



the coalfields
regeneration trust

THE COALFIELDS REGENERATION TRUST
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

CHARITY NUMBER 1074930
SCOTTISH CHARITY NUMBER SCO 39277
COMPANY NUMBER 03738566

THE COALFIELDS REGENERATION TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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A MESSAGE FROM OUR CHAIR

LINDA McAVAN
CHAIR



In 2022/23 the Coalfields Regeneration Trust (CRT) continued to play a critical role at the heart of former coalfield communities across Britain.

As the Cost of Living Crisis intensified the CRT helped 14,058 people to improve their financial situation and supported a further 5,681 people to tackle their debt problems.

The issues facing the former coalfields continue to impact on the life chances of many and demonstrate the continuing need for the Coalfields Regeneration Trust some examples include:

- The economic gap between the former coalfields and the rest of the UK doubled between 2004 and 2020.
- People living in the former coalfields have two additional years of poor health and die a year earlier than the UK average.
- One in three people in the former coalfields have no qualifications.

The CRT is tackling these deeply ingrained issues together with our members and partners. In 2022/23 we helped a total of 26,305 people improve their health and supported 1,602 people to increase their skills or enter employment.

As the CRT enters its twenty-fifth year in 2024, we are ensuring we are ready as an organisation to tackle current and future issues affecting the communities we serve. We intend to do this in the year ahead by:

- Using the Coalfield Communities APPG '*Next Steps in Levelling Up the Former Coalfields*' report as a guiding light to influence the CRT's new strategy for 2024-29.
- Completing our extensive Governance review led by our Board of Trustees and supported by our CEO and Senior Management Team.
- Expanding our self-sustaining industrial property model across all three nations to increase our financial sustainability and flexibility.

It has been an incredible honour to take on the role of Chair of the Coalfields Regeneration Trust this year. I would like to thank my predecessor Peter McNestry - the strength of the CRT today is a credit to his past work and has given us a strong foundation for the future.

Linda McAvan

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Report of the Trustees (incorporating the Strategic Report)

The Trustees are pleased to present their annual Trustees' report together with the consolidated financial statements of the charity and its subsidiaries for the year ended 31 March 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

The Trust was established in 1999 and has created partnerships, grant programmes and support networks, while offering practical advice and guidance, becoming a valued resource and lifeline to former mining communities throughout England, Wales and Scotland.

As the only organisation of its kind dedicated to supporting the lives of more than 5.7m people living within coalfield communities, with many of these people facing a continued struggle to secure jobs, retain business, encourage enterprise and maintain a good standard of living, the Trust creates a range of programmes which meet with the needs of these former mining towns and villages.

With limited resources the Trust has built on an impressive track record, continuing to place communities at the heart of everything it does, in order to:

- Stimulate action and community led regeneration;
- Build the capacity of individuals and voluntary, community and social enterprise organisations through skills development activities;
- Provide access to finance to voluntary, community and social enterprise organisations through grants and development funds;
- Provide practical assistance to voluntary, community and social enterprise organisations to develop assets, secure resources and become more enterprising;
- Collaborate with partners to win resources for coalfield communities; and
- Broker relationships at national, regional and local level to raise the profile of coalfield issues and work creatively to address them.

Where possible the Trust provides quick and practical responses, engaging with partners to deliver initiatives which have a real and lasting impact on these areas.

The Trustees confirm that they have referred to the guidance contained in the Charities Commission general guidance on public benefit when reviewing the charity's aims and objectives and future activities.

Fundraising

Across England, Wales and Scotland the Trust works in partnership with a number of Government agencies, local authorities, community partnerships and the voluntary sector.

The Trust does not undertake any fundraising activity or engage with any commercial fundraiser to undertake this activity on its behalf. Any funds received through occasional donations or gifts from individuals are unsolicited and are unconditional.

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Achievements & performance

THE TRUST'S WORK 2022-23

The Trust continues to deliver programmes of work across England, Scotland and Wales aligned to its strategic objectives and translated into community activities bespoke to each country to reflect local conditions.

CRT UK Social Value 2022/23

At the CRT our mission is to champion and strengthen coalfield communities, generate resources to respond to their needs and deliver programmes that make a positive and lasting difference.

2022/23 has continued to be a challenging year for former coalfield communities across the UK. Both the covid pandemic and the cost of living crisis have had huge consequences on our communities, who experience higher than average health inequalities and socio-economic deprivation. These create additional pressures on our communities and third sector support organisations, however, we have continued to see the resilience of coalfield communities who rise to meet these challenges with the support of the CRT's highly dedicated staff teams,

The figures below represent the social value delivered in our communities for the 2022/23 financial year both from our programme direct delivery and from our investment in community partners.

Value Insight Outcomes	Total Outcomes
HEALTH	
Number of adults gaining relief from anxiety or depression	333
Relief from being heavily burdened by debt	5681
Increased financial comfort	14058
Number of people members of a social group	4439
Number of people participating in a gardening group	23
Number of people increasing participation in physical activity	135
Number of people gaining good overall health	601
Frequent moderate exercise	782
Frequent mild exercise	79
People playing football	174
TOTAL HEALTH OUTCOMES	26305
SKILLS	
Number of people who regularly volunteer	1237
Number of participants provided with general job training	200
TOTAL SKILLS OUTCOMES	1437
EMPLOYMENT	
Number of people entering full time employment	110
Number of people entering part time employment	34
Number of jobs created	21
TOTAL EMPLOYMENT OUTCOMES	165
TOTAL PLANNED / ACHIEVED WELLBEING VALUE 2022/23*	£228,929,819**

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Key Performance Indicators	Total Achieved
Total number of Beneficiaries / Group Activity Participants (CRT Reach)	84333
CRT Engage Total Active Customers	267
Accredited Training Qualifications Achieved	251
Non Accredited Training Qualifications Achieved	29
General Skills Development Achieved	1872
Number of People with Improved Mental Wellbeing	4929
Number of People Participating in Healthy Lifestyle Activities	3954
VCSE Organisations Established	5
New Community Activities / Services	34
Total Number of CRT Support Members	570
CRT Member / VCSE Support Meetings Held	328
Value of CRT Support Member Grant Applications Supported	£3,597,830
Value of Funds Secured by CRT Support Members	£1,178,932
CRT Events / Workshops Delivered	63
VCSE Organisations Supported	421
VCSE Organisations Supported to Tackle Climate Change	14
Number of Community Action Plans Developed	5
Number of Community Facilities Supported ./ Created	51
Number of Asset Transfers Supported	25
External Grant Funding / Contract Income Secured (including £2.5m Macmillan grant over 5 years but excluding Scottish and Welsh government grant agreements)	£3,123,021

**CRT Support – CRT Grants outcomes and KPI's are planned reflecting the grant delivery period and validated on receipt of the end of grant monitoring report.*

***Wellbeing Valuation is the latest thinking in social impact measurement. Wellbeing Valuation allows you to measure the success of a social intervention by how much it increases people's wellbeing. To do this, the results of large national surveys are analysed to isolate the effect of a particular factor on a person's wellbeing. Analysis of income data then reveals the equivalent amount of money needed to increase someone's wellbeing by the same amount. The values are calculated through statistical analyses of four large national UK datasets that contain data on wellbeing and life circumstances:*

- *British Household Panel Survey (BHPS)*
- *Understanding Society*
- *The Crime Survey for England and Wales*
- *The Taking Part survey*

These datasets include people's responses to wellbeing questions, and questions on a large number of aspects and circumstances of their lives such as employment status, marital status, health status, whether they volunteer, whether they play sports, whether they live in a safe area, and so on, resulting in a wide range of values. The majority of values come from the BHPS which has been completed each year by more than 10,000 of the same individuals since 1991 and so incorporates over 20 years of panel data. The values are extremely robust due to the sheer vastness of these datasets and the methods in which they are derived.

