



Environmental Trust Scheme Regulatory
Body Limited

Company Limited by Guarantee

FINANCIAL STATEMENTS

for the year ended

31 March 2013

Environmental Trust Scheme Regulatory Body Limited Company Limited by Guarantee

DIRECTORS' REPORT

DIRECTORS

Dr P H Smith (Chairman)
Mr C J Welford (Chief Executive)
Mr J King (Resigned 30 June 2012)
Mrs L Clinton
Mr W L Lifford
Dr A Limb OBE
Mrs A East

COMPANY SECRETARY

Mr C J Welford

REGISTERED OFFICE

60 Holly Walk
Royal Leamington Spa
Warwickshire
CV32 4JE

EXTERNAL AUDITORS

Crowe Clark Whitehill
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

PRINCIPAL BANKERS

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

LEGAL ADVISORS

BandHattonButton
25 Warwick Road
Coventry
CV1 2EZ

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 2013.

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW

ENTRUST is a non-profit making Company limited by guarantee and was set up for the purpose of becoming the Regulator of the Landfill Tax Credit Scheme (LTCS), renamed the 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 activities of EBs to facilitate their compliance with the Landfill Tax Regulations 1996 (Regulations). To ensure that the LCF is appropriate to standards, ENTRUST's performance is monitored by HMRC through a Terms of Approval (TOA), which was renewed in August 2011 and runs until 31 March 2014.

We continue to derive the income that we need to fund our operations from two sources:

- A one-off application fee of £100, paid by organisations applying for approval to enter the scheme to cover the administration costs of their application; and
- From a levy on the monies received by EBs directly from Landfill Operators (LOs), which HMRC set as 2.0% for 2012/2013, financial year.

It is important to note that the total level of the contributions that we received from EBs during the year exceeded HMT's forecast and as a result, we received more levy income than we required. To ensure we are funded at an appropriate level, we have agreed a mechanism with HMRC to ensure that we do not suffer any financial benefit or loss due to variations in our levy income. As a direct consequence, the excess of income we received during the year has been offset against our 2013/2014, resource requirements.

In carrying out our regulatory functions, our work is open to legal challenge and our Board have agreed that our reserves should be held at a sufficient level to fund the defence of any legal action taken against us as well as being able to meet any future liabilities and commitments.

Our overall approach to delivering high performing and high quality services across all areas of our business has helped us to successfully deliver on all the Key Performance Indicators (KPI), which were set out in our 2012-2015, Corporate Plan.

During the past year, we consider that we have delivered a cost effective service and have wherever possible implemented value for money efficiencies. Additionally, we carried out an organisational structural review, which resulted in changes to our operational structure, which we believe best meets our future business needs.

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 paper from renewable sources in the production of corporate documents and for other Company purposes;
- Hold on-line training sessions where appropriate, 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;
- Have made available to all staff a Cycle to Work scheme; and
- Where possible re-cycle assets, including donating surplus IT equipment to charities.

LIKELY FUTURE DEVELOPMENTS

We will continue to provide HMRC with information and evidence to help develop the future policy direction of the LCF and detailed data on the operational performance of EBs.

We will also implement improved enforcement procedures during the year with the aim of reducing the time taken to handle and resolve cases of serious non-compliance.

We are committed to ensuring that clear and accurate information and guidance relating to the success of the LCF and our role as a regulator is communicated consistently to all our stakeholders. To achieve this, we will be implementing a new communication strategy.

As part of this approach we will also develop a new website to go live during 2013/2014, that will meet the changing requirements of stakeholders and those with an interest in the effective regulation of the LCF. We will also be publishing a new Customer Charter.

Finally, changes to UK tax regimes specifically relating to the devolvement of Landfill Tax to the Scottish Government will require a framework to be developed to manage the transition process from the old to the new scheme. We will therefore be working closely with HMRC to develop this process.

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 are reporting an operating surplus of £35,447 (2012: £28,672) and a surplus on ordinary activities after interest and taxation of £55,507 (2012: £45,133). This included reorganisation expenditure, which consisted of redundancy and outreach payments for affected staff, incurred in March 2013.

We invoice EBs for levy payments when they receive and notify us of contributions that have been paid directly to them from LOs. In many cases contributions are used to fund projects with a life span exceeding one year and therefore, we defer our levy income over the average time taken by EBs to commit and spend contributions on projects, currently 24 months, and ensure that income is released from the provision held to match expenditure incurred on the regulatory operations of the Company.

Environmental Trust Scheme Regulatory Body Limited

Company Limited by Guarantee

DIRECTORS' REPORT

Turnover recorded in the year relates to income released from the deferred income provision, from application fees received from organisations seeking approval to enter the fund as an EB and other miscellaneous sources.

