



Environmental Trust Scheme Regulatory
Body Limited

Company Limited by Guarantee

FINANCIAL STATEMENTS

for the year ended

31 March 2012

Environmental Trust Scheme Regulatory Body Limited

Company Limited by Guarantee

DIRECTORS' REPORT

DIRECTORS

Mr P H Smith (Chairman)
Mr C J Welford (Chief Executive)
Mr J King
Mrs L Clinton
Mr W L Lifford
Dr A Limb OBE (Joined 1 January 2012)
Mrs A East (Joined 01 April 2012)

COMPANY SECRETARY

Mr C J Welford

REGISTERED OFFICE

60 Holly Walk
Royal Leamington Spa
Warwickshire
CV32 4JE

EXTERNAL AUDITORS

RSM Tenon Audit Limited
Charterhouse
Legge Street
Birmingham
B4 7EU

PRINCIPAL BANKERS

Barclays Bank Plc
17 St Ann's Square
Manchester
M1 5ER

LEGAL ADVISORS

Pannone LLP
123 Deansgate
Manchester M3 2BU

Environmental Trust Scheme Regulatory Body Limited

Company Limited by Guarantee

DIRECTORS' REPORT

The Directors submit their report and financial statements of Environmental Trust Scheme Regulatory Body Limited (ENTRUST) for the year ended 31 March 2012.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the regulation of Environmental Bodies (EBs) within the Landfill Communities Fund (LCF).

BUSINESS REVIEW

Environmental Trust Scheme Regulatory Body Limited (ENTRUST) is a non-profit making company limited by guarantee and was set up solely for the purpose of becoming the Regulator of the Landfill Tax Credit Scheme (LTCS), renamed the Landfill Communities Fund (LCF) in October 2006. H.M. Revenue and Customs (HMRC) approved it for this purpose in October 1996.

ENTRUST's purpose is to enrol and monitor the operations of the Environmental Bodies (EBs) under the Landfill Tax Regulations 1996 (Regulations) and subsequent amendments. To ensure that we regulate the LCF to an appropriate standard, performance is monitored by HMRC through the Terms of Approval (TOA), under which we are appointed as Regulator of the Fund. The TOA were renewed in August 2011 and run until 31 March 2014.

On 01 April 2011, our updated ENTRUST On Line (EOL) went live, which from our post evaluation review has provided EBs with a more effective and efficient medium to help manage the LCF.

Our continuous drive to improve our performance across all areas of our business has helped us to deliver the more testing key performance indicators and management targets set out in our Corporate Plan 2011-2012.

The Chancellor of the Exchequer's announcement in the March 2011 Budget Statement set a challenge to EBs to reduce by 15% unspent funds they hold, from the 2009-2010, baseline, with a matching increase in project expenditure by 31 March 2012. To help EBs deliver this challenge, we worked with them by facilitating meetings and issuing generic guidance on this area.

We have continued to deliver cost effective services, through the efficient use of the resources made available to undertake our role. To achieve this we have continued to critically examine our expenditure requirements across all areas of activity, to ensure we provide value for money services to our stakeholders.

Our income is derived from two sources:

- The one-off application fee paid by organisations applying for approval to enter the scheme; and
- From a levy on the monies received by EBs from Landfill Operators (LOs). The levy decreased to 2.0% from 2.4% in April 2011.

Additionally, to ensure that we do not suffer any financial benefit or loss due to variations in our levy income, we have also agreed with HMRC a funding mechanism that ensures that any in-year surplus or deficit in our levy income is adjusted through the following year's resource requirements.

In carrying out our regulatory functions, our work is open to legal challenge and as a private company we must carry sufficient reserves to fund the defence of any legal action taken against us.