These values have been derived by Daniel Fujiwara using the Wellbeing Valuation approach, which follows HM Treasury Green Book guidelines.

The CRT has used this social value methodology for a number of years and whilst it is not possible to use it for all our activities delivered, it is used across all three nations for some. The following link provides more information on the HACT measuring social impact and wellbeing valuation approach. <http://www.hact.org.uk/measuring-social-impact-community-investment-guide-using-wellbeing-valuation-approach>

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Financial review

The Trust had funding agreements in place with the Welsh and Scottish Governments to deliver programmes up to 31 March 2023.

The Trust received gift aid from its subsidiaries CRT Property Investments Limited and CRT Renewable Energy Limited of £2,393k and £39k respectively during the year to fund the Trust's operations and programmes in England.

The Board of Trustees awarded grants totalling £1,109k during the year.

Total income for the year amounted to £8,066k and expenditure totalled £7,800k. Net expenditure for the year after tax and investment adjustments stood at £4,809k.

The Trust's wholly owned trading subsidiaries performed as detailed below.

CRT Renewable Energy Limited delivers a Community Renewable Energy Investment Programme which benefits community buildings through reduced energy costs and provides a return for the Trust to reinvest in activities to meet its social objectives. The company sustained a loss before tax of £116k during the year.

CRT Property Investments Limited has purchased and developed investment properties which generate rental income. Investments made in properties based within the coalfield communities provide opportunities for businesses working in these former mining areas to access lower rental offices and manufacturing sites. In this way the company secures an ongoing income stream while at the same time supporting coalfield communities.

The company generated a pre-tax loss of £4,019k during the year following a £7,546k fair value reduction on investment properties.

The valuation of the portfolio fell 3.99% year on year between March 2022 and March 2023. This loss is a direct consequence of yield decompression in commercial real estate capital markets, stemming from the sharp increase in bond yields and interest rates since H2 2022, which has caused a negative correction in commercial property values across the investment market. The negative impact of yield decompression has in part been offset by the resilience of occupier demand within the industrial and logistics sector, where a shortage of supply has fuelled strong rental growth, particularly for Grade A space, which has been captured by the company through positive asset management including the pro-active settlement of rent reviews and quick re-letting of vacant space.

Overall, although the value performance is negative, the portfolio bias towards the industrial and logistics sector and the increasing focus on Grade A existing stock and new development, has delivered a result that has outperformed industry averages as published by MSCI which records an average fall in capital values across all sectors of 18.8% between March 2022 and March 2023.

The Trustees have reviewed the position of the defined benefit pension scheme and are of the opinion that there is no reliable measure or sufficient certainty of long term recoverability and have capped the asset at £nil. The actuarial loss on the scheme this year as a result totalled £2,989k.

CRT Trading Limited had no activity during the year.

CRT Community Enterprises Limited owns investment properties and sustained a pre-tax loss of £17k during the year.

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Investment policy

The Trust has invested funds in a portfolio consisting of:

- Property
- Asset backed investments such as renewable energy
- Low risk return liquid investments

The Trust seeks to produce the best financial return within an acceptable level of risk for the portfolio.

The investment objectives are as follows:

- Property 8%
- Asset backed investments such as renewable energy 5.4%
- Low risk return such as charity bond 1.5%

The above rates of return are the minimum net amounts calculated.

Some of the above investment portfolio will be funded directly to further the Trust's aims and social objectives and as such the yield from these purchases may be below the typical return expected from higher risk investments. This is justified by the anticipated social returns from this investment strategy.

There should be sufficient liquidity within the portfolio to meet anticipated cash flow requirements.

The Trust's cash balances should be deposited in sterling accounts with flexible access in institutions with a minimum A- rating.

Given the higher risk level elements that this portfolio could incur, the Trust will mitigate this by ensuring that the Trust's property assets and asset backed investments are spread widely to ensure the overall objectives are met.

A key risk to the long term sustainability of the Trust is inflation and the investment classes may need to be adjusted to mitigate this over a period of time.

To allow for this volatility the Trust will keep a minimum of £1m in cash or low risk liquid investments.

The Group holds funds with NatWest rated A+ by Fitch, A1 by Moody, and A by Standard & Poors and with Handelsbanken rated AA by Fitch, Aa2 by Moody, and AA- by Standard & Poors.

Risk statement

The Trustees have actively reviewed the major risks which the charity faces as an evolving organisation.

Risk priorities include the following:

- Financial risk including potential pension liabilities and consideration of accounting and reporting problems arising from new developments;
- Adequate internal controls to mitigate the risk of fraud and other irregularities;
- Political risk and in particular changes in Government policy and how the development of new programmes in England, Wales and Scotland may be affected;
- Grant making risk including consideration of outputs, outcomes and other targets and monitoring of third party service providers;
- Legal and regulatory risk including compliance with new and existing legislation;
- Organisational risk including integration of disaster recovery and prompt response to problems;

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- People risk, particularly the loss of key staff due to uncertainties about funding;
- Reputational risk including the possibility of public criticism as a result of unpopular funding decisions;
- Technological risks in particular the potential loss of the Head Office computer network; and
- Risks associated with fraud and fidelity, including the prevention of bribery in accordance with the Bribery Act 2010.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

Systems of internal control are based on the on-going process of identifying principal risks to the achievements of the Trust's policies, aims and objectives, to evaluate the nature and extent of those known risks and to manage them efficiently, effectively and economically.

The Trust has used its risk assessment matrix document as the basis for its internal audit programme. During the year internal audit has examined a combination of financial and operational areas. No fundamental weaknesses in systems and controls have been identified. However, there is an on-going process of reviewing and monitoring controls to ensure systems are continually updated and improved where practicable.

Based on our review of the risk register and internal audit reports combined with controls over the financial systems the Trustees are satisfied that systems are in place to mitigate our exposure to major known risks.

Going concern

The Trust's finances are feeling the strain of a high inflation and a high cost of borrowing economy.