Cash income received through the levy on contributions was based on a rate of 2% set by HMRC for 2012/2013, which was set to ensure we received our adjusted resource requirement for the year of £1.437m from a forecast level of contributions of £74.7m.

The actual level of contributions received by EBs in the year was £75.7m, and the amount of cash income received through the levy as a result of the higher than forecast level of contributions was £77,000 more than our resource requirement (2012: £22,000 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.

DIRECTORS

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

Dr P H Smith (Chairman)
Mr C J Welford (Chief Executive)
Mr J King (Resigned 30 June 2013)
Mrs L Clinton
Mrs A East (Joined 01 April 2012)
Mr W L Lifford
Dr A Limb OBE

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 internal audit 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 and Dr P H Smith.

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 Dr A Limb OBE (Chairman), Mrs A East and Dr P H Smith.

General Purposes Committee

The Committee meets as and when required and met three times in the year. The Committee comprises the Board members.

Environmental Trust Scheme Regulatory Body Limited

Company Limited by Guarantee

DIRECTORS' REPORT

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 by the Audit Committee in December 2012. 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.

The Board has also strengthened its skills and knowledge basis at the start of the year, by expanding the number of non-executive directors from four to five. This has improved the effectiveness of our governance framework and oversight of the Company.

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 meeting 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 (SMT) resulted in the Company amending its Strategic Risk Register (SRR) 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 and management objectives are to retain sufficient liquid funds to enable it to meet our day to day requirements and provide funds to audit out the fund should the Government choose to close the LCF.

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
19 June 2013

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 need 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 Regulatory Body Limited (Registration Number: 3221000)

We have audited the financial statements of Environmental Trust Scheme Regulatory Body Limited for the year ended 31 March 2013, 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 2013 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.



R D Darlaston, Senior Statutory Auditor
For and on behalf of

Crowe Clark Whitehill LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
B69 2DG

Date: 25 June 2013

Environmental Trust Scheme Regulatory Body Limited
 Company Limited by Guarantee
 INCOME AND EXPENDITURE ACCOUNT
 for the year ended 31 March 2013

	<i>Notes</i>	2013 £	2012 £
TURNOVER	1	1,540,783	1,585,920
ADMINISTRATIVE EXPENSES		<u>(1,505,336)</u>	<u>(1,557,248)</u>
OPERATING SURPLUS		35,447	28,672
Interest receivable and similar income		24,979	20,264
Profit on disposal of fixed assets		77	250
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>60,503</u>	49,186
Taxation	5	(4,996)	(4,053)
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		<u><u>55,507</u></u>	<u><u>45,133</u></u>


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 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	6	87,583	127,968
Investments	7	2	2
		<u>87,585</u>	<u>127,970</u>
CURRENT ASSETS			
Debtors	8	42,114	48,024
Cash in hand and bank		2,238,266	2,147,245
		<u>2,280,380</u>	<u>2,195,269</u>
CREDITORS: Amounts falling due within one year			
Other creditors	9	99,041	115,105
Deferred income	10	1,067,857	1,071,170
		<u>1,166,898</u>	<u>1,186,275</u>
NET CURRENT ASSETS			
		<u>1,113,482</u>	<u>1,008,994</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		1,201,067	1,136,964
CREDITORS: Amounts falling due over one year			
Deferred income	10	335,809	327,213
		<u>865,258</u>	<u>809,751</u>
RESERVES			
Income and expenditure account	14	865,258	809,751
MEMBERS' FUNDS			
		<u>865,258</u>	<u>809,751</u>

These financial statements were approved by the Directors and authorised for issue on 19 June 2013, and are signed on their behalf by:



Dr P H Smith
Chairman



Mr C J Welford
Company Secretary

Environmental Trust Scheme Regulatory Body Limited Company Limited by Guarantee

ACCOUNTING POLICIES

for the year ended 31 March 2013

	<i>Notes</i>	2013 £	2012 £
Net cash in/(out)flow from operating activities	15a	74,874	(141,642)
Returns on investments and servicing of finance	15b	24,979	20,264
Taxation	15b	(4,053)	(4,620)
Capital expenditure and financial investment	15b	(4,778)	(5,180)
CASH INFLOW/(OUTFLOW) BEFORE USE OF LIQUID RESOURCES AND FINANCING		91,022	131,178
MANAGEMENT OF LIQUID RESOURCES			
Cash withdrawn/(placed in) from short term deposits		0	0
NET CASH INFLOW/(OUTFLOW) FROM MANAGEMENT OF LIQUID RESOURCES		0	0
INCREASE/(DECREASE) IN CASH IN THE PERIOD		91,022	131,178
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Increase/(Decrease) in cash in the period	15c	91,022	(131,178)
Cash used to decrease/(increase) liquid resources		0	0
CHANGE IN NET FUNDS		91,022	(131,178)
NET FUNDS AT 1 APRIL 2012		2,147,245	2,278,423
NET FUNDS AT 31 MARCH 2013		2,238,267	2,147,245

Environmental Trust Scheme Regulatory Body Limited Company Limited by Guarantee

ACCOUNTING POLICIES

for the year ended 31 March 2013

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 average life of a project, from the receipt of contributions by EBs to project completion, which we estimate to be 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.

