



**Environmental Trust Scheme
Regulatory Body Limited**

Company Limited by Guarantee

**Financial Statements for the year ended
31 March 2015**

Directors' Report

Directors

Dr A G Limb CBE, DL (Appointed Chair 12 July 2014)
Dr P H Smith (Retired as Chair 11 July 2014)
Mr C J Welford (Chief Executive)
Mrs L Clinton (Retired 11 July 2014)
Mr W L Lifford
Mrs A East
Mr J Carlton (Appointed 11 July 2014)
Mr J McCracken (Appointed 11 July 2014)
Mr G McCormack (Appointed 1 April 2015)

Company Secretary

Mr C J Welford

Registered office

60 Holly Walk
Royal Leamington Spa
Warwickshire
CV32 4JE

External Auditors

Crowe Clark Whitehill LLP
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

Directors' Report

The Directors submit their report and financial statements of Environmental Trust Scheme Regulatory Body Limited (ENTRUST) for the year ended 31 March 2015.

Principal Activity

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 regulated to appropriate standards, ENTRUST's performance is monitored by HMRC through a Terms of Approval (TOA), which was renewed for a period of three years running from 1 April 2014.

The income that we require to fund our operations is provided through two sources:

- A one-off application fee of £100, paid by organisations applying for approval to enter the scheme to cover the cost of administering their application; and
- From a levy paid by EBs which is reviewed and agreed with HMRC each year based on a forecast of qualifying contributions to be paid directly from Landfill Operators (LOs) to EBs.

To ensure that we are not penalised by or benefit from shortfalls and surpluses in the amount of levy we receive, due to fluctuations in the level of qualifying contributions paid to EBs, we have agreed a mechanism with HMRC to adjust for such variations in future resource bids to HMRC.

Due to a significant change in the payment profile of qualifying contributions made to a large EB during 2014/2015, our income from the levy was £312,063 higher than our approved funding requirement, which covers the shortfall in levy received from the previous year.

We delivered all of the Key Performance Indicators (KPIs) set out in our 2014-2017 Corporate Plan and have undertaken a number of quality assurance reviews, using the principles set out in ISO 9001 – Quality Management Systems, to identify areas where we can improve the performance and quality of the services we provide.

Directors' Report

The LCF as it pertains to Landfill Tax in Scotland came to an end on 31 March 2015. We have developed and implemented a framework that will support the closure of the UK scheme in Scotland over the next two years and will use our deferred income provision to fund the cost of this activity in the first year of the closure period.

During the year we have closely examined our costs and have identified cost efficiencies which have been incorporated into our 2015/2016 budget.

The Board recognises that in undertaking our regulatory functions, we carry a risk that our work may be open to legal challenge, although our risk management and governance framework aims to mitigate this exposure. However, the Board has considered it prudent that we have a reserve in place sufficient to fund any legal challenges.

Our general reserves have therefore been allocated by the Board to provide for:

- The cost of winding up the Company;
- Funding regulatory activity in respect of the closure of the LCF;
- The early termination of the lease on our offices in Leamington Spa;
- Legal fees provision to fund any future legal and/or judicial reviews; and
- General reserve.

Environmental Statement

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

- Utilise technology to support stakeholder training where appropriate, and have launched training videos through our website during the year, that contributes to reducing the need for delegates to travel to training venues and impacting on the carbon footprint of both ENTRUST and EBs;
- Utilise e-technology to communicate with stakeholders rather than issue paper documents with over 30,000 messages being sent out electronically during 2014/2015;
- Promote recycling of waste materials wherever possible;
- Have made available to all staff a Cycle to Work scheme; and
- Where possible re-cycle assets, including donating redundant IT equipment to charities.

Likely Future Developments

We have been working closely with HMRC, HM Treasury and Stakeholders as part of a group set up to identify potential reforms to the LCF. From the findings of this group, HMRC have opened a consultation on the reform of the LCF commencing on 18 March 2015 and closing on 10 June 2015.

Directors' Report

We continue to discuss with the Welsh Government the implications of the devolution of Landfill Tax planned for 2018 will have on the LCF and we will use the closure plan for Scotland as the template for any closure activity that is required in Wales.

We have been in discussion with HMRC regarding the TOA to allow for a two year closure period of the LCF should the Government choose to close the scheme, and this will come into effect from 1 April 2015.

We will also be required to comply with the requirements of the Pensions Act 2010 and automatic enrolment from 1 October 2015.