Over the last 12 months we saw interest base rate rises from 0.75% to 4.25% and the cost of essential support services and consumables escalate

The Trust however, has a strong asset base and cash position. It is highly likely the Trust will operate in a deficit position over the next two to three years as it continues to support the most deprived communities it is here to serve through an incredibly challenging time.

CRT Property Investment Limited (our wholly owned subsidiary) continues to be the main source of funds via gift aid for the Trust's charitable activities in England and allow us to contribute to the funding received directly from the governments in Scotland and Wales

The Trust's strategy to support former mining communities is to continue to grow its asset base with the aim of generating positive returns and to continue to explore strategic partnerships that add real value to the needs of our communities

This will be achieved through strong budgetary control and governance arrangements.

Trustees, after reviewing cashflow forecasts prepared for a 12 month period after the date these financial statements are signed, have every confidence that there are not any material uncertainties, which cast significant doubt on the ability of the Trust to continue as a going concern.

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Reserves policy

The Trust holds financial reserves because:

- Given the nature of Government funding rounds, there is a need to ensure continuity of operations in Scotland and Wales;
- The Trust no longer receives Government funding in England so will use the profits generated by its subsidiary companies in this financial year to fund activities in England and to meet head office costs in the coming financial year;
- The Trust needs to be able to address potential future liabilities;
- The Trust needs to continue to be self-sustaining in the future; and
- To ensure the Trust continues to be a going concern.

The target free reserves is between six and twelve months activity across Scotland and Wales and twelve months activity in England.

The Trust and Trustees are comfortable it has sufficient reserves to meet this target.

At the year-end the Trust had total unrestricted funds of £43.3m. After deducting fixed assets of £58m, the Trust, under the SORP definition, the Trust had negative free reserves of £14.7m. However after adding back long term borrowings totalling £14.1m, the Trust had negative free reserves net of those directly attributable borrowings of £0.6m.

Plans for future periods

The Coalfields Regeneration Trust continues to make the case for further and sustained investment in the former coalfields. We are a key player facilitating the development of community capacity, by encouraging small voluntary, charitable and other organisations to expand their scope, build new partnerships and tackle more ambitious projects. We work in the heart and soul of coalfield communities, by investing resources, expertise and knowledge to ensure local people are able to fulfill their potential.

Our specific in-house programmes tackle key issues such as helping people into work, building skills and capacity and improving health.

The pandemic has brought to the fore the significant effects of health inequalities and we continue to work on introducing new innovative ways of addressing these issues with key partnership agencies.

With the continued support of the Scottish Government and Welsh Government we will continue as a British Trust serving the coalfield communities of England, Scotland and Wales.

Our strategic objectives are simple and respond directly to the evidenced problems. We are committed to changing the outlook for people in our communities and recognise that improved health, skills and employment prospects will greatly contribute to this aspiration.

Given the UK Government's commitment to levelling up we continue to pursue the creation of a new investment fund for the Coalfields of England of which the Trust would be a partner. It is the intention to use this fund to further enhance our successful model of the delivery of development investments in the form of new industrial commercial property, suitable for new and growing SME businesses in locations where growth is desperately needed.

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OUR STRATEGIC OBJECTIVES 2019-2024

To enable us to create opportunities for social and economic growth, deliver a positive lasting impact and ensure former mining communities are not disadvantaged by the legacy of the past the Trust will focus on the following strategic objectives:

1. Employment – the strategic goal will be to increase the number of people in work and create the conditions for new job opportunities in our communities.
2. Skills – grow the confidence and qualifications of our coalfields population
3. Health and wellbeing – improve the health outcomes for our coalfield population and increase the numbers of people taking part in healthy lifestyle activities.

The State of the Coalfields Report 2019* confirmed that in all of the above themes coalfield communities lag behind the United Kingdom averages and overall 42% of our communities are among the top 30% most deprived.

* https://www.coalfields-regen.org.uk/research_and_reports/state-of-the-coalfields-2019-report/

Structure, governance and management

Governing Document

The Coalfields Regeneration Trust is a charitable company limited by guarantee governed by its Memorandum and Articles of Association dated 7 March 2012. It is registered as a charity with the Charity Commission. The members of the Board are members of the Company and each agrees to contribute £1 in the event of the charity winding up.

Appointment of trustees

A board of up to 16 non-executive trustees, 13 of whom are elected by a simple majority of all the trustees entitled to attend and vote at any meeting of the Board and 3 nominated Trustees governs the Trust. One nominated Trustee may be appointed by the Secretary of State for the Department of Communities and Local Government (DCLG), one by the Minister for Housing and Communities in the Scottish Government and one by the Minister for Local Government and Communities in the Welsh Government (The Nominating Authorities).

New Trustees are chosen with a view to ensuring that the Board contains an appropriate balance of experience relevant to the requirements of the operations of the Trust and in line with the requirements of its Memorandum & Articles of Association.

Trustee induction and training

On appointment to the Trust Trustees receive:

- Job description; and
- Extensive background information including:
 - Annual reports
 - Statutory accounts
 - Recent Board minutes and
 - Code of Conduct for Trustees.

In addition, new Trustees benefit from 'on the job' training which results from Board and Committee meetings. Trustees also have regular contact with the principal officers of the Trust to ensure their

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knowledge of the Trust's work is comprehensive. Trustees are routinely asked if they have any training or information needs.

Activities in Scotland

Over the last 12 months CRT Scotland have delivered a number of programmes.

The Community Action team have been supporting 5 communities to develop and produce Local Place Plans and Community Action Plans.

The Community Investment Programme provided funding to 29 organisations.

Game On Scotland has increased the reach of the programme covering 11 venues in Fife, Clackmannanshire and Stirling. The programme now includes Game On Girls and Game On Active. CRT Sport Works partnership with Falkirk Football Foundation has delivered two ten week programmes in Falkirk and Stirling. This programme provides employability skills together with health and wellbeing activities. All 21 participants went on to positive destinations.

A property in Dalmellington, East Ayrshire was acquired and will be refurbished to create office space for rent to commercial and charitable organisations. The building will also provide essential services for the community such as Credit Union. Financial Advice and will host the local Development Trust.

A large number of free training courses have been delivered in our communities and also from our Training and Learning Hub in Kincardine. Courses delivered include Food Hygiene, SQA Award in Volunteering and First Aid.

Our Connecting Communities programme in East Ayrshire has been very successful with funding being levered in to a large number of organisations through the support provided by the Development Manager.

Organisation

The Board meets at least four times a year and delegates the day to day operation of the organisation to the principal officers who make up the Senior Management Team (SMT).