Environmental Trust Scheme Regulatory Body Limited

Company Limited by Guarantee

DIRECTORS' REPORT

ENVIRONMENTAL STATEMENT

We are committed to reducing our impact on the environment by improving the management of our operations. To achieve this we:

- Use recycled paper in the production of corporate documents and utilise paper produced from renewable sources;
- Hold on-line training facilities, reducing the need for delegates to travel and impacting on the carbon footprint of both ENTRUST and EBs;
- Utilised e-technology to minimise the need to distribute paper documents;
- Promote recycling of waste materials wherever possible;
- Ensure, where possible, that no products are purchased which contain ozone-depleting substances; and
- Where possible re-cycle assets, including donating surplus IT equipment to charities.

LIKELY FUTURE DEVELOPMENTS

We will continue to provide advice and guidance to EBs to help them comply with the challenge set by the Government to reduce the level of unspent funds, which was increased by a further 10% in the March 2012 Budget Statement.

We plan to develop and introduce a quality assurance framework to improve the quality of our outputs.

We plan to update our corporate website to meet the changing requirements of stakeholders and those with an interest in the effective regulation of the LCF. We will also be undertaking an organisational structural review to help us deliver our services in the most effective and efficient way.

FINANCIAL RESULTS

The trading results for the year and the Company's financial position at the end of the year are shown in the attached financial statements.

We incurred an operating surplus of £28,672 (2011: £118,837). The surplus on ordinary activities after interest and taxation is £44,931 (2011: £136,215). There were no exceptional items of expenditure or income incurred in the year to 31st March 2012.

Administration fees are invoiced to EBs when they receive contributions from LOs and notify ENTRUST. In many cases contributions are used to fund projects with a life span exceeding one year. A deferred income provision is maintained by the Company in order to allow income to be deferred to later periods to cover the costs associated with the regulation of these projects.

Turnover relates to income received through application fees to enrol as EBs and deferred income released over the average life of an LCF project, currently two years, and to fund specific capital projects such as the development of EOL.

Cash income is received from a levy on contributions provided by LOs directly to EBs. The levy rate for 2011/2012, set by HMRC was 2.0%, based on a total adjusted resource requirement for the year of £1.450m and a forecast level of contributions of £72.5m.

The actual level of contributions received by EBs in the year was £73.6m, and the amount of cash income received through the levy as a result of the higher than forecast level of contributions was £22,000 more than our resource requirement (2011: £38,000 more than our resource requirement). Any surplus or deficit in cash income compared to our resource requirement will be offset against our future resource requirements.

Environmental Trust Scheme Regulatory Body Limited

Company Limited by Guarantee

DIRECTORS' REPORT

DIRECTORS

The Directors who served the Company during the year were as follows:

Mr P H Smith (Chairman)
Mr C J Welford (Chief Executive)
Mr J King
Mrs L Clinton
Mr W L Lifford
Dr A Limb (Appointed 01 January 2012)
Mrs A East (Joined 01 April 2012)

No Directors held any interest in the Company.

BOARD COMMITTEES

Audit Committee

The Committee advises the Board on the strategic processes for risk management, control and governance, the organisation and supervision of the internal and external auditors' activities and the adequacy of management's responses to recommendations made by our internal auditor as a result of findings drawn from our annual programme of audit review. The Committee also recommends to the Board the approval of the annual financial statements. The Committee met four times during the year. Committee membership comprises Mr W L Lifford (Chairman), Mrs L Clinton, Mr P H Smith, Mr J King and Dr A Limb OBE.

Human Resources and Remuneration Committee

The Committee is responsible for reviewing staff terms and conditions, and considering proposals for salary reviews. The Committee is also responsible for reviewing proposed changes in personnel and human resources policies and procedures. The Committee met four times during the year. Committee membership comprises Mr J King (Chairman), Mrs L Clinton, Mr P H Smith, Mr W L Lifford and Dr A Limb OBE.

Corporate Governance

The Board has adopted a set of governance policies that are appropriate for the relationships it has with its key stakeholders and these were reviewed and revised during the year by the Audit Committee. These policies are relevant to the nature of the Company's work and the role it plays in the effective working of the LCF. Appropriate processes have been put in place to cover the role of the Board and the Board's Committees, the provision of information to Directors and the identification of the key risks the Company has to manage.