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 before interest and taxation of £247,340 (2014: £22,805) and a surplus on ordinary activities after interest and taxation of £256,059 (2014: £34,199). This includes levy income for contributions deferred from 2013/2014 and makes up the shortfall in levy from the previous year.

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.

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

The actual level of qualifying contributions received by EBs in the year was £81.1m (2014: £68.8m) and was £14.4m higher than the amount required to meet our operational expenditure requirement, due to the significant change in the contribution payments to a large EB explained in page 2, and which makes up the shortfall from the previous year.

The amount we hold within our deferred income stands at £1.468m, which includes a provision of £1.317m to fund scheme closure activity across England, Wales and Northern Ireland with the balance held to fund the first year of closure activity in Scotland during 2015/2016 and to fund the future redevelopment of Entrust online (EOL).

Directors' Report

Directors

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

Dr A G Limb CBE, DL (Appointed Chair 12 July 2014)

Dr P H Smith (Retired as Chair 11 July 2014)

Mr C J Welford (Chief Executive)

Mrs L Clinton (Retired 11 July 2014)

Mr W L Lifford

Mrs A East

Mr J Carlton (Appointed 11 July 2014)

Mr J McCracken (Appointed 11 July 2014)

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 external auditors' activities and the adequacy of management's responses to recommendations arising from our quality assurance reviews. 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 (Chair), Mr J Carlton and Dr A G Limb OBE DL. Mr G McCormack joined the Committee on 1 April 2015.

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. The Chair of the Committee changed from Dr A G Limb OBE DL to Mrs A East during the year. Committee membership comprises Mrs A East (Chair), Dr A G Limb OBE DL and Mr J McCracken.

General Purposes Committee

The Committee meets as and when required and met three times during the last financial year. The Committee comprises all of the Company's Board members.

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 as part of the annual formal review procedure, this was submitted to the Audit Committee for approval on 1 April 2015. 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

Directors' Report

identification of the key risks the Company has to manage.

There are a number of Board changes to report. Dr P H Smith retired in July 2014, having served as a Director for twelve years, which include seven years as Board Chairman. Mrs L Clinton also retired in July 2014, having served for six years. Their Board colleagues thank them both for their significant contributions to ENTRUST.

Dr A G Limb OBE DL was appointed Chair of the Board in July 2014 and Mr J McCracken and Mr J Carlton were appointed to the Board also in July 2014.

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 and to demonstrate this the Board and each Committee produce a report on their performance and compliance with the Corporate Governance Framework, which is presented to the Board meeting held in June each year.

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's exposure to liquidity risk is mitigated by using several banking counterparties to spread the risk of financial loss. The Company does not use financial instruments 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.

By order of the Board.



C J Welford
Company Secretary
17 June 2015

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.

We have audited the financial statements of Environmental Trust Scheme Regulatory Body Limited for the year ended 31 March 2015, set out on pages 10 to 20. 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, 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 the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 and of its profit 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.

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.



RD Darlaston, Senior Statutory Auditor
For and on behalf of

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

Date: 17 June 2015

Environmental Trust Scheme Regulatory Body Limited
Company Limited by Guarantee

Income and Expenditure Account for the year ended 31 March 2015

	<i>Notes</i>	2015 £	2014 £
Turnover	1	1,646,162	1,473,317
Administrative Expenses		<u>(1,398,822)</u>	<u>(1,450,512)</u>
Operating Surplus		247,340	22,805
Interest receivable and similar income		11,545	14,242
Loss on disposal of fixed assets		(517)	0
Surplus on ordinary activities before taxation		258,368	37,047
Taxation		(2,309)	(2,848)
Surplus on ordinary activities after taxation		<u>256,059</u>	<u>34,199</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.

Balance Sheet as at 31 March 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible assets	6	60,039	80,945
Investments	7	2	2
		60,041	80,947
Current assets			
Debtors	8	71,810	32,021
Cash in hand and bank		2,613,733	2,227,158
		2,685,543	2,259,179
Creditors: Amounts falling due within one year			
Other creditors	9	122,070	115,019
Deferred income	10	1,179,847	1,021,213
		1,301,917	1,136,232
Net current assets			
		1,383,626	1,122,947
Total assets less current liabilities			
		1,443,667	1,203,894
Creditors: Amounts falling due over one year			
Deferred income	10	288,151	304,437
		1,155,516	899,457
Reserves			
Income and expenditure account	14	1,155,516	899,457
Members' funds			
		1,155,516	899,457

