairman of the board of Trustees





# The Carbon Community

## Independent Examiner's Report to the trustees of The Carbon Community ("the Company")

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 September 2021.

### Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of The Carbon Community are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### Independent examiner's statement

Since The Carbon Community's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ACCA, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of The Carbon Community as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

*Signed by Kerry Hawkins on 14<sup>th</sup> July 2022*

.....  
Kerry Hawkins, FCCA, UHY Ross Brooke

31a Charnham Street  
Hungerford  
Berkshire  
RG17 0EJ

Date: 14<sup>th</sup> July 2022



# The Carbon Community

## Statement of Financial Activities for the Year Ended 30 September 2021

(Including Income and Expenditure Account and Statement of  
Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	<u>285,622</u>	<u>27,924</u>	<u>313,546</u>
Total income		<u>285,622</u>	<u>27,924</u>	<u>313,546</u>
<b>Expenditure on:</b>				
Charitable activities	4	<u>(25,027)</u>	<u>(25,610)</u>	<u>(50,637)</u>
Total expenditure		<u>(25,027)</u>	<u>(25,610)</u>	<u>(50,637)</u>
Net income		260,595	2,314	262,909
Transfers between funds		<u>(158)</u>	<u>158</u>	<u>-</u>
Net movement in funds		260,437	2,472	262,909
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>622,994</u>	<u>-</u>	<u>622,994</u>
Total funds carried forward	17	<u><u>883,431</u></u>	<u><u>2,472</u></u>	<u><u>885,903</u></u>
	Note	Unrestricted funds £	Total 2020 £	
<b>Income and Endowments from:</b>				
Donations and legacies	3	<u>642,261</u>	<u>642,261</u>	
Total income		<u>642,261</u>	<u>642,261</u>	
<b>Expenditure on:</b>				
Charitable activities	4	<u>(19,267)</u>	<u>(19,267)</u>	
Total expenditure		<u>(19,267)</u>	<u>(19,267)</u>	
Net income		<u>622,994</u>	<u>622,994</u>	
Net movement in funds		<u>622,994</u>	<u>622,994</u>	
<b>Reconciliation of funds</b>				
Total funds carried forward	17	622,994	622,994	

All of the charity's activities derive from continuing operations during the above two periods.  
The funds breakdown for 2020 is shown in note 17.

The notes on pages 29 to 39 form an integral part of these financial statements.



# The Carbon Community

(Registration number: 12273280)

Balance Sheet as at 30 September 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	8	619,254	619,254
Investments	9	<u>1</u>	<u>-</u>
		<u>619,255</u>	<u>619,254</u>
<b>Current assets</b>			
Debtors	10	432,604	-
Cash at bank and in hand	11	<u>51,780</u>	<u>206,140</u>
		484,384	206,140
<b>Creditors: Amounts falling due within one year</b>	12	<u>(17,736)</u>	<u>(17,400)</u>
<b>Net current assets</b>		<u>466,648</u>	<u>188,740</u>
<b>Total assets less current liabilities</b>		1,085,903	807,994
<b>Creditors: Amounts falling due after more than one year</b>	13	(200,000)	(185,000)
<b>Net assets</b>		<u>885,903</u>	<u>622,994</u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds	17	2,472	-
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>883,431</u>	<u>622,994</u>
<b>Total funds</b>	17	<u>885,903</u>	<u>622,994</u>

# The Carbon Community

(Registration number: 12273280)

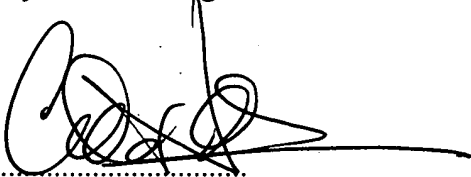
## Balance Sheet as at 30 September 2021

For the financial year ending 30 September 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

### Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 27 to 39 were approved by the trustees, and authorised for issue on 14<sup>th</sup> July 2022 and signed on their behalf by:



.....  
C M Nicholls  
Chairman of the board of Trustees

The notes on pages 29 to 39 form an integral part of these financial statements.



# The Carbon Community

Notes to the Financial Statements for the Year Ended  
30 September 2021

## 1. Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The principal place of business is:

40 Alma Road  
Windsor  
Berks  
SL4 3HJ

## 2. Accounting policies

### *Summary of significant accounting policies and key accounting estimates*

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### *Statement of compliance*

The financial statements have been prepared in accordance with 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

### *Basis of preparation*

The Carbon Community meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

### *Going concern*

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

### *Group accounts not prepared*

The Carbon Community is exempt from preparing group accounts as it is a small group.