Although not required to comply with the provisions of the UK Corporate Governance Code, the Board believes that this sets out the principles by which the Board would like to be measured in terms of its performance.

RISK MANAGEMENT

During the period the Directors continued to review the fundamental risks that we have to manage and risk management is a standing item at each Audit Committee meeting. Risk management is also discussed at the full Board as part of its review of our operational activities.

The work undertaken through the review of our strategic risks by both the Board and Senior Management Team resulted in the Company amending its Strategic Risk Register in response to the changing economic and operational environment and other issues identified during the year.

The Company is exposed to some level of credit risk, liquidity risk and cash flow risk.

The management objectives are to retain sufficient liquid funds to enable it to meet its day to day requirements.

Environmental Trust Scheme Regulatory Body Limited

Company Limited by Guarantee

DIRECTORS' REPORT

The Company makes limited use of financial instruments other than an operational bank account and so its exposure to price risk and liquidity risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the Company and we spread the risk of financial loss through the use of various banking counterparties

By order of the Board.



C J Welford

Company Secretary

12 July 2012

Environmental Trust Scheme Regulatory Body Limited Company Limited by Guarantee

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are, individually, aware:

- There is no relevant audit information of which the Company's Auditor is unaware; and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Independent Auditor's Report to the Members of Environmental Trust Scheme Regularity Body Limited (Registration number: 3221000)

We have audited the financial statements of Environmental Trust Scheme Regularity Limited for the year ended 31 March 2012, on pages 9 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its surplus for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the Members of Environmental Trust Scheme Regulatory Body Limited (Registration Number: 3221000)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

RSM Tenon Audit Limited

Melanie Crooks, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited
Statutory Auditor
Charterhouse
Legge Street
Birmingham
B4 7EU

Date: *25/7/2022*.....

Environmental Trust Scheme Regulatory Body Limited
 Company Limited by Guarantee
 INCOME AND EXPENDITURE ACCOUNT
 for the year ended 31 March 2012

	<i>Notes</i>	2012 £	2011 £
TURNOVER:			
Ordinary activities		1,585,920	1,541,647
Exceptional items	2a.	0	130,000
	1	1,585,920	1,671,647
ADMINISTRATIVE EXPENSES		(1,557,248)	(1,552,810)
Operating surplus/(deficit) before exceptional items		28,672	(11,163)
OPERATING SURPLUS		28,672	118,837
Interest receivable and similar income		20,264	21,998
Profit on disposal of fixed assets		250	0
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		49,186	140,835
Taxation	5	(4,053)	(4,620)
Surplus arising from ordinary activities before exceptional items		45,133	6,215
Surplus arising from exceptional items	2a.	0	130,000
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		45,133	136,215

The operating surplus for the year arises from the Company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Income and Expenditure Account.

Environmental Trust Scheme Regulatory Body Limited
(Registration Number: 3221000)
Company Limited by Guarantee
BALANCE SHEET
for the year ended 31 March 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible assets	6	127,968	171,818
Investments	8	2	2
		<u>127,970</u>	<u>171,820</u>
CURRENT ASSETS			
Debtors	9	48,024	83,942
Cash in hand and bank		2,147,245	2,278,423
		<u>2,195,269</u>	<u>2,362,365</u>
CREDITORS: Amounts falling due within one year			
Other creditors	10	(115,105)	(282,394)
Deferred income	11	(1,071,170)	(1,130,043)
		<u>1,186,275</u>	<u>1,412,437</u>
NET CURRENT ASSETS			
		<u>1,008,994</u>	<u>949,928</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>1,136,964</u>	<u>1,121,748</u>
CREDITORS: Amounts falling due over one year			
Deferred income	11	327,213	357,130
		<u>809,751</u>	<u>764,618</u>
RESERVES			
Income and expenditure account	15	809,751	764,618
MEMBERS' FUNDS			
		<u>809,751</u>	<u>764,618</u>