These financial statements were approved by the Directors and authorised for issue on 17 June 2015, and are signed on their behalf by:

Dr A G Limb CBE, DL
Chair

Mr C J Welford
Company Secretary

Cashflow Statement for the year ended 31 March 2015

	<i>Notes</i>	2015 £	2014 £
Net cash in/(out)flow from operating activities	15a	390,946	16,072
Returns on investments and servicing of finance	15b	11,545	14,242
Taxation	15b	(2,848)	(4,996)
Capital expenditure and financial investment	15b	(13,068)	(36,426)
		<hr/>	<hr/>
Cash in/(out)flow before and after the use of liquid resources and financing		386,575	(11,108)
Management of liquid resources			
Cash withdrawn/(placed in) from short term deposits		0	0
		<hr/>	<hr/>
Increase/(decrease) in cash in the period		386,575	(11,108)
		<hr/>	<hr/>
Reconciliation of net cash flow to the movement in net funds			
Increase/(decrease) in cash in the period	15c	386,575	(11,108)
Cash used to (increase)/decrease liquid resources		0	0
		<hr/>	<hr/>
Change in net funds		386,575	(11,108)
Net funds at 1 April 2014		2,227,158	2,238,266
		<hr/>	<hr/>
Net funds at 31 March 2015		2,613,733	2,227,158
		<hr/>	<hr/>

Basis of Accounting

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

Accounting Policies

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

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

Accounting Policies

contribution for any employee who establishes an individual pension plan. The assets of the scheme 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 1 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.

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:

	2015	2014
	£	£
Regulatory Activities	1,623,729	1,447,825
Website/EOL Development	5,112	1,278
Application Fees	15,200	20,900
Miscellaneous Income	2,121	3,314
	<u>1,646,162</u>	<u>1,473,317</u>
Turnover	1,646,162	1,473,317

2. Operating Surplus

Operating deficit is stated after (crediting)/charging:

a. Auditor's remuneration:

	2015	2014
	£	£
Audit of financial statements	9,840	9,800

b. Operating lease payments:

land and buildings	55,200	81,328
plant and equipment	3,259	3,346

3. Particulars of employees

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

	2015	2014
	No.	No.
Administrative staff	22	21
Senior Management	2	2
Directors	6	6
	<u>30</u>	<u>29</u>

Notes to the Financial Statements for the year ended 31 March 2015

The aggregate payroll costs of the above were:

	2015	2014
	£	£
Wages and salaries	923,307	892,526
Social security costs	93,409	93,580
Other pension costs	40,722	42,880
	<u>1,057,438</u>	<u>1,028,986</u>

The cost for the use of temporary staff during the year was £14,679 (2014: £28,320).

4. Directors' Emoluments

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

	2015	2014
	£	£
Emoluments receivable	191,994	190,078
Directors' pension contributions	18,560	22,529
	<u>210,554</u>	<u>212,607</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

	2015	2014
	£	£
Current tax:		
UK Corporation tax based on the results for the year	<u>2,309</u>	<u>2,848</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% (2014: 20%).

6. Tangible Fixed Assets

	Fixtures & Fittings £	Computer Equipment £	Total £
Cost:			
At 01 April 2014	55,544	235,206	290,750
Additions	2,254	10,814	13,068
Disposals	(822)	(418)	(1,240)
At 31 March 2015	<u>56,976</u>	<u>245,602</u>	<u>302,578</u>
Depreciation:			
At 01 April 2014	(54,376)	(155,429)	(209,805)
Charge for the year	(1,341)	(32,117)	(33,458)
Disposals	549	175	724
At 31 March 2015	<u>(55,168)</u>	<u>(187,371)</u>	<u>(242,539)</u>
Net Book Value:			
At 31 March 2015	<u>1,808</u>	<u>58,231</u>	<u>60,039</u>
At 31 March 2014	<u>1,168</u>	<u>79,777</u>	<u>80,945</u>

7. Investments

	Unlisted Investments £
Cost	
At 01 April 2014 and 31 March 2015	<u>2</u>
Net book value	
At 31 March 2015	<u>2</u>
At 31 March 2014	<u>2</u>

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

8. Debtors

	2015	2014
	£	£
Trade debtors	27,437	16,383
Prepayments and accrued income	44,373	15,638
	<u>71,810</u>	<u>32,021</u>

9. Other Creditors

	2015	2014
	£	£
Trade creditors	23,830	18,421
Corporation tax	2,309	2,848
Other taxation and social security	25,064	27,533
Pensions	29,620	32,105
Accruals	41,247	34,112
	<u>122,070</u>	<u>115,019</u>