Environmental Trust Scheme Regulatory Body Limited Company Limited by Guarantee

ACCOUNTING POLICIES
for the year ended 31 March 2013

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.

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.

The staging date for ENTRUST in respect of changes introduced through the Pensions Act 2010 is 01 October 2015.

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 2013

1. TURNOVER

All turnover arises in the UK and is attributable to activity relating to the regulation of the Landfill Communities Fund. Turnover includes income deferred and released to fund regulatory activity, application fees and other miscellaneous income:

	2013	2012
	£	£
Regulatory Activities	1,473,229	1,513,768
EOL Development	33,313	50,752
Application Fees	21,700	21,400
Miscellaneous Income	12,541	0
	<u>1,540,783</u>	<u>1,585,920</u>
Turnover	<u>1,540,783</u>	<u>1,585,920</u>

2. OPERATING SURPLUS

Operating deficit is stated after (crediting)/charging:

a. Auditor's remuneration and operating lease payments:

	2013	2012
	£	£
External auditor's remuneration:		
Audit of financial statements	9,800	10,500
Operating lease payments:		
land and buildings	81,328	81,434
plant and equipment	4,292	6,247

3. PARTICULARS OF EMPLOYEES

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

	2013	2012
	No	No
Administrative staff	21	20
Management staff	2	2
Directors	6	5
	<u>29</u>	<u>27</u>

Environmental Trust Scheme Regulatory Body Limited Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

The aggregate payroll costs of the above were:

	2013	2012
	£	£
Wages and salaries	945,608	948,994
Redundancy Costs	18,970	0
Social security costs	99,043	114,739
Other pension costs	16,444	16,909
	<u>1,080,065</u>	<u>1,080,642</u>

Redundancy costs were incurred following a review of our future operational requirements following which a number of changes were made to our organisational structure that resulted in three members of staff being made redundant.

There were no costs for the use of temporary staff during the year (2012: £31,487).

4. DIRECTORS' EMOLUMENTS

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

	2013	2012
	£	£
Emoluments receivable	180,151	168,296
Directors' pension contributions	2,782	2,284
	<u>182,933</u>	<u>170,580</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

	2013	2012
	£	£
Current tax:		
UK Corporation tax at 20% (2012: 20%) based on the results for the year	<u>4,996</u>	<u>4,053</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% (2012: 20%).

Environmental Trust Scheme Regulatory Body Limited Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

6. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Computer Equipment £	Total £
Cost:			
At 01 April 2012	55,547	193,921	249,468
Additions	-	4,855	4,855
Disposals	(3)	3	-
At 31 March 2013	<u>55,544</u>	<u>198,779</u>	<u>254,323</u>
Depreciation:			
At 01 April 2012	(40,405)	(81,095)	(121,500)
Charge for the year	(7,481)	(37,759)	(45,240)
Disposals	2	(2)	0
At 31 March 2013	<u>(47,884)</u>	<u>(118,856)</u>	<u>(166,740)</u>
Net Book Value:			
At 31 March 2013	<u>7,660</u>	<u>79,923</u>	<u>87,583</u>
At 31 March 2012	<u>15,142</u>	<u>112,826</u>	<u>127,968</u>

7. INVESTMENTS

	Unlisted Investments £
Cost	
At 01 April 2012 and 31 March 2013	<u>2</u>
Net book value	
At 31 March 2013	<u>2</u>
At 31 March 2012	<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 2013

8. DEBTORS

	2013	2012
	£	£
Trade debtors	20,387	9,299
Other debtors	0	2,252
Prepayments and accrued income	21,727	36,473
	<u>42,114</u>	<u>48,024</u>

9. OTHER CREDITORS

	2013	2012
	£	£
Trade creditors	6,988	23,265
Corporation tax	4,996	4,053
Other taxation and social security	26,478	33,376
Pensions	6,440	4,840
Other creditors	0	4,585
Accruals	54,139	44,986
	<u>99,041</u>	<u>115,105</u>

10. DEFERRED INCOME

	2013	2012
	£	£
Amounts falling due within one year – Regulatory Activities	1,067,857	1,037,857
Amounts falling due within one year – ENTRUST On-Line	-	33,313
Total amounts falling due within one year	<u>1,067,857</u>	<u>1,071,170</u>
Amounts falling due over one year	335,809	327,213
	<u>1,403,666</u>	<u>1,398,383</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.