### *Income and endowments*

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.



# The Carbon Community

## Notes to the Financial Statements for the Year Ended 30 September 2021

### ***Donations and legacies***

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

### ***Grants receivable***

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

### ***Expenditure***

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its 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 necessary to support them.

### ***Grant provisions***

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

### ***Support costs***

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

### ***Governance costs***

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.



# The Carbon Community

## Notes to the Financial Statements for the Year Ended 30 September 2021

### **Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### **Tangible fixed assets**

Individual fixed assets costing £250.00 or more are initially recorded at cost.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.



# The Carbon Community

## Notes to the Financial Statements for the Year Ended 30 September 2021

### 3. Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Donations and legacies;				
Donations from individuals	76,749	27,889	104,638	554,761
Gift aid reclaimed	18,831	35	18,866	87,500
Grants, including capital grants;				
Government grants	190,042	-	190,042	-
	<u>285,622</u>	<u>27,924</u>	<u>313,546</u>	<u>642,261</u>





# The Carbon Community

## Notes to the Financial Statements for the Year Ended 30 September 2021

### 4. Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total funds £
Fundraising cost	290	-	290
Site management	86	1,805	1,891
Independent examiners fee	3,665	-	3,665
Insurance	-	431	431
Website	340	-	340
Postage, printing and stationery	40	326	366
Grants paid	-	21,683	21,683
Volunteering expenses	6	428	434
Marketing	20,425	36	20,461
Bank charges	-	6	6
Software costs	175	895	1,070
<b>Total for period ended 30 September 2021</b>	<b>25,027</b>	<b>25,610</b>	<b>50,637</b>
Fundraising cost	350	-	350
Site management	441	-	441
Independent examiners fee	2,400	-	2,400
Insurance	453	-	453
Website	725	-	725
Postage, printing and stationery	340	-	340
Volunteering expenses	137	-	137
Marketing	6,885	-	6,885
Legal and professional fees	7,536	-	7,536
<b>Total for period ended 30 September 2020</b>	<b>19,267</b>	<b>-</b>	<b>19,267</b>

# The Carbon Community

## Notes to the Financial Statements for the Year Ended 30 September 2021

### 5. Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

### 6. Independent examiner's remuneration

	2021 £	2020 £
Examination of the financial statements	<u>3,665</u>	<u>2,400</u>

### 7. Taxation

The charity is a registered charity and is therefore exempt from taxation.

### 8. Tangible fixed assets

	Land £	Total £
<b>Cost</b>		
At 1 October 2020	<u>619,254</u>	<u>619,254</u>
At 30 September 2021	619,254	619,254
<b>Depreciation</b>		
At 30 September 2021	<u>-</u>	<u>-</u>
<b>Net book value</b>		
At 30 September 2021	<u>619,254</u>	<u>619,254</u>
At 30 September 2020	<u>619,254</u>	<u>619,254</u>



# The Carbon Community

Notes to the Financial Statements for the Year Ended  
30 September 2021

## 9. Fixed asset investments

2021  
£

Shares in group undertakings and participating interests

1

### Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
<b>Cost</b>		
Additions	1	1
At 30 September 2021	1	1
<b>Net book value</b>		
At 30 September 2021	1	1

### Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2021	2020	
Subsidiary undertakings					
Carbon Community Trading Limited	England and Wales	Ordinary	100%	0%	Generating income for the parent charity.



# The Carbon Community

## Notes to the Financial Statements for the Year Ended 30 September 2021

### Subsidiaries

The loss for the financial period of Carbon Community Trading Limited was £3,724 (2020 - £Nil) and the aggregate amount of capital and reserves at the end of the period was £(3,723) (2020 - £Nil).

Carbon Community Trading Limited was incorporated on 26.10.20. Company registration number 12973020

### 10. Debtors

	2021 £	2020 £
Due from group undertakings	257,329	-
Accrued income	175,275	-
	<u>432,604</u>	<u>-</u>

Debtors includes £257,329 (2020: £Nil) receivable after more than one year.