These financial statements were approved by the Directors and authorised for issue on and are signed on their behalf by:


Mr P H Smith
Chairman


Mr C J Welford
Company Secretary

12 July 2012

Environmental Trust Scheme Regulatory Body Limited

Company Limited by Guarantee

CASH FLOW STATEMENT

for the year ended 31 March 2012

	<i>Notes</i>	2012 £	2011 £
Net cash in/(out)flow from operating activities	16a	(141,642)	220,282
Returns on investments and servicing of finance	16b	20,264	21,998
Taxation	16b	(4,620)	(3,800)
Capital expenditure and financial investment	16b	(5,180)	(150,542)
		<hr/>	<hr/>
CASH INFLOW/(OUTFLOW) BEFORE USE OF LIQUID RESOURCES AND FINANCING		131,178	87,938
MANAGEMENT OF LIQUID RESOURCES			
Cash withdrawn/(placed in) from short term deposits		0	0
		<hr/>	<hr/>
NET CASH INFLOW/(OUTFLOW) FROM MANAGEMENT OF LIQUID RESOURCES		0	0
		<hr/>	<hr/>
INCREASE/(DECREASE) IN CASH IN THE PERIOD		131,178	87,938
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Increase/(Decrease) in cash in the period	16c	(131,178)	87,938
Cash used to decrease/(increase) liquid resources		0	0
		<hr/>	<hr/>
CHANGE IN NET FUNDS		(131,178)	87,938
NET FUNDS AT 1 APRIL		2,278,423	2,190,485
		<hr/>	<hr/>
NET FUNDS AT 31 MARCH		2,147,245	2,278,423
		<hr/>	<hr/>

Environmental Trust Scheme Regulatory Body Limited Company Limited by Guarantee

ACCOUNTING POLICIES

for the year ended 31 March 2012

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

TURNOVER AND INCOME RECOGNITION

All income received through the levy charged on contributions provided for the administration and regulation of projects under the Landfill Communities Fund (LCF) is recognised over the estimated life of a project, currently 24 months. Income relating to future periods is classed as deferred.

Income received through the levy for non-administration or regulation purposes is released in the year to which it relates.

CONSOLIDATION

The company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepared group accounts.

FIXED ASSETS

All fixed assets are initially recorded at cost.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset from the date the asset is brought into use. The depreciation rates used are as follows:

Asset Type	Depreciation period
Fixture, fittings and furniture	Five years straight line
Information technology and communications equipment	Three years straight line
Software licences covering more than one year	Three years straight line
Internally generated software, EOL	Five years straight line

ASSETS UNDER CONSTRUCTION

Capital asset expenditure is to be capitalised and included within tangible fixed assets as assets in the course of construction. Depreciation of such assets will commence when the assets are in a position for their intended use within the business. Expenditure incurred on software development is capitalised as incurred due to parts of the system being delivered in a functional format to an agreed time and payment schedule.

FIXED ASSET INVESTMENTS

Fixed asset investments are stated at historical cost less any permanent diminution in value.

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight-line basis over the period of the lease.

Environmental Trust Scheme Regulatory Body Limited Company Limited by Guarantee

ACCOUNTING POLICIES

for the year ended 31 March 2012

PENSION COSTS

The Company has a designated stakeholder pension scheme into which it makes a contribution of 3% of an annual salary for any employee who establishes an individual pension plan. The assets of the scheme are held separately from those of the Company.

One member of staff is a member of a defined contribution pension scheme formerly operated by the Company.

The assets of these schemes are held separately from those of the Company.

The annual contributions payable are charged to the income and expenditure account.

LIQUID RESOURCES

The Company makes use of short-term bank treasury deposits, which have a maturity period of between one and twelve months.

