ENTRUST

Environmental Trust Scheme Regulatory Body

Company Limited by Guarantee

Financial Statements for the year ended 31 March 2016

Directors

Dr A G Limb CBE, DL (Chair)
Mr C J Welford (Chief Executive)
Mrs A East
Mr J Carlton
Mr J McCracken
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

Band Hatton Button
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 2016.

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, run for the public benefit 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 the Company 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 five years from 1 April 2015.

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
- A levy paid by Environmental Bodies (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 funding bids to HMRC.

Due to changes in the payment profiles of a number of EBs, our income from the levy was £326,443 higher than our approved funding requirement. This surplus will be held in our reserves to audit out the potential closing of the Fund over a two-year period and to provide the funding to audit out the second year costs relating to the closed fund in Scotland.

This year we delivered eight out of nine of our Key Performance Indicators (KPIs) for the year set out in our 2015-2018 Corporate Plan. The one KPI not met was that three enrolments (out of 95) were made outside our five working days' standard. We undertook 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. The findings of these reviews are submitted to the Audit Committee for their consideration and comment. During the year, we carried out the following reviews, which demonstrated that overall we have good quality systems in operation for these areas:

- Human Resources;
- Health and Safety;
- Facilities Management;
- Regulations;
- Information Technology; and
- Governance.

On 25 November 2015, the Government announced its response to HMRC's consultation on the reform of the LCF. The response covered a number of changes including:

- Reducing record retention to six years;
- Limiting the requirement to monitor assets; and
- Removing the investment and administrative services Objects in the Regulations.

At HMRC's request we provided additional guidance on limiting administration costs of EBs to 7.5% of project expenditure and the 10% contributions of Landfill Operators to the scheme in addition to those contributions attracting tax credit.

In responding to the announcement that the Fund was to be reduced from 01 April 2016, we carried out a fundamental reduction in our organisational structure, which resulted in four posts being removed from our establishment. The reorganisation costs in making the posts redundant have been included in our 2015/2016 costs (See Note 4 to the Accounts).

From 01 April 2015, the Scottish Government assumed responsibility for landfill tax in Scotland and as a direct consequence, our income from Scotland fell as we commenced our two year run down of the Fund in Scotland. Year one has been successfully completed.

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.

The Board considers that our general reserves 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; and
- Legal fees provision to fund any future legal and/or judicial reviews or challenges.

For any period beginning on or after 1 April 2015 it became compulsory to adopt and prepare the financial statements in accordance with the Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. This standard requires that the financial statements are prepared as if FRS 102 had always been in existence, thus the date of transition was 1 April 2014.

Further details on the impact of this transition have been disclosed in note 19.

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, and alongside training videos on our website we have added other training resources during the year, that contribute to reducing the need for delegates to travel to training venues and reducing the carbon footprint of both ENTRUST and EBs;
- promote recycling of waste materials;
- have made available to all staff a Cycle to Work scheme; and
- re-cycle assets, including donating redundant IT equipment to charities.

Likely Future Developments

We continue to discuss with the Welsh Government the implications that 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.

Financial Results

The operating 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 £259,455 (2015: £215,350) and a surplus on ordinary activities after interest and taxation of £269,077 (2015: £224,586).

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 £74.1m (2015: £81.2m) and was £13.3m higher than the amount on which our levy would meet our operational expenditure, due to the change in the contribution payments from a number of EBs.

The amount we hold as deferred income stands at £1.46m, which is calculated to administer and regulate current projects to completion.

Directors and Guarantors

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

Dr A G Limb CBE, DL
Mr C J Welford (Chief Executive)
Mr W L Lifford (Retired 17 June 2015)
Mrs A East
Mr J Carlton
Mr J McCracken
Mr G McCormack (Appointed 1 April 2015)

No Directors held any interest in the Company. The Directors are the Guarantors of the Company, as referred to in Note 16 to the financial statements.

Board Committees

Audit Committee

The Committee advises the Board on the strategic processes for risk management, internal 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/G McCormack (Chair), Mr J Carlton and Dr A G Limb CBE DL.

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 human resources policies and procedures. The Committee met four times during the year. Committee membership comprises Mrs A East (Chair), Dr A G Limb CBE 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 as part of the annual formal review procedure and were approved by the Audit Committee on 9 March 2016. 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.

During the year Mr W L Lifford retired from the Board having served for seven years, as both a Board member and Chair of the Audit Committee. The Board thanks him for his significant contribution to the Company.

Mr G McCormack was appointed to the Board on 01 April 2015 and was appointed Chair of the Audit Committee on 17 June 2015.