10. Deferred Income

	2015	2014
	£	£
Amounts falling due within one year – Regulatory Activities	1,179,847	1,021,213
Total amounts falling due within one year	<u>1,179,847</u>	<u>1,021,213</u>
Amounts falling due over one year	288,151	304,437
	<u>1,467,998</u>	<u>1,325,650</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 contributes to pension funds established by its staff. The assets of the schemes chosen by staff members 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 £40,722 (2014: £42,880). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

12. Commitments under Operating Leases

At 31 March 2015, the Company had annual commitments under non-cancellable operating leases as set out below.

	2015		2014	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Operating leases which expire:				
Within 1 year	0	0	0	0
Within 2 to 5 years	55,200	3,211	52,200	3,211
	<u>55,200</u>	<u>3,211</u>	<u>52,200</u>	<u>3,211</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

	2015	2014
	£	£
At 1 April	899,457	865,258
Surplus from operations after tax	256,059	34,199
At 31 March	<u>1,155,516</u>	<u>899,457</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 and to support the cost of winding up of the LCF if the Government announces its closure.

15. Cash Flows

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

	2015	2014
	£	£
Operating Surplus	247,340	22,805
Depreciation	33,459	43,064
(Increase)/decrease in debtors	(39,789)	10,093
Increase in creditors	7,589	18,126
Increase/(decrease) in deferred income	142,347	(78,016)
Net cash outflow from operating activities	<u>390,946</u>	<u>16,072</u>

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

Returns on investment and servicing of finance

	2015	2014
	£	£
Interest receivable	11,545	14,242
Net cash inflow from returns on investments and servicing of finance	<u>11,545</u>	<u>14,242</u>

Taxation

	2015	2014
	£	£
Taxation	<u>(2,848)</u>	<u>(4,996)</u>

Capital expenditure

	2015	2014
	£	£
Payments to acquire tangible fixed assets	(13,068)	(36,427)
Receipts from the sale of fixed assets	0	0
Net cash inflow/(outflow) from capital expenditure	<u>(13,068)</u>	<u>(36,427)</u>

c Analysis of net funds

	At 1 April 2014	Cash flows	At 31 March 2015
Cash in hand and at bank	<u>2,227,158</u>	<u>386,575</u>	<u>2,613,733</u>

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 2015

	2015 £	2014 £
Turnover	1,646,162	1,473,317
Overheads		
Administrative expenses	(1,398,822)	(1,450,512)
	<hr/>	<hr/>
Operating Surplus	247,340	22,805
Interest receivable and similar income	11,545	14,242
Loss on fixed assets	(517)	0
	<hr/>	<hr/>
Surplus on Ordinary Activities Before Taxation	258,368	37,047
	<hr/> <hr/>	<hr/> <hr/>

Environmental Trust Scheme Regulatory Body Limited
Company Limited by Guarantee

Notes to the Detailed Income and Expenditure Account for the year ended
31 March 2015

	2015 £	2014 £
Administrative Expenses		
Personnel costs		
Directors salaries	191,994	190,078
Wages and salaries	731,313	703,031
Staff national insurance contributions	93,409	93,580
Staff pension contributions	40,722	42,880
Temporary Staff	14,679	28,320
	<u>1,072,117</u>	<u>1,057,889</u>
Establishment expenses		
Rent, rates and water	76,561	112,541
Light and heat	8,317	8,146
Insurance	15,158	13,490
Repairs and maintenance	10,123	12,249
	<u>110,159</u>	<u>146,426</u>
General Expenses		
Travelling expenses	51,837	55,463
Telephone	8,544	11,253
Computer costs	48,338	55,264
Software development	1,284	9,493
Communications	5,702	5,617
Hire of equipment	3,259	3,346
Stationery and postage	8,537	12,262
Staff training	6,955	14,911
Recruitment costs	3,178	10,620
EB - financial verification	193	167
Legal and professional fees	33,590	18,117
Auditor's remuneration	10,040	9,800
Depreciation	33,974	43,064
	<u>215,431</u>	<u>249,377</u>
Financial Costs		
Bank charges	1,632	1,473
	<u>1,632</u>	<u>1,473</u>
	<u>1,399,339</u>	<u>1,445,165</u>
Interest Receivable and Similar Income		
Sale of asset	0	0
Bank interest received	11,545	14,672
	<u>11,545</u>	<u>14,672</u>