Environmental Trust Scheme Regulatory Body Limited Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

1. TURNOVER

All turnover arises in the UK and is attributable to activity relating to the regulation of the Landfill Communities Fund. Turnover is released from deferred income and relates to the following:

	2012	2011
	£	£
Regulatory Activities	1,535,168	1,525,712
Replenishment of legal costs	0	130,000
EOL Development	<u>50,752</u>	<u>15,935</u>
Turnover	<u>1,585,920</u>	<u>1,671,647</u>

Turnover relating to ordinary activities includes an amount of £50,752 released from deferred income to fund expenditure incurred as a result of developing ENTRUST On Line.

2. OPERATING DEFICIT

Operating deficit is stated after (crediting)/charging:

a. Exceptional items:

	2012	2011
	£	£
Turnover – reimbursement of legal costs, treated as a replenishment of reserves	<u>0</u>	<u>130,000</u>

b. Auditor's remuneration and operating lease payments:

	2012	2011
	£	£
External auditor's remuneration:		
Audit of financial statements	8,500	8,500
Non-audit services	2,000	2,000
Operating lease payments:		
land and buildings	81,434	79,452
plant and equipment	<u>6,247</u>	<u>15,960</u>

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the Company during the financial year amounted to:

	2012	2011
	No	No
Administrative staff	23	24
Management staff	2	2
Directors	<u>5</u>	<u>5</u>
	<u>27</u>	<u>31</u>

Environmental Trust Scheme Regulatory Body Limited Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

The aggregate payroll costs of the above were:

	2012 £	2011 £
Wages and salaries	948,994	975,234
Social security costs	114,739	94,280
Other pension costs	16,909	16,179
	<u>1,080,642</u>	<u>1,085,693</u>

Payroll costs include the cost of using temporary staff during the year of £31,487 (2011: £22,524).

4. DIRECTORS' EMOLUMENTS

The Directors' aggregate emoluments in respect of qualifying services were:

	2012 £	2011 £
Emoluments receivable	168,296	189,521
Directors' pension contributions	2,284	13,800
	<u>170,580</u>	<u>203,321</u>

Retirement benefits are accruing to the following number of directors under:

Defined contribution schemes	<u>1</u>	<u>1</u>
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5. TAXATION ON ORDINARY ACTIVITIES

	2012 £	2011 £
Current tax: UK Corporation tax at 20% (2011: 21%) based on the results for the year	<u>4,053</u>	<u>4,620</u>

Corporation tax is only chargeable on income arising from bank and cash balances. For this reason the tax assessed on the surplus on ordinary activities is not relevant to the Corporation Tax calculation of 20% (2011: 21%).

Environmental Trust Scheme Regulatory Body Limited Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

6. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Computer Equipment £	Assets Under Construction £	Total £
Cost:				
At 01 April 2011	98,772	276,758	104,500	480,030
Asset made operational	-	104,500	(104,500)	-
Additions	1,832	3,600		5,432
Disposals	(45,057)	(190,937)	-	(235,994)
At 31 March 2012	<u>55,547</u>	<u>193,921</u>	-	<u>249,468</u>
Depreciation:				
At 01 April 2011	(76,867)	(231,345)	-	(308,212)
Charge for the year	(8,595)	(40,687)	-	(49,282)
Disposals	45,057	190,937	-	235,994
At 31 March 2012	<u>(40,405)</u>	<u>(81,095)</u>	-	<u>(121,500)</u>
Net Book Value:				
At 31 March 2012	<u>15,142</u>	<u>112,826</u>	-	<u>127,968</u>
At 31 March 2011	<u>21,905</u>	<u>45,413</u>	<u>104,500</u>	<u>171,818</u>

7. FIXED ASSET UNDER CONSTRUCTION

Fixed asset under construction related entirely to the cost of development of the ENTRUST On Line system which became operational on 01 April 2011.