	2021 £
Due from group undertakings	<u>257,329</u>

### 11. Cash and cash equivalents

	2021 £	2020 £
Cash at bank	<u>51,780</u>	<u>206,140</u>

### 12. Creditors: amounts falling due within one year

	2021 £	2020 £
Other loans	-	15,000
Accruals	17,736	2,400
	<u>17,736</u>	<u>17,400</u>



# The Carbon Community

## Notes to the Financial Statements for the Year Ended 30 September 2021

### 13. Creditors: amounts falling due after one year

	2021 £	2020 £
Other loans	<u>200,000</u>	<u>185,000</u>

The loan of £200,000 is secured by a fixed charge over the Land at Glandwr, Cynghordy.

### 14. Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 30 September 2021 £
Tangible fixed assets	619,254	-	619,254
Fixed asset investments	1	-	-
Current assets	481,912	2,472	484,384
Current liabilities	(17,736)	-	(17,736)
Creditors over 1 year	<u>(200,000)</u>	<u>-</u>	<u>(200,000)</u>
Total net assets	<u>883,431</u>	<u>2,472</u>	<u>885,903</u>
		Unrestricted funds General £	Total funds at 30 September 2020 £
Tangible fixed assets		619,254	619,254
Current assets		206,140	206,140
Current liabilities		(17,400)	(17,400)
Creditors over 1 year		<u>(185,000)</u>	<u>(185,000)</u>
Total net assets		622,994	622,994



# The Carbon Community

## Notes to the Financial Statements for the Year Ended 30 September 2021

### 15. Related party transactions

Donations from the trustees and their immediate family during the year totalled £70,000. (2020 -£554,000) One of these donations in 2020 was made via a CAF charitable trust.

Heather Allen, a trustee, has provided an interest free secured loan of £200,000 to the charity. The first repayment is due to be made on 1st July 2023.

The Charity made a loan of £257,329 to Carbon Community Trading Limited during the year.

Repayment of this loan is deferred until such time that Carbon Community Trading Limited starts to generate sufficient income to be in a position to make repayments. Due to the uncertainty surrounding the loan repayments, we have not valued the loan at the present value of the future payments discounted at a market rate of interest. We do not consider this to affect the true and fair view given in the accounts at the year end date.

### 16. Commitments

#### Grant commitments

On 14th July 2020 The Carbon Community agreed to make an award of up to £174,572 over 24 months, made up of £90,008 to Kew Gardens and £84,564 to the Waring Lab, Imperial College.

This is a performance-related grant and as no services were provided by the recipients prior to 30th September 2020, no liability was recognised in the accounts to 30th September 2020 with regards to the grant payable.

During the year to 30th September 2021, The Imperial College grant was extended and increased to £89,568.

Of these only Imperial College made a claim in the financial year of £6,861.96. On 1 October 2021 a further grant payment of £14,821.19 was paid to Imperial College. This has been provided for as a liability in the accounts, as the services were provided prior to the 30th September 2021.

Outstanding commitments not recognised as a liability at 30th September 2021 are therefore:-

Imperial College: £67,884.85

Kew Gardens: £90,008.00



# The Carbon Community

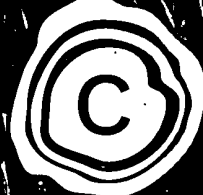
## Notes to the Financial Statements for the Year Ended 30 September 2021

### 17. Funds

	Balance at 1 October 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 September 2021 £
<b>Unrestricted funds</b>					
<i>General</i>					
Unrestricted	622,994	285,622	(25,027)	(619,412)	264,177
<i>Designated</i>					
Land	-	-	-	619,254	619,254
<b>Total unrestricted funds</b>	<u>622,994</u>	<u>285,622</u>	<u>(25,027)</u>	<u>(158)</u>	<u>883,431</u>
<b>Restricted funds</b>					
Scientific research	-	22,744	(22,902)	158	-
Tree planting	-	5,180	(2,708)	-	2,472
<b>Total restricted funds</b>	<u>-</u>	<u>27,924</u>	<u>(25,610)</u>	<u>158</u>	<u>2,472</u>
<b>Total funds</b>	<u>622,994</u>	<u>313,546</u>	<u>(50,637)</u>	<u>-</u>	<u>885,903</u>

	Incoming resources £	Resources expended £	Balance at 30 September 2020 £
<b>Unrestricted funds</b>			
<i>General</i>			
Unrestricted	<u>642,261</u>	<u>(19,267)</u>	<u>622,994</u>





The  
carbon  
community

The Carbon Community is a UK Registered Charity  
number 1187231 and formed as  
a private company limited by guarantee,  
registration number 12273280.