11. 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 these schemes of £16,444 (2012: £11,994). 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 2013

12. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2013, the Company had annual commitments under non-cancellable operating leases as set out below.

	2013		2012	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Operating leases which expire:				
Within 1 year	0	0	0	3,930
Within 2 to 5 years	90,000	3,211	90,000	3,211
	<u>90,000</u>	<u>3,211</u>	<u>90,000</u>	<u>7,141</u>

13. COMPANY LIMITED BY GUARANTEE

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

14. RESERVES

	2013	2012
	£	£
	Total	Total
At 1 April	809,751	764,618
Surplus from operations after tax	55,507	45,133
At 31 March	<u>865,258</u>	<u>809,751</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 2013

15. CASH FLOWS

a Reconciliation of operating deficit to net cash outflow from operating activities

	2013	2012
	£	£
Operating Surplus	35,447	28,671
Depreciation	45,241	49,282
(Increase)/decrease in debtors	5,910	35,918
Increase/(decrease) in creditors	(17,007)	(166,722)
Increase/(decrease) in deferred income	5,283	(88,791)
Net cash outflow from operating activities	<u>74,874</u>	<u>(141,642)</u>

b Analysis of cash flows for headings netted in the cash flow

Returns on investment and servicing of finance

	2013	2012
	£	£
Interest receivable	24,979	20,264
Net cash inflow from returns on investments and servicing of finance	<u>24,979</u>	<u>20,264</u>

Taxation

	2013	2012
	£	£
Taxation	<u>(4,053)</u>	<u>(4,620)</u>

Capital expenditure

	2013	2012
	£	£
Payments to acquire tangible fixed assets	(4,855)	(5,430)
Receipts from the sale of fixed assets	77	250
Net cash inflow/(outflow) from capital expenditure	<u>(4,778)</u>	<u>(5,180)</u>

c Analysis of net funds

	At 1 April 2012	Cash flows	At 31 March 2013
Cash in hand and at bank	2,147,245	91,022	2,238,267
Less: Deposits treated as liquid resources	<u>(2,000,000)</u>		<u>(2,000,000)</u>
	147,245	91,022	238,267
Deposits included in cash	2,000,000		2,000,000
Total	<u>2,147,245</u>	<u>91,022</u>	<u>2,238,267</u>

Environmental Trust Scheme Regulatory Body Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

The following pages do not form part of the statutory financial statements which are the subject of the independent auditor's report on page 7 and 8.

Environmental Trust Scheme Regulatory Body Limited
Company Limited by Guarantee
DETAILED INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2013

	2013 £	2012 £
TURNOVER	1,540,783	1,585,920
OVERHEADS		
Administrative expenses	(1,505,336)	(1,557,248)
	<hr/>	<hr/>
OPERATING SURPLUS/(DEFICIT)	35,447	28,672
Interest receivable and similar income	24,979	20,264
Profit/(loss) on fixed assets	77	250
	<hr/>	<hr/>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION	60,503	49,186

Environmental Trust Scheme Regulatory Body Limited Company Limited by Guarantee

NOTES TO THE DETAILED INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2013

	2013 £	2012 £
ADMINISTRATIVE EXPENSES		
Personnel costs		
Directors salaries	180,151	168,296
Wages and salaries	784,427	780,698
Staff national insurance contributions	99,043	114,739
Staff pension contributions	<u>16,444</u>	<u>16,909</u>
	1,080,065	1,080,642
Establishment expenses		
Rent, rates and water	111,680	110,126
Light and heat	10,030	8,852
Insurance	12,777	14,042
Repairs and maintenance	<u>11,567</u>	<u>11,128</u>
	146,054	144,148
General Expenses		
Travelling expenses	72,837	71,858
Telephone	12,524	12,910
Computer costs	44,475	35,567
Software development	3,375	10,768
Communications	8,344	9,926
Hire of equipment	4,292	6,247
Stationery and postage	8,509	11,820
Staff training	21,523	20,778
Recruitment costs	6,986	13,248
EB - financial verification	346	598
Legal and professional fees	39,358	75,529
Internal audit fees	0	2,607
Auditor's remuneration	10,000	10,150
Depreciation	<u>45,241</u>	<u>49,282</u>
	277,810	331,288
Financial Costs		
Bank charges	<u>1,407</u>	<u>1,170</u>
	1,407	1,170
	<u>1,505,336</u>	<u>1,557,248</u>
INTEREST RECEIVABLE AND SIMILAR INCOME		
Sale of asset	77	250
Bank interest received	<u>24,979</u>	<u>20,264</u>
	<u>25,056</u>	<u>20,514</u>