The Board delegates certain functions to Committees which regularly review their terms of reference to ensure they are fit for purpose. Any amendments require Board approval. There are currently five such Committees:

- **Audit and Risk Committee**
This committee ensures that the internal control system, including audit activities of the Trust and any of its subsidiaries are monitored actively, independently and objectively. It also provides a medium of direct communication for the Trust's auditors.
The Committee has a co-opted member with relevant financial expertise and qualifications.
- **General Purpose Committee**
This committee receives and considers reports from members of the Board of Trustees, from the Chief Executive as well as considering and approving employment policies and procedures and governance related matters. The committee also has responsibility for Discipline and Grievance procedures.
- **English, Welsh and Scottish Committees**
These committees may approve grant aid to an applicant to a maximum value of £10,000.

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The committees may draw up schedules of recommendation for approval or rejection in respect of all grant applications of £10,000 or more for presentation to the full Board of Trustees for final decision.

Pay policy for senior staff

The pay of senior staff is reviewed annually and is increased at the same rate as all other employees of the Trust.

No trustee receives remuneration or any other benefit from their work with the Trust.

Related parties

The following Trustees are also Trustees of The Community Legacy Trust:

Peter McNestry
Nicolas Wilson

The following Trustees are directors of CRT Trading Limited:

Peter McNestry (resigned 10/5/23)
Michael Clapham
Linda Rutter

The following Trustees are directors of CRT Renewable Energy Limited:

Dawn Davies (resigned 4/9/23)
Nicolas Wilson

The following Trustees are directors of CRT Property Investments Limited:

Nicolas Wilson
Wayne Thomas
Keith Cunliffe

The following Trustees are directors of CRT Community Enterprises Limited:

Nicolas Wilson
Keith Cunliffe

Auditor

The company's articles require annual reappointment of the auditors. BHP LLP were appointed in the year and have expressed willingness to continue in office. In accordance with S485(4) of the Companies Act 2006 a resolution to reappoint BHP LLP as auditors will be proposed at the Annual General Meeting.

Reference and administrative details

Charity number:	1074930
Scottish Charity number:	SCO 39277
Company number:	03738566
Registered Office:	1 Waterside Park, Valley Way, Wombwell, Barnsley, South Yorkshire, S73 0BB

Website:	www.coalfields-regen.org.uk
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Advisers

Auditor	BHP LLP	Chartered Accountants & Statutory Auditor, 2 Rutland Park, Sheffield S10 2PD
Bankers	NatWest Handelsbanken	12 High St., Doncaster, DN1 1ED Unit G, First Floor, The Point, Bradmarsh Way, Rotherham S60 1BP
Solicitor	Andrew Uprichard	1 Alexandra Rd, Buxton, Derbyshire, SK17 9NQ

Public benefit

The Trust, established in 1999, is dedicated to improving the quality of life for people living in Britain's coalfield communities. Our mission is to lead the way in coalfields regeneration and to restore healthy, prosperous and sustainable communities.

The Trust is about giving people aspirations, talking about the long term and making coalfield communities sustainable so they can be prosperous without our support. This all needs commitment and we at the Trust stand by our communities to help them to achieve their goals.

The principal activity is the promotion for the public benefit of urban or rural regeneration in areas of social and economic deprivation in the coalfield areas in England, Scotland and Wales.

Directors and trustees

The directors of the charitable company are its Trustees for the purpose of charity law.

The trustees and officers serving during the year were as follows:

Directors:

Peter McNestry M.B.E. (Chair) (resigned 10/05/23)
Nicolas Wilson (Vice Chair)
Wayne Thomas
Dawn Davies (resigned 4/09/23)
Michael Clapham
Robert Young
Trudie McGuinness
Nicky Stubbs
Keith Cunliffe
Judith Kirton-Darling (resigned 31/07/23)
Linda Rutter
Linda McAvan (Chair) (appointed 02/11/22)
Joan Dixon (appointed 10/05/23)
Jon Miles (appointed 10/05/23)
Robin Simmons (appointed 10/05/23)

Secretary:

Teresa Jones

Principal officers:

Gary Ellis	Chief Executive
Andy Lock	Head of Operations (England) & Deputy Chief Executive
Michelle Rowson-Woods	Head of Operations (Wales)
Stuart Douglas	Head of Operations (Scotland) (resigned 30/06/22)
Pauline Grandison	Head of Operations (Scotland) (appointed 1/7/22)
Shaun O'Brien	Property Investment & Development Director

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Trustees' responsibilities statement

The Trustees (who are also directors of the Coalfields Regeneration Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the Trustees 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company/group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles set out in the Charities SORP (FRS 102);
- make judgments and accounting 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 group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed. The Trustees are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In approving the Report of the Trustees, the Trustees are also approving the Strategic Report in their capacity as company directors.

On behalf of the Board of Trustees



Linda McAvan (Chair)

Date: 8 November 2023

Independent auditor's report to the members and trustees of The Coalfields Regeneration Trust

Opinion

We have audited the financial statements of The Coalfields Regeneration Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the Consolidated and Charity Statements of Financial Activities (including the Consolidated and Charity Statements of Income and Expenditure), the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2023 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent company's income and expenditure 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Trustees (incorporating the Strategic Report), other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**Independent auditor's report to the members and trustees of
The Coalfields Regeneration Trust**

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report, prepared for the purposes of company law, included in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [https:// www.frc.org.uk/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect

**Independent auditor's report to the members and trustees of
The Coalfields Regeneration Trust**

of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We gained an understanding of the legal and regulatory framework applicable to the group and parent charitable company and the sector in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations, relevant to the group and parent charitable company, which could give rise to a material misstatement in the financial statements. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management, review of minutes and legal expenses. There are inherent limitations in the audit procedures described and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

Use of our report

This report is made solely to the charitable company's members and trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006, Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 charitable company and its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BHP LLP

**Laura Masheder (Senior Statutory Auditor)
For and on behalf of BHP LLP**

Chartered Accountants
Statutory Auditor

BHP LLP
2 Rutland Park
Sheffield
S10 2PD

Date: **13 December 2023**

THE COALFIELDS REGENERATION TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The Coalfields Regeneration Trust
Consolidated Statement of Financial Activities
(including consolidated income and expenditure account)
for year ending 31 March 2023

		Unrestricted General Funds 2023 £'000	Unrestricted Pensions Funds 2023 £'000	Total Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Total Funds 2023 £'000	As restated Total Funds 2022 £'000
	Note						
Income from:							
Donations and legacies	4	22	-	22	1,546	1,568	1,297
Charitable activities	5	-	-	-	539	539	776
Other trading activities	6	75	-	75	-	75	112
Investments	7	5,784	100	5,884	-	5,884	3,781
Other income		-	-	-	-	-	33
Total		5,881	100	5,981	2,085	8,066	5,999
Expenditure on:							
Charitable activities	8	2,213	64	2,277	1,773	4,050	4,234
Trading activities	11	2,008	-	2,008	-	2,008	1,731
Total		4,221	64	4,285	1,773	6,058	5,965
Net (losses) / gains on investments	17	(7,546)	-	(7,546)	-	(7,546)	8,242
Net (expenditure) / income before tax		(5,884)	36	(5,848)	312	(5,536)	8,276
Tax credit / (charge)	20	725	-	725	-	725	(1,363)
Net (expenditure) / income for the year		(5,159)	36	(5,123)	312	(4,811)	6,913
Transfers between funds		-	-	-			-
Actuarial (losses) / gains on defined benefit pension schemes (including restriction on pension asset)	21	-	(2,989)	(2,989)	-	(2,989)	2,182
Net movement in funds		(5,159)	(2,953)	(8,112)	312	(7,800)	9,095
Reconciliation of funds:							
Total funds brought forward	22/23	48,430	2,953	51,383	56	51,439	42,344
Total funds carried forward		43,271	-	43,271	368	43,639	51,439

All income and expenditure derive from continuing activities.