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 produces a report on its 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 Board meeting as part of its review of our operational activities.

The review of our strategic risks undertaken 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 appropriately credit-rated banking counterparties to spread the risk of financial loss. The Company uses only basic financial instruments so its exposure to price risk and liquidity risk is not material for the assessment of the assets, liabilities, financial position and surplus or deficit of the Company.

By order of the Board.

C J Welford
Company Secretary
22 June 2016

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) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 surplus or deficit 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 2016, set out on pages 10 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 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, based on the work undertaken in the course of our audit, the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.

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: 22 June 2016

Statement of Income and Retained Earnings for the year ended 31 March

	Notes	**2016 £**	2015 £
Turnover	2	**1,736,982**	1,646,162
Administrative Expenses		**(1,477,527)**	(1,430,295)
Operating Surplus		**259,455**	215,867
Interest receivable and similar income		**12,027**	11,545
Loss on disposal of fixed assets		**0**	(517)
Surplus on ordinary activities before taxation		**271,482**	226,895
Taxation	7	**(2,405)**	(2,309)
Surplus on ordinary activities after taxation		**269,077**	224,586
Retained earnings at the beginning of the year		**1,116,652**	892,066
Surplus for the year		**269,077**	224,586
Retained earnings at the end of the year		**1,385,729**	1,116,652

All operations are continuing.

Statement of Financial Position as at 31 March

	Notes	**2016** **£**	2015 £
Fixed assets			
Property, Plant and Equipment	8	**2,933**	6,572
Intangible Assets	9	**23,843**	53,467
Financial Assets	10	**2**	2
		26,778	60,041
Current assets			
Debtors	11	**140,825**	71,810
Cash in hand and bank		**2,868,511**	2,613,733
		3,009,336	2,685,543
Creditors: Amounts falling due within one year			
Other creditors	12	**191,622**	160,934
Deferred income	13	**1,130,832**	1,179,847
		1,322,454	1,340,781
Net current assets		**1,686,882**	1,344,762
Total assets less current liabilities		**1,713,660**	1,404,803
Creditors: Amounts falling due over one year			
Deferred income	13	**327,931**	288,151
		1,385,729	1,116,652
Reserves			
Income account	17	**1,385,729**	1,116,652
Members' funds		**1,385,729**	1,116,652

The notes on pages 13 to 22 form part of these financial statements

These financial statements were approved by the Directors and authorised for issue on 22 June 2016, and are signed on their behalf by:

Dr A G Limb CBE, DL **Chair**	**Mr C J Welford** **Company Secretary**

Cash Flow Statement for the year ended 31 March

	2016	2015
	£	£
Cash flows from operating activities		
Profit for the financial year	269,077	224,585
Adjustments for:		
Depreciation of tangible fixed assets	3,639	5,694
Amortisation of intangible assets	29,624	28,280
Profit on sale of tangible fixed assets	0	(517)
Interest received	(12,027)	(11,545)
Taxation	2,405	2,309
Increase in debtors	(69,015)	(39,789)
Increase in creditors	30,593	39,065
(Decrease)/increase in deferred income	(9,235)	142,347
Cash from operations	**245,060**	**390,430**
Taxation paid	(2,309)	(2,848)
Net cash generated from operating activities	**242,751**	**387,582**
Cash flows from investing activities		
Proceeds from sale of equipment	0	517
Purchases of property, plant and equipment	0	(13,068)
Interest received	12,027	11,545
Net cash from investing activities	**12,027**	**(1,006)**
Cash flows from financing activities		
Net cash inflow from financing	**0**	**0**
Net increase in cash and cash equivalents	**254,778**	**386,576**
Cash and cash equivalents at the beginning of the year	2,613,733	2,227,157
Cash and cash equivalents at the end of the year	**2,868,511**	**2,613,733**

Company information

Environmental Trust Scheme Regulatory Body Limited (ENTRUST) regulates the Environmental Bodies (EBs) within the Landfill Communities Fund (LCF).

The company is a private limited company (registered number 03221000), run for the public benefit, which is incorporated and domiciled in the UK. The address of the registered office is 60 Holly Walk, Leamington Spa, Warwickshire, CV32 4JE.

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006.

Information on the impact of the adoption of FRS 102 is given in note 19.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 1).

For the purposes of FRS 102, the date of transition of ENTRUST was 1 April 2014.

The functional currency of ENTRUST is considered to be pounds Sterling because that is the currency of the primary economic environment in which the Company operates.

The following principal accounting policies have been applied.

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 notification of receipt of funds 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 recognised on receipt.

