



Environmental Trust Scheme Regulatory Body

Company Limited by Guarantee

**Financial Statements for the year ended
31 March 2017**

Directors' Report

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

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

Pannone Corporate
378-380 Deansgate
Manchester
M3 4LY

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 (ENTRUST/the Company) for the year ended 31 March 2017.

Principal Activity

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

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 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.

Our income for 2016/2017 from the levy was £15,758 higher than our approved funding requirement. However, while a portion of this surplus will be used to offset our future running costs, £7,180 has been allocated to meet a shortfall in the funding relating to our closure work in Scotland.

In 2016/2017, we delivered all of the Key Performance Indicators (KPIs) set out and agreed with HMRC in our 2016-2019 Corporate Plan. We also completed a number of quality assurance reviews, using the principles detailed 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 action.

Directors' Report

During the year, we carried out the following reviews, which provided the Audit Committee with independent empirical evidence regarding the quality of our operational frameworks, systems, procedures and policies:

- Compliance;
- Enforcement;
- Facilities Management;
- Governance;
- Health and Safety;
- Human Resources;
- Regulations; and
- Registrations.

In line with the National Cyber Security Centre's (NCSC) best practice (10 Steps to Cyber Security), we also completed a review of our Information Technology infrastructure and as part of this process we engaged an independent accredited organisation to undertake a review of our systems. Following this review, we became Cyber Security Certified.

In response to the Government's Reform of the LCF, we undertook a further review of our organisational structure and capability, which resulted in the removal of a further three posts from our establishment. The reorganisation costs in making these posts redundant were included in our 2016/2017 costs (See Note 6 to the Accounts).

Following the devolution of the Landfill Tax in Scotland on the 01 April 2015 to the Scottish Government, we successfully managed the closure of the Fund in Scotland. However, in carrying out this work we exceeded our estimate of the costs of this work by £7,180. To offset this additional cost, we used some of the additional funding that we received in the year, from a Scottish EB which had failed to make payments to ENTRUST in previous years.

ENTRUST's Board recognises that in undertaking our regulatory role, 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 will 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 to fund any future legal and/or judicial reviews or challenges.

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 in Wales, 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 £277,102 (2016: £259,455) and a surplus on ordinary activities after interest and taxation of £287,032 (2016: £269,077).

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. The amount we hold as deferred income stands at £1.11m.

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.

The actual level of qualifying contributions received by EBs in the year was £40.4m (2016: £74.1m) which was £1.1m higher than the agreed size of the Fund (£39.3m).

Directors' Report

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)
Mrs A East
Mr J Carlton
Mr J McCracken
Mr G McCormack

No Directors held any interest in the Company. The Directors are the Guarantors of the Company, as referred to in Note 18 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 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 four times during the last financial year. The Committee comprises all of the Directors.

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 last approved by the Audit Committee on 4 July 2017. 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.

Directors' Report

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 July.

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
4 July 2017

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;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

There have been no significant events affecting the Company since the year end.

This report was approved by the board on 4 July 2017 and signed on its behalf.



C J Welford
Company Secretary

We have audited the financial statements of Environmental Trust Scheme Regulatory Body for the year ended 31 March 2017, set out on pages 10 to 20. The financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 2017 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.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

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: 4 July 2017

Statement of Income and Retained Earnings for the year ended 31 March 2017

	<i>Notes</i>	2017 £	2016 £
Turnover	4	1,531,819	1,736,982
Administrative Expenses		<u>(1,254,717)</u>	<u>(1,477,527)</u>
Operating Surplus		277,102	259,455
Interest receivable and similar income		12,412	12,027
Surplus on ordinary activities before taxation		289,514	271,482
Taxation	9	(2,482)	(2,405)
Surplus on ordinary activities after taxation		<u>287,032</u>	<u>269,077</u>
Retained earnings at the beginning of the year		1,385,729	1,116,652
Surplus for the year		287,032	269,077
Retained earnings at the end of the year		<u>1,672,761</u>	<u>1,385,729</u>

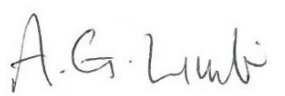
The notes on pages 13 to 20 for part of these financial statements.