The Statement of Financial Activities complies with the requirements for an income and expenditure account under the Companies Act 2006 and includes all gains and losses recognised in the year.

The notes on pages 21 to 43 form part of these accounts.

THE COALFIELDS REGENERATION TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The Coalfields Regeneration Trust
Charity Statement of Financial Activities
(including income and expenditure account)
for year ending 31 March 2023

		Unrestricted General Funds 2023 £'000	Unrestricted Pensions Funds 2023 £'000	Total Unrestricted Funds 2023 £'000	Restricted Funds 2023 £'000	Total Funds 2023 £'000	As restated Total Funds 2022 £'000
Income from:	Note						
Donations and legacies	4	2,455	-	2,455	1,546	4,001	3,623
Charitable activities	5	114	-	114	539	653	889
Investments	7	387	100	487	-	487	406
Other income		-	-	-	-	-	33
Total		2,956	100	3,056	2,085	5,141	4,951
Expenditure on:							
Charitable activities	8	2,348	64	2,412	1,773	4,185	4,234
Total		2,348	64	2,412	1,773	4,185	4,234
Impairment loss on investments	16	(590)	-	(590)	-	(590)	-
Net income / (expenditure)		18	36	54	312	366	717
Transfers between funds		-	-	-	-	-	-
Actuarial (losses) / gains on defined benefit pension schemes (including restriction on pension asset)	21	-	(2,989)	(2,989)	-	(2,989)	2,182
Net movement in funds		18	(2,953)	(2,935)	312	(2,623)	2,899
Reconciliation of funds:							
Total funds brought forward	22/23	38,254	2,953	41,207	56	41,263	38,364
Total funds carried forward		38,272	-	38,272	368	38,640	41,263

All income and expenditure derive from continuing activities.

The Statement of Financial Activities complies with the requirements for an income and expenditure account under the Companies Act 2006 and includes all gains and losses recognised in the year.

The notes on pages 21 to 43 form part of these accounts.

THE COALFIELDS REGENERATION TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The Coalfields Regeneration Trust
Consolidated and Charity Balance Sheet
As at 31 March 2023

	Note	Group 2023 £'000	As restated Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Fixed assets:					
Tangible assets	15	1,582	5,160	861	404
Investments	16	56,460	58,805	15,993	16,566
Total fixed assets		58,042	63,965	16,854	16,970
Current assets:					
Debtors	17	1,320	1,140	17,189	16,845
Cash at bank and in hand		7,749	7,429	5,492	5,324
Total current assets		9,069	8,569	22,681	22,169
Liabilities:					
Creditors: Amounts falling due within one year	18	(7,837)	(6,309)	(895)	(829)
Net current (liabilities) / assets		1,230	2,260	21,926	21,340
Total assets less current liabilities		59,274	66,225	38,640	38,310
Creditors: Amounts falling due after more than one year	19	(14,100)	(15,479)	-	-
Provisions					
Deferred tax liability	20	(1,535)	(2,260)	-	-
Net assets excluding pension asset		43,639	48,486	38,640	38,310
Defined benefit pension scheme asset	21	-	2,953	-	2,953
Total net assets		43,639	51,439	38,640	41,263
The funds of the charity:					
Unrestricted funds		43,271	51,383	38,272	41,207
Restricted funds		368	56	368	56
Total charity funds	22/23	43,639	51,439	38,640	41,263

Approved by the Board of Trustees on 8 November 2023



Linda McAvan

Chair of trustees on behalf of the trustees

Company number: 03738566

The notes on pages 21 to 43 form part of these accounts.

THE COALFIELDS REGENERATION TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The Coalfields Regeneration Trust
Consolidated Statement of Cash Flows
For year ending 31 March 2023

	Group	As restated Group
	2023	2022
	£'000	£'000
Cash flows from operating activities:		
Net cash used in operating activities	(4,211)	(3,030)
Cash flows from investing activities:		
Rents from investments	5,766	3,739
Interest receivable	18	12
Proceeds from sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	(2,789)	(3,528)
Proceeds from sale of investments	1,571	534
Purchase of investments	(35)	(3,963)
Net cash provided by / (used in) investing activities	4,531	(3,206)
Cash flows from financing activities:		
Cash inflows from new borrowing	-	6,500
Net cash provided by financing activities	-	6,500
Change in cash and cash equivalents in the year	320	264
Cash and cash equivalents at the beginning of the year	7,429	7,165
Cash and cash equivalents at the end of the year	7,749	7,429

Notes to the consolidated cash flow statement

a) Reconciliation of net income to net cash flow from operating activities

Net (expenditure) / income for the year	(4,811)	6,913
Depreciation charges	66	66
Impairment of tangible fixed assets	38	-
Losses / (gains) on investments	7,544	(8,242)
Loss on investment disposals	39	11
Rental income	(5,766)	(3,739)
Interest receivable	(18)	(12)
(Increase) / decrease in debtors	(180)	(183)
Increase/(decrease) in creditors	(362)	760
(Decrease)/increase in provisions	(725)	1,362
Pension adjustment – contributions paid	(36)	34
Net cash used in operating activities	(4,211)	(3,030)

The notes on pages 21 to 43 form part of these accounts.

THE COALFIELDS REGENERATION TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Notes on the accounts

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Coalfields Regeneration Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The Charitable company has taken advantage of the exemption allowed under section 7 of FRS102 and has not presented its own Statement of Cash Flows in these financial statements.

The financial statements are presented in pound sterling and in round thousands (£'000's).

Preparation of accounts on a going concern basis

After making enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date that the financial statements are signed. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Going concern

The Trust's finances are feeling the strain of a high inflation and a high cost of borrowing economy.

Over the last 12 months we saw interest base rate rises from 0.75% to 4.25% and the cost of essential support services and consumables escalate

The Trust however, has a strong asset base and cash position. It is highly likely the Trust will operate in a deficit position over the next two to three years as it continues to support the most deprived communities it is here to serve through an incredibly challenging time.