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 prepare group accounts.

Property, plant and equipment – depreciation

All tangible 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 over the life of the asset.

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

Intangible Assets – amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life.

Asset Type	Amortisation period
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 payable under operating leases are charged to the Statement of Income on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor.

Pension Costs

The Company has a designated stakeholder pension scheme into which it makes a 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 Statement of Income.

The staging date for ENTRUST in respect of changes introduced through the Pensions Act 2010 was 1 October 2015.

Liquid Resources

The Company makes use of short-term bank treasury deposits, which mature between one and twelve months.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price.

Financial Instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured initially and subsequently at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost or amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the Statement of Financial Position date.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in Statement of income, retained earnings or equity depending on the transaction that resulted in the tax expense (income).

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Statement of Financial Position date. If there is objective evidence of impairment, an impairment loss is recognised in Statement of Income as described below.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use.

1. Critical accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include the deferral period of income.

At the request of HMRC, a review was carried out in the year ended 31 March 2012 where the top 10 EBs' projects were appraised in depth, including the length of time between the EB's commitment to a project, obtaining approval, commencement of work and its completion. This study identified 24 months as the average period for the recognition of income.

This judgement is reviewed annually and the directors believe that the 24-months assumption remains appropriate.

2. 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:

	2016	2015
	£	£
Regulatory Activities	**1,722,224**	1,623,729
Website/EOL Development	**5,112**	5,112
Application Fees	**9,600**	15,200
Miscellaneous Income	**46**	2,121
Turnover	**1,736,982**	1,646,162

3. Operating Surplus

Operating deficit is stated after charging:

	2016	2015
	£	£
a. Auditor's remuneration		
Audit of financial statements	**9,560**	9,840
b. Operating lease payments:		
Land and Buildings	**55,200**	55,200
Plant and Equipment	**3,259**	3,259

4. Particulars of employees

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

	2016	2015
	No.	No.
Administrative	**14**	14
Management	**9**	10

Directors	**6**	6
	29	30

The aggregate payroll costs of the above were:

	2016	2015
	£	£
Wages and salaries	**996,161**	950,835
Social security costs	**99,163**	97,297
Other pension costs	**49,717**	40,779
	1,145,041	1,088,911

The cost for the use of temporary staff during the year was £5,701 (2015: £14,679).
The cost of accrued holiday pay for the year was £6,349 (2015: £31,474)
The cost of staff reorganisation and redundancy costs during the year was £38,977 (2015: £0).

5. Directors' Emoluments

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

	2016	2015
	£	£
Emoluments receivable	**203,436**	220,115
Director's pension contributions	**21,721**	18,560
	225,157	238,675

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

Defined contribution schemes	**1**	1

6. Key Management Remuneration

	2016	2015
	£	£
Key Management Personnel Remuneration	**658,735**	627,926
	658,735	627,926

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company and these include the Directors, Non-Executive Directors, Senior Managers and Managers.

7. Taxation on Ordinary Activities

	2016	2015
	£	£
Current tax:		
UK Corporation tax based on the results for the year	**2,405**	2,309

Corporation tax is chargeable only 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%) of interest receivable.

8. Property, plant and equipment

	Fixtures & Fittings	Computer Equipment	Total
	£	£	£
Cost:			
At 01 April 2015	56,976	97,482	**154,458**
Additions	0	0	**0**
Disposals	(0)	(0)	**(0)**
At 31 March 2016	56,976	97,482	**154,458**
Depreciation:			
At 01 April 2015	(55,168)	(92,718)	**(147,886)**
Charge for the year	(324)	(3,315)	**(3,639)**
Disposals	0	0	**0**
At 31 March 2016	(55,492)	(96,033)	**(151,525)**
Net Book Value:			
At 31 March 2016	1,484	1,449	**2,933**
At 31 March 2015	1,808	4,764	**6,572**

9. Intangible Assets

	Computer Software	Total
	£	£
Cost:		
At 01 April 2015	148,120	**148,120**
Additions	0	**0**
Disposals	(0)	**(0)**
At 31 March 2016	148,120	**148,120**
Depreciation:		
At 01 April 2015	(94,653)	**(94,653)**
Charge for the year	(29,624)	**(29,624)**
Disposals	0	**0**
At 31 March 2016	(124,277)	**(124,277)**
Net Book Value:		
At 31 March 2016	23,843	**23,843**
At 31 March 2015	53,467	**53,467**

10. Investments

	Unlisted Investments £
Cost:	
At 01 April 2015 and 31 March 2016	**2**
Net book value	
At 31 March 2016	**2**
At 31 March 2015	**2**

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

11. Debtors

No impairment losses were recognised against trade debtors in both 2016 and 2015.