Statement of Financial Position as at 31 March 2017

	Notes	2017 £	2016 £
Fixed assets			
Property, Plant and Equipment	10	1,150	2,933
Intangible Assets	11	15,479	23,843
Financial Assets	12	2	2
		<u>16,631</u>	<u>26,778</u>
Current assets			
Debtors	13	23,724	140,825
Cash in hand and bank		2,848,700	2,868,511
		<u>2,872,424</u>	<u>3,009,336</u>
Creditors: Amounts falling due within one year			
Other creditors	14	101,797	191,622
Deferred income	15	938,411	1,130,832
		<u>1,040,208</u>	<u>1,322,454</u>
Net current assets		<u>1,832,216</u>	<u>1,686,882</u>
Total assets less current liabilities		1,848,847	1,713,660
Creditors: Amounts falling due over one year			
Deferred income	15	176,086	327,931
		<u>1,672,761</u>	<u>1,385,729</u>
Reserves			
Retained earnings	19	1,672,761	1,385,729
		<u>1,672,761</u>	<u>1,385,729</u>

The notes on pages 13 to 20 form part of these financial statements

These financial statements were approved by the Directors and authorised for issue on 4 July 2017, 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 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	287,032	269,077
Adjustments for:		
Depreciation of tangible fixed assets	1,783	3,639
Amortisation of intangible assets	8,364	29,624
Interest received	(12,412)	(12,027)
Taxation	2,482	2,405
Decrease/(increase) in debtors	117,101	(69,015)
(Decrease)/increase in creditors	(89,908)	30,593
Decrease in deferred income	(344,266)	(9,235)
Cash (for)/from operations	(29,824)	245,060
Taxation paid	(2,399)	(2,309)
Net cash (used)/generated from operating activities	(32,223)	242,751
Cash flows from investing activities		
Interest received	12,412	12,027
Net cash from investing activities	12,412	12,027
Cash flows from financing activities		
Net cash inflow from financing	-	-
Net (decrease)/increase in cash and cash equivalents	(19,811)	254,778
Cash and cash equivalents at the beginning of the year	2,868,511	2,613,733
Cash and cash equivalents at the end of the year	2,848,700	2,868,511

1. Company information

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

The Company is a private company, limited by guarantee (registered number 03221000). ENTRUST is run for the public benefit and is incorporated in England and Wales. The address of the registered office is 60 Holly Walk, Leamington Spa, Warwickshire, CV32 4JE.

2. Accounting policies

2.1 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.

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 3).

The following principal accounting policies have been applied.

2.2 Turnover and Income Recognition

All income received through the levy charged on contributions provided for the administration and regulation of projects under the 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 classified as deferred.

Income received through the levy for non-administration or regulation purposes is recognised on receipt.

2.3 Consolidation

The Company and its subsidiary undertaking 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.

2.4 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

2.5 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

2.6 Liquid Resources

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

2.7 Debtors

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

2.8 Creditors

Short term trade creditors are measured at the transaction price.

2.9 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.

2.10 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.

3. 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.

4. Turnover

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

	2017	2016
	£	£
Regulatory Activities	1,525,719	1,722,224
Website/EOL Development	-	5,112
Application Fees	6,100	9,600
Miscellaneous Income	-	46
Turnover	<u>1,531,819</u>	<u>1,736,982</u>

5. Operating Surplus

Operating surplus is stated after charging:

	2017	2016
	£	£
a. Auditor's remuneration		
Audit of financial statements	9,880	9,560
b. Operating lease payments:		
Land and Buildings	55,200	55,200
Plant and Equipment	3,259	3,259

6. Particulars of employees

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

	2017	2016
	No.	No.
Administrative and operations	12	14
Management	7	9
Directors	6	6
	<u>25</u>	<u>29</u>

6. Particulars of employees (continued)

The aggregate payroll costs of the above were:

	2017	2016
	£	£
Wages and salaries	863,790	996,161
Social security costs	92,035	99,163
Other pension costs	17,491	49,717
	<u>973,316</u>	<u>1,145,041</u>

The cost for the use of temporary staff during the year was £690 (2016: £5,701).

The cost of accrued holiday pay for the year was £6,749 (2016: £6,349)

The cost of staff reorganisation and redundancy costs during the year was £37,659 (2016: £38,977).

7. Directors' Emoluments

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

	2017	2016
	£	£
Emoluments receivable	196,054	203,436
Director's pension contributions	-	21,721
	<u>196,054</u>	<u>225,157</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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8. Key Management Remuneration

	2017	2016
	£	£
Key Management Personnel Remuneration	578,735	658,735
	<u>578,735</u>	<u>658,735</u>

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, Senior Managers and Managers. The key management personnel costs are excluding employers NI costs.

9. Taxation on Ordinary Activities

	2017	2016
	£	£
Current tax:		
UK Corporation tax	<u>2,482</u>	<u>2,405</u>

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% (2016: 20%) of interest receivable.