CRT Property Investment Limited (our wholly owned subsidiary) continues to be the main source of funds via gift aid for the Trust's charitable activities in England and allow us to contribute to the funding received directly from the governments in Scotland and Wales

The Trust's strategy to support former mining communities is to continue to grow its asset base with the aim of generating positive returns and to continue to explore strategic partnerships that add real value to the needs of our communities

This will be achieved through strong budgetary control and governance arrangements.

Trustees, after reviewing cashflow forecasts prepared for a 12 month period after the date these financial statements are signed, have every confidence that there are not any material uncertainties, which cast significant doubt on the ability of the Trust to continue as a going concern.

THE COALFIELDS REGENERATION TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Basis of consolidation

The financial statements consolidate the results of the charity, its wholly owned subsidiaries CRT Trading Limited, CRT Renewable Energy Limited, CRT Property Investments Limited and CRT Community Enterprises Limited on a line-by-line basis. The subsidiary, The Community Legacy Trust, has not been consolidated on the basis that it was dormant in the year.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grant have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of provision of a specified service is deferred until the criteria for income recognition is met.

Rental income from investment property is recognised straight line over the lease.

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and the economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the banks.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity.

Designated funds are unrestricted funds which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are solely to be used for particular areas of the trust's work or for specific projects being undertaken by the trust.

THE COALFIELDS REGENERATION TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the charity and associated support costs.
- Other expenditure comprises the costs of commercial trading and associated support costs and those items not falling into any other heading.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity. The charity does not offer multi year grants.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include shared services, finance, IT, quality and governance which support the Trust's programmes and activities. These costs have been allocated between costs of raising funds and expenditure on charitable activities and are shown in note 8.

Operating leases

Operating lease rentals are charged on a straight line basis over the term of the lease.

Taxation

The company is considered to pass the tests set out in Sch. 6, para. 1 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Pt. 11, Ch. 3 of the Corporation Tax Act 2010 or s. 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Assets costing £2,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Freehold property	2% straight line
IT Equipment	33% straight line
Office equipment, furniture, fixtures & fittings	20% straight line
Solar panels	4% straight line
Biomass boiler & wind turbine	5% straight line

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

THE COALFIELDS REGENERATION TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Investments

Investment properties are valued annually and any surplus or deficit recognised in the year with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

Unlisted investments are stated at cost less any provision for diminution in value.

Debtors

Debtors are recognised at their expected recoverable amount.

Cash and cash equivalents

Cash at bank and in hand includes any short term, highly liquid investments requiring less than three months' notice.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The trust only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are measured at amortised cost using the effective interest method.

Pensions

Multi-employer defined benefit:

Existing employees of the charity were entitled to join the West Yorkshire Pension Fund (WYPF) which is funded by contributions from employee and employer or alternatively they may have opted to join the group stakeholder pension scheme operated by Scottish Widows which is funded by defined contributions from employee and employer.

Since 1 January 2008 new employees are only able to join the stakeholder scheme and cannot join the WYPF.

From 1 January 2015 new and existing employees who are not in the WYPF or Scottish Widows scheme are automatically enrolled into the National Employment Savings Trust (NEST) unless they have exercised their right to opt out of scheme's membership.

The WYPF is part of the Local Government Pension Fund (LGPF) which is a multi-employer funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme.

Defined contribution:

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Concessionary loans

An intercompany loan between The Coalfields Regeneration Trust and CRT Renewable Energy Limited is treated as a concessionary loan. They are initially recognised as a loan at the amount

THE COALFIELDS REGENERATION TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

received and any impairment loss is recognised in income and expenditure. No interest is accrued on this loan.

Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Legal status of the Trust

The Trust is a company limited by guarantee, incorporated in England and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The directors made the following judgements and estimates in preparing the financial statements.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors which include the ageing of the debtors and historical experience.

Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual value of the assets. These are re-assessed annually and are amended when necessary to reflect current estimates, based on technological advancement, economic utilisation and physical condition of the assets.

Investment property valuations

The investment properties were valued at 31 March 2023 by BNP Paribas Real Estate, an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued. The properties have been valued on the basis of open market value in accordance with the Appraisal and Valuation Manual of The Royal Institute of Chartered Surveyors

THE COALFIELDS REGENERATION TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Defined Benefit Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 March 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

4 Income from donations

	Group Unrestricted 2023 £'000	Group Restricted 2023 £'000	Group Unrestricted 2022 £000	Group Restricted 2022 £'000	Charity Unrestricted 2023 £'000	Charity Restricted 2023 £'000	Charity Unrestricted 2022 £'000	Charity Restricted 2022 £'000
Government Grants	-	1,224	-	1,205	-	1,224	-	1,205
Donations	22	322	-	92	22	322	-	92
Gift aid donations	-	-	-	-	2,433	-	2,326	-
	22	1,546	-	1,297	2,455	1,546	2,326	1,297

5 Income from charitable activities

	Group Unrestricted 2023 £'000	Group Restricted 2023 £'000	Group Unrestricted 2022 £'000	Group Restricted 2022 £'000	Charity Unrestricted 2023 £'000	Charity Restricted 2023 £'000	Charity Unrestricted 2022 £'000	Charity Restricted 2022 £'000
Contracts and Service Level Agreements	-	539	-	776	-	539	-	776
Management charges	-	-	-	-	114	-	113	-
	-	539	-	776	114	539	113	776

6 Income from other trading activities

	Group Unrestricted 2023 £'000	Group Unrestricted 2022 £'000	Charity Unrestricted 2023 £'000	Charity Unrestricted 2022 £'000
Renewable energy	75	112	-	-
	75	112	-	-

THE COALFIELDS REGENERATION TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

7 Income from investments

	Group Unrestricted 2023 £'000	Group Unrestricted 2022 £'000	Charity Unrestricted 2023 £'000	Charity Unrestricted 2022 £'000
Bank interest	18	-	12	-
Finance income	-	-	375	364
Property Income	5,766	3,739	-	-
Pension reserve income	100	42	100	42
	5,884	3,781	487	406

All income from investments in the current and previous year is unrestricted.

8 Expenditure on charitable activities

Current year

	Group Unrestricted 2023 £'000	Charity Unrestricted 2023 £'000	Group & Charity Unrestricted Pension Fund 2023 £'000	Group & Charity Restricted 2023 £'000	Group Total 2023 £'000	Charity Total 2023 £'000
Grant making:						
Grants approved (note 9)	641	641	-	468	1,109	1,109
Staff costs	66	66	-	119	185	185
Other overheads	20	20	-	32	52	52
Governance	54	54	-	5	59	59
General support	285	285	-	27	312	312
	1,066	1,066	-	651	1,717	1,717
Community Support:						
Programme costs	216	216	-	141	357	357
Staff costs	388	388	-	808	1,196	1,196
Other overheads	173	188	-	118	291	306
Governance	59	59	-	9	68	68
General support	311	311	-	46	357	357
Pension	-	-	64	-	64	64
	1,147	1,162	64	1,122	2,333	2,348
Exceptional group debt provision	-	120	-	-	-	120
Total	2,213	2,438	64	1,773	4,050	4,185

As at 31 March 2023, the charity provided £120,00 (2022: £nil) against a balance due from CRT Community Enterprises Limited. This is an exceptional cost to the charity which consolidates out in the group figures.