8. INVESTMENTS

	Unlisted Investments £
Cost	
At 01 April 2011 and 31 March 2012	<u>2</u>
Net book value	
At 31 March 2012	<u>2</u>
At 31 March 2011	<u>2</u>

The unlisted investment is in a wholly-owned subsidiary, ENTRUST Limited, a dormant company.

Environmental Trust Scheme Regulatory Body Limited Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

9. DEBTORS

	2012	2011
	£	£
Trade debtors	9,299	60,863
Other debtors	2,252	0
Prepayments and accrued income	36,473	23,079
	<u>48,024</u>	<u>83,942</u>

10. CREDITORS

	2012	2011
	£	£
Trade creditors	23,265	18,016
Corporation tax	4,053	4,620
Other taxation and social security	38,216	77,510
Other creditors	4,585	4,585
Accruals	44,986	177,663
	<u>115,105</u>	<u>282,394</u>

11. DEFERRED INCOME

	2012	2011
	£	£
Amounts falling due within one year – Regulatory Activities	1,037,857	1,045,977
Amounts falling due within one year – ENTRUST On-Line	33,313	84,066
Total amounts falling due within one year	<u>1,071,170</u>	<u>1,130,043</u>
Amounts falling due over one year	327,213	357,130
	<u>1,398,383</u>	<u>1,487,173</u>

Administration fees receivable have been deferred over periods in which the costs of inspection and verification are anticipated to be incurred. The balance of administration fees deemed to relate to future periods has been carried forward as deferred income.

Income has also been provided through the levy on contributions in 2009 and 2010, to provide resources to fund the development of ENTRUST On Line. The amount held as at 31 March 2012, to fund expenditure to be charged in future periods totals £33,313.

12. PENSIONS

The Company has designated a stakeholder pension scheme operated by Standard Life for its staff and has one member of staff who is a member of the defined contribution pension scheme formerly operated by the Company and administered by AVIVA.

The assets of these schemes are administered by trustees in funds independent from those of the Company.

The pension cost charged for the year represents contributions payable by the Company to the schemes of £11,994 (2011: £17,363). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Environmental Trust Scheme Regulatory Body Limited Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

13. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2012, the Company had annual commitments under non-cancellable operating leases as set out below.

	2012		2011	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Operating leases which expire:				
Within 1 year	0	3,930	0	0
Within 2 to 5 years	90,000	3,211	88,125	6,368
	<u>90,000</u>	<u>7,141</u>	<u>88,125</u>	<u>6,368</u>

14. COMPANY LIMITED BY GUARANTEE

The liability of each of the guarantors in the event of winding up is limited to £1.

15. RESERVES

	2012	2011
	£	£
	Total	Total
At 1 April	764,618	628,403
Surplus from operations after tax	45,133	136,215
At 31 March	<u>809,751</u>	<u>764,618</u>

The Company has built up a general reserve through its operations, which is available to be used to meet exceptional non-operational expenditure and fund its liabilities and remain solvent in accordance with its Terms of Approval. There are a number of areas where general reserves could be specifically utilised, if required, such as costs relating to legal and judicial reviews.

Environmental Trust Scheme Regulatory Body Limited
 Company Limited by Guarantee
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 March 2012