	2016 **£**	2015 £
Trade debtors	**67,206**	13,637
Prepayments	**71,527**	43,293
Accrued income	**2,092**	14,880
	140,825	71,810

12. Other Creditors

	2016 **£**	2015 £
Trade creditors	**48,978**	23,830
Corporation tax	**2,405**	2,309
Other taxation and social security	**26,502**	25,064
Pensions	**38,472**	29,620
Accruals	**75,265**	80,111
	191,622	160,934

13. Deferred Income

	2016 **£**	2015 £
Regulatory Activities		
Amounts falling due within one year	**1,130,832**	1,179,847
Amounts falling due over one year	**327,931**	288,151
	1,458,763	1,467,998

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.

14. 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 £49,717 (2015: £40,779). As at 31 March 2016 the Company had outstanding contributions totalling £38,472 (2014: £29,620) and these are included in creditors.

15. Commitments under Operating Leases

At 31 March 2016, the Company had total future minimum lease payments under non-cancellable operating leases as set out below.

	2016		2015	
	Land and buildings	**Other**	Land and buildings	Other
	£	**£**	£	£
Operating leases which expire:				
Within 1 year	**55,200**	**3,259**	55,200	3,259
Within 2 to 5 years	**110,400**	**1,558**	165,600	4,769
	165,600	**4,817**	220,800	8,028

16. Company Limited by Guarantee

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

17. Reserves

	2016	2015
	£	£
	Total	Total
At 1 April	**1,116,652**	892,066
Surplus from operations after tax	**269,077**	224,586
At 31 March	**1,385,729**	1,116,652

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 the winding up of the LCF if the Government announces its closure.

18. Financial Instruments

	2016	2015
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	2,937,809	2,642,250
Financial liabilities		
Financial liabilities measured at amortised cost	(1,583,006)	(1,571,939)

Financial assets measured at amortised cost comprise of trade debtors, accrued income and cash.

Financial liabilities measured at amortised cost comprise of trade creditors and accruals.

19. Adoption of FRS 102

The date of transition was 1 April 2014.

Under FRS 102, ENTRUST has reserved for the holiday pay entitlement of employees as if this had always been the case. The effect has been to decrease the opening reserves at the date of transition from £899,457 to £892,065 and a decrease in the surplus during the comparative year by £31,473. Opening reserves at 01 April 2015 have therefore decreased by £38,866.

There were no other transition adjustments.

	31 Mar 15
Original profit reported	256,059
Transition adjustment	(31,473)
Revised profit reported	224,586

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

Detailed Income Statement for the year ended 31 March

	2016 **£**	2015 £
Turnover	**1,736,982**	1,646,162
Administrative Expenses	**(1,477,527)**	(1,430,295)
Operating Surplus	**259,455**	215,867
Interest receivable and similar income	**12,027**	11,545
Loss on disposal of fixed assets	**0**	(517)
Surplus on ordinary activities before taxation	**271,482**	226,895

Detailed Income Statement for the year ended 31 March

	2016 £	2015 £
Administrative Expenses		
Personnel costs		
Directors salaries	**203,436**	220,115
Wages and salaries	**792,725**	730,720
Staff national insurance contributions	**99,163**	97,297
Staff pension contributions	**49,717**	40,779
Temporary Staff	**5,701**	14,679
	1,150,742	1,103,590
Establishment expenses		
Rent, rates and water	**85,634**	76,561
Light and heat	**9,464**	8,317
Insurance	**14,163**	15,158
Repairs and maintenance	**10,176**	10,123
	119,437	110,159
General Expenses		
Travelling expenses	**54,080**	51,837
Telephone	**7,296**	8,544
Computer costs	**43,055**	48,338
Software development	**2,814**	1,284
Communications	**5,226**	5,702
Hire of equipment	**3,259**	3,259
Stationery and postage	**6,446**	8,537
Staff training	**12,362**	6,955
Recruitment costs	**13,679**	3,178
EB - financial verification	**124**	193
Legal and professional fees	**14,612**	33,590
Auditor's remuneration	**9,560**	10,040
Depreciation and amortisation	**33,263**	33,974
	205,776	215,431
Financial Costs		
Bank charges	**1,572**	1,632
	1,572	1,632
	1,477,527	1,430,812
Interest Receivable and Similar Income		
Sale of asset	**0**	0
Bank interest received	**12,027**	11,545
	12,027	11,545