THE COALFIELDS REGENERATION TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

8 Expenditure on charitable activities (continued)

Previous year

	Group Unrestricted	Charity Unrestricted	Group & Charity Unrestricted Pension Fund	Group & Charity Restricted	Group Total	Charity Total
	2022 £'000	2022 £'000	2022 £'000	2022 £'000	2022 £'000	2022 £'000
Grant making:						
Grants approved	785	785	-	656	1,441	1,441
Staff costs	90	90	-	168	258	258
Other overheads	52	52	-	54	106	106
Governance	67	67	-	3	70	70
General support	411	411	-	18	429	429
	1,405	1,405	-	899	2,304	2,304
Community Support						
Programme costs	50	50	-	329	379	379
Staff costs	330	330	-	703	1,033	1,033
Other overheads	81	81	-	97	178	178
Governance	33	33	-	4	37	37
General support	205	205	-	22	227	227
Pension	-	-	76	-	76	76
	699	699	76	1,155	1,930	1,930
Total	2,104	2,104	76	2,054	4,234	4,234

THE COALFIELDS REGENERATION TRUST
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9 Analysis of grants

An analysis of the grants committed to and paid during the year was as follows:

Grantee	Accrual brought forward £'000	Payment conditions now met and committed to in 2023 £'000	Paid during 2023 £'000	Cancelled/ adjusted 2023 £'000	Accrual carried forward £'000
<u>England:</u>					
Aylesham and District Community Workshop Trust	-	30	(30)	-	-
Blyth Resource & Initiative Centre	-	10	(10)	-	-
Broxtowe Women's Project Ltd	-	10	(10)	-	-
Sangini	-	10	(10)	-	-
Limestone House Ltd	-	10	(10)	-	-
Trinity Mission Castleford	-	10	(10)	-	-
Acumen Community Buildings Ltd	-	10	(10)	-	-
True Colours Inclusive CIC	-	10	(10)	-	-
Rhubarb Farm CIC	-	10	(10)	-	-
Barnsley Young Men's Christian Assoc.	-	10	(10)	-	-
Helping Angels Charitable Assoc.	-	10	(10)	-	-
Horden Centennial Centre	-	10	(10)	-	-
Titans Community Foundation	-	10	(10)	-	-
The Social Action Hub	-	10	(10)	-	-
Community Furniture Store Ltd	-	10	(10)	-	-
Active Regen Community Foundation Ltd	-	10	(10)	-	-
Other grants under £10k	13	495	(470)	(30)	8
<u>Scotland:</u>					
School for Social Entrepreneurs	-	102	(61)	-	41
The Zone	-	60	(30)	-	30
The Imagination Library	-	40	-	-	40
Events Coordinator	-	19	-	-	19
Game on Sports Coach	-	11	-	-	11
Other grants under £10k	210	98	(221)	(15)	72
<u>Wales:</u>					
Other grants under £10k	53	164	(196)	(15)	6
Total	276	1,169	(1,158)	(60)	227

There were 295 grants approved in the year totalling £1,109k.

All grant approvals are intended to support the regeneration of coalfield communities and contribute towards the implementation plans agreed with the Trust's principle funders.

Grants are approved under our social investment templates to contribute to the Trust's strategic objectives.

THE COALFIELDS REGENERATION TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

10 Analysis of governance and general support costs

	2023	2023	2023	2022
	Governance	General support costs	Total	Total
	£'000	£'000	£'000	
Staff costs	67	343	410	327
Legal and professional fees	-	66	66	109
Audit	32	-	32	25
Trustee costs	12	-	12	5
IT	2	72	74	68
Marketing	-	64	64	95
Insurance	-	17	17	21
Depreciation	-	10	10	10
Other	14	97	111	103
	127	669	796	763
Total 2022	107	656	763	

11 Expenditure on trading activities

	Group	As restated Group	Charity	Charity
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
CRT Property Investment costs	1,839	1,500	-	-
CRT Community Enterprise costs	17	102	-	-
CRT Renewable Energy costs	152	129	-	-
CRT Trading costs	-	-	-	-
Total	2,008	1,731	-	-

12 Net income / (expenditure) for the year

This is stated after charging:

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Depreciation	66	66	10	10
Loss on disposal of fixed assets	39	11	-	-
Bank interest payable	995	410	-	-
Auditor's remuneration:				
Audit fee	56	44	32	25
Non-audit	9	12	2	5

THE COALFIELDS REGENERATION TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

13 Analysis of staff costs, trustee remuneration and expenses and the costs of key management personnel

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Salaries	1,680	1,522	1,523	1,381
Social security costs	187	160	166	142
Pension costs – defined contribution schemes	76	69	67	60
Pension costs – defined benefit scheme	35	35	35	35
	1,978	1,786	1,791	1,618
Other benefits	26	28	13	12
	2,004	1,814	1,804	1,630

Unpaid pension costs at the year end totalled £18k (2022: £17k).

There were 3 employees (Charity: 2 employees) whose total employee benefits (excluding employer pension costs) exceeded £60,000 in the following ranges (2022: 3 Charity: 2).

	Group 2023	Group 2022	Charity 2023	Charity 2022
£60,000 - £70,000	1	1	1	1
£70,001 - £80,000	-	-	-	-
£80,001 - £90,000	-	-	-	-
£90,001 - £100,000	1	2	1	1
£100,001 - £110,000	1	-	-	-

The charity trustees were not paid or did not receive any other benefits from their service with the Trust or its subsidiaries in the year (2022: nil). No trustees received payment for professional or other services supplied to the charity (2022: nil). A total of £10.9k (2022: £4.5k) for 8 (2022: 4) trustees was reimbursed or met by the charity for travel and subsistence.

The key management personnel of the Trust comprise the Chief Executive and the Deputy Chief Executive

The total employee benefits of the key personnel of the Trust were £193k (2022: £181k).

Staff numbers

The average monthly head count was 44 staff (2022: 44) and the average monthly number of full-time equivalent employees during the year was as follows:

	Group 2023	Group 2022	Charity 2023	Charity 2022
Grant making	2	4	2	4
Community support	31	30	31	30
Management and administration	11	9	8	6
	44	43	41	40

THE COALFIELDS REGENERATION TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

14 Related party transactions

The following Trustees are also Trustees of The Community Legacy Trust:

Peter McNestry

Nicolas Wilson

The following Trustees are directors of CRT Trading Limited:

Peter McNestry (resigned 10/05/23)

Michael Clapham

Linda Rutter

The following Trustees are directors of CRT Renewable Energy Limited:

Dawn Davies (resigned 4/09/2023)

Nicolas Wilson

The following Trustees are directors of CRT Property Investments Limited:

Nicolas Wilson

Wayne Thomas

Keith Cunliffe

The following Trustees are directors of CRT Community Enterprises Limited:

Nicolas Wilson

Keith Cunliffe

During the year The Coalfields Regeneration Trust received a gift aid donation from its subsidiary, CRT Property Investments Limited totalling £2,326k (2022: £2,393k), received interest on loans outstanding totalling £375k (2022: £364k) and received management charges totalling £76k (2022: £88k). At the year end, total amounts owed to the charity by CRT Property Investment Limited totalled £15,600k (2022: £15,314k).