16. CASH FLOWS

a	Reconciliation of operating deficit to net cash outflow from operating activities			
		2012	2011	
		£	£	
	Operating Surplus	28,671	118,837	
	Depreciation	49,282	20,918	
	(Increase)/decrease in debtors	35,918	(6,382)	
	Increase/(decrease) in creditors	(166,722)	24,748	
	Increase/(decrease) in deferred income	(88,791)	62,161	
		<u>(141,642)</u>	<u>220,282</u>	
	Net cash outflow from operating activities	<u>(141,642)</u>	<u>220,282</u>	
b	Analysis of cash flows for headings netted in the cash flow			
	Returns on investment and servicing of finance			
		2012	2011	
		£	£	
	Interest receivable	<u>20,264</u>	<u>21,998</u>	
	Net cash inflow from returns on investments and servicing of finance	<u>20,264</u>	<u>21,998</u>	
	Taxation			
		2012	2011	
		£	£	
	Taxation	<u>(4,620)</u>	<u>(3,800)</u>	
	Capital expenditure			
		2012	2011	
		£	£	
	Payments to acquire tangible fixed assets	<u>(5,430)</u>	(46,042)	
	Asset under construction (ENTRUST On-Line)	-	(104,500)	
	Receipts from the sale of fixed assets	<u>250</u>	0	
	Net cash inflow/(outflow) from capital expenditure	<u>(5,180)</u>	<u>(150,542)</u>	
c	Analysis of net funds			
		At 1 April	Cash	At 31
		2011	flows	March
				2012
	Cash in hand and at bank	<u>2,278,423</u>	<u>(131,178)</u>	<u>2,147,245</u>
	Less: Deposits treated as liquid resources	<u>(2,000,000)</u>	<u>0</u>	<u>(2,000,000)</u>
		<u>278,423</u>	<u>(131,178)</u>	<u>147,245</u>
	Deposits included in cash	<u>2,000,000</u>	<u>0</u>	<u>2,000,000</u>
	Total	<u>2,278,423</u>	<u>(131,178)</u>	<u>2,147,245</u>

Environmental Trust Scheme Regulatory Body Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

The following pages do not form part of the statutory financial statements which are the subject of the independent auditor's report on page 8 and 9.

Environmental Trust Scheme Regulatory Body Limited
 Company Limited by Guarantee
 DETAILED INCOME AND EXPENDITURE ACCOUNT
 for the year ended 31 March 2012

	2012 £	2011 £
TURNOVER	1,585,920	1,671,647
OVERHEADS		
Administrative expenses	(1,557,248)	(1,552,810)
Exceptional Item	0	0
	<hr/>	<hr/>
OPERATING SURPLUS/(DEFICIT)	28,672	118,837
Interest receivable and similar income	20,264	21,998
Profit/(loss) on fixed assets	250	0
	<hr/>	<hr/>
Surplus on ordinary activities before taxation and exceptional items	49,186	140,835
Surplus/(Deficit) on exceptional items	0	0
	<hr/>	<hr/>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>49,186</u>	<u>140,835</u>

Environmental Trust Scheme Regulatory Body Limited Company Limited by Guarantee

NOTES TO THE DETAILED INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2012

	2012 £	2011 £
ADMINISTRATIVE EXPENSES		
Personnel costs		
Directors salaries	168,296	182,252
Wages and salaries	780,698	792,983
Staff national insurance contributions	114,739	94,280
Staff pension contributions	16,909	16,179
	<u>1,080,642</u>	<u>1,085,693</u>
Establishment expenses		
Rent, rates and water	110,126	107,308
Light and heat	8,852	6,876
Insurance	14,042	14,481
Repairs and maintenance	11,128	16,579
	<u>144,148</u>	<u>145,244</u>
General Expenses		
Travelling expenses	71,858	65,910
Telephone	12,910	23,142
Computer costs	35,567	57,732
Software development	10,768	2,077
Communications	9,926	10,367
Hire of equipment	6,247	6,082
Stationery and postage	11,820	22,445
Staff training	20,778	18,635
Recruitment costs	13,248	13,558
EB - financial verification	598	559
Legal and professional fees	75,529	63,893
Internal audit fees	2,607	3,443
Auditor's remuneration	10,150	10,844
Depreciation	49,282	20,917
	<u>331,288</u>	<u>319,604</u>
Financial Costs		
Bank charges	1,170	2,270
	<u>1,170</u>	<u>2,270</u>
	<u>1,557,248</u>	<u>1,552,812</u>
INTEREST RECEIVABLE AND SIMILAR INCOME		
Sale of asset	250	0
Bank interest received	20,264	21,998
	<u>20,514</u>	<u>21,998</u>