10. Property, plant and equipment

	Fixtures & Fittings £	Computer Equipment £	Total £
Cost:			
At 1 April 2016 and 31 March 2017	<u>56,976</u>	<u>97,482</u>	<u>154,458</u>
Depreciation:			
At 1 April 2016	(55,492)	(96,033)	(151,525)
Charge for the year	(420)	(1,363)	(1,783)
At 31 March 2017	<u>(55,912)</u>	<u>(97,396)</u>	<u>(153,308)</u>
Net Book Value:			
At 31 March 2017	<u>1,064</u>	<u>86</u>	<u>1,150</u>
At 31 March 2016	<u>1,484</u>	<u>1,449</u>	<u>2,933</u>

11. Intangible Assets

	Computer Software £
Cost:	
At 1 April 2016 and 31 March 2017	<u>148,120</u>
Depreciation:	
At 1 April 2016	(124,277)
Charge for the year	(8,364)
At 31 March 2017	<u>(132,641)</u>
Net Book Value:	
At 31 March 2017	<u>15,479</u>
At 31 March 2016	<u>23,843</u>

12. Financial Assets

	Unlisted Investments £
Cost:	
At 1 April 2016 and 31 March 2017	<u><u>2</u></u>
Net book value	
At 31 March 2016 and 31 March 2017	<u><u>2</u></u>

The unlisted investment is in a wholly-owned subsidiary, ENTRUST Limited, a dormant Company. The address of the registered office is 60 Holly Walk, Leamington Spa, Warwickshire, CV32 4JE.

13. Debtors

No impairment losses were recognised against trade debtors in both 2017 and 2016.

	2017 £	2016 £
Trade debtors	10,807	67,206
Prepayments	9,534	71,527
Accrued income	3,383	2,092
	<u>23,724</u>	<u>140,825</u>

14. Other Creditors

	2017 £	2016 £
Trade creditors	4,166	48,978
Corporation tax	2,489	2,405
Other taxation and social security	46,505	26,502
Pensions	1,301	38,472
Accruals	47,336	75,265
	<u>101,797</u>	<u>191,622</u>

15. Deferred Income

	2017 £	2016 £
Regulatory Activities		
Amounts falling due within one year	938,411	1,130,832
Amounts falling due over one year	176,086	327,931
	<u>1,114,497</u>	<u>1,458,763</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.

16. Pensions

The Company contributes to pension funds established for 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 £17,491 (2016: £49,717). As at 31 March 2017 the Company had outstanding contributions totalling £1,301 (2016: £38,472) and these are included in creditors.

17. Commitments under Operating Leases

At 31 March 2017, the Company had total future minimum lease payments under non-cancellable operating leases as set out below.

	2017		2016	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Operating leases which expire:				
Within 1 year	55,200	851	55,200	3,259
Within 2 to 5 years	55,200	-	110,400	851
	<u>110,400</u>	<u>851</u>	<u>165,600</u>	<u>4,110</u>

18. Company Limited by Guarantee

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

19. Reserves

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 the ENTRUST/HMRC 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.

20. Financial Instruments

	2017	2016
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	2,862,890	2,937,809
Financial liabilities		
Financial liabilities measured at amortised cost	(52,803)	(163,715)

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

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

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 2017

	2017 £	2016 £
Turnover	1,531,819	1,736,982
Administrative Expenses	<u>(1,254,717)</u>	<u>(1,477,527)</u>
Operating Surplus	277,102	259,455
Interest receivable and similar income	12,412	12,027
Surplus on ordinary activities before taxation	<u>289,514</u>	<u>271,482</u>

Environmental Trust Scheme Regulatory Body
Company Limited by Guarantee
Detailed Income Statement for the year ended 31 March 2017

	2017	2016
	£	£
Administrative Expenses		
Personnel costs		
Directors salaries	196,054	203,436
Wages and salaries	667,736	792,725
Staff national insurance contributions	92,035	99,163
Staff pension contributions	17,491	49,717
Temporary Staff	690	5,701
	<u>974,006</u>	<u>1,150,742</u>
Establishment expenses		
Rent, rates and water	85,861	85,634
Light and heat	7,172	9,464
Insurance	14,165	14,163
Repairs and maintenance	11,079	10,176
	<u>118,277</u>	<u>119,437</u>
General Expenses		
Travelling expenses	38,171	54,080
Telephone	5,979	7,296
Computer costs	36,671	43,055
Software development	4,854	2,814
Communications	4,505	5,226
Hire of equipment	3,259	3,259
Stationery and postage	4,827	6,446
Staff training	3,602	12,362
Recruitment costs	10,007	13,679
EB - financial verification	68	124
Legal and professional fees	29,453	14,612
Auditor's remuneration	9,880	9,560
Depreciation and amortisation	10,147	33,263
	<u>161,423</u>	<u>205,776</u>
Financial Costs		
Bank charges	1,011	1,572
	<u>1,011</u>	<u>1,572</u>
	<u>1,254,717</u>	<u>1,477,527</u>
Interest Receivable and Similar Income		
Bank interest received	12,412	12,027
	<u>12,412</u>	<u>12,027</u>