During the year The Coalfields Regeneration Trust received a gift aid donation from its subsidiary, CRT Renewable Energy Limited totalling £39k (2022: £nil) and received management charges totalling £38k (2022: £38k). At the year end, total amounts owed to the charity by CRT Property Investment Limited totalled £902k (2022: £861k).

At the year end, The Coalfields Regeneration Trust was owed £625k (2022: £625k) by its subsidiary CRT Community Enterprises Limited, a provision of £120k has been recognised against this balance.

At the year end, CRT Community Enterprises Limited was owed £4k (2022: £nil) by its fellow subsidiary, CRT Property Investments Limited.

THE COALFIELDS REGENERATION TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

15 Tangible fixed assets

GROUP	Freehold land & buildings £'000	Assets under construction £'000	IT equipment £'000	Fixtures fittings & equipment £'000	Solar Panels £'000	Biomass Boiler £'000	Wind Turbine £'000	Total £'000
Cost								
At 1 April 2022	481	3,961	157	25	1,087	109	142	5,962
Additions	-	3,300	-	-	-	-	-	3,300
Transfer to investment property	-	(6,774)	-	-	-	-	-	(6,774)
Disposals	-	-	-	-	-	-	-	-
At 31 March 2023	481	487	157	25	1,087	109	142	2,488
Depreciation and impairment								
At 1 April 2022	97	-	157	25	417	49	57	802
Charge for year	10	-	-	-	43	5	8	66
Impairment charge	-	-	-	-	38	-	-	38
At 31 March 2023	107	-	157	25	498	54	65	906
Net Book Value								
At 31 March 2023	374	487	-	-	589	55	77	1,582
At 31 March 2022	384	3,961	-	-	670	60	85	5,160

CHARITY	Freehold land & buildings £'000	IT equipment £'000	Fixtures fittings & equipment £'000	Assets under construction £'000	Total £'000
Cost					
At 1 April 2022	481	157	25	20	683
Additions	-	-	-	467	467
Transfer to investment property	-	-	-	-	-
At 31 March 2023	481	157	25	487	1,150
Depreciation					
At 1 April 2022	97	157	25	-	279
Charge for year	10	-	-	-	10
At 31 March 2023	107	157	25	-	289
Net Book Value					
At 31 March 2023	374	-	-	487	861
At 31 March 2022	384	-	-	20	404

Assets under construction are not depreciated.

THE COALFIELDS REGENERATION TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

16 Investments

GROUP	Investment properties £'000
Fair value	
At 1 April 2022	58,805
Additions	35
Transfer from property plant and equipment	6,776
Disposals	(1,610)
Fair value adjustment	(7,546)
At 31 March 2023	56,460
At 31 March 2022	58,805

The historical cost of properties held at fair value is as follows:

At 31 March 2023	51,142
At 31 March 2022	46,134

CHARITY	Investment in group undertakings £'000	Investment Property £'000	Total £'000
Cost			
At 1 April 2022	16,765	150	16,915
Additions	-	17	17
Fair value adjustment	-	(27)	(27)
At 31 March 2023	16,765	140	16,905
Impairment			
At 1 April 2022	349	-	349
Charge in year	563	-	563
At 31 March 2023	912	-	912
Net book value			
At 31 March 2023	15,853	140	15,993
At 31 March 2022	16,416	150	16,566

The historical cost of properties held at fair value is as follows: **£'000**

At 31 March 2023	585
At 31 March 2022	568

The investment properties in both companies and group were valued at 31 March 2023 by BNP Paribas Real Estate, an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued. The properties have been valued on the basis of open market value in accordance with the Appraisal and Valuation Manual of The Royal Institute of Chartered Surveyors.

During the year the charity has impaired the investment in CRT Renewable Energy Limited. Owing to the insolvent balance sheet position and ongoing performance of that entity the carrying value is considered impaired.

THE COALFIELDS REGENERATION TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Subsidiary	Company number	Charity number	Equity shareholding	Principal activity
CRT Trading Limited	04547241	n/a	100%	Dormant
The Community Legacy Trust	06855302	1133280	n/a*	Dormant
Konect Management Company Limited	12760560	n/a	93%**	Dormant
CRT Renewable Energy Limited	07876060	n/a	100%	Renewable initiatives
CRT Property Investments Limited	08380021	n/a	100%	Property Investment
CRT Community Enterprises Limited	08791168	n/a	100%	Property Investment

*The Community Legacy Trust is a company limited by guarantee and is treated as a subsidiary of the Trust by virtue of it being the founder member and by holding the majority of voting rights.

** Konect Management Company Limited is a dormant company which consists of share capital totalling £14.

The financial results of the subsidiaries for the year ended 31 March 2023 and their net assets at that date are as follows:

	CRT Trading Limited £'000	CRT Renewable Energy Limited £'000	CRT Property Investments Limited £'000	CRT Community Enterprises Limited £'000
Income	-	75	3,893	15
Expenditure	-	(191)	(919)	(17)
Other operating income	-	-	1,912	-
Other operating expense	-	-	(39)	-
Interest receivable	-	-	6	-
Interest payable	-	-	(1,370)	-
Net loss on investments	-	-	(7,502)	(15)
Profit/ (loss) before tax	-	(116)	(4,019)	(32)
Tax (charge) / credit	-	-	725	-
Trading profit/ (loss) for the year	-	(116)	(3,294)	(32)
Gift aid payment	-	(39)	(2,393)	-
Increase/(Decrease) in reserves in the year	-	(155)	(5,627)	(32)
Net Assets at 31 March 2023	366	100	20,345	(117)

THE COALFIELDS REGENERATION TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

17 Debtors

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Trade debtors	299	230	20	-
Amounts owed by group undertakings	-	-	17,003	16,800
Prepayments and accrued income	1,021	688	166	45
Other taxation	-	222	-	-
	1,320	1,140	17,189	16,845

Amounts falling due after more than one year included above are:

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Amounts owed by group undertakings	-	-	13,243	12,868

18 Creditors: amounts falling due within one year

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Bank loans	5,179	3,800	-	-
Grants payable	229	278	229	278
Trade creditors	238	184	171	98
Accruals and deferred income	2,067	1,993	409	366
Other taxation and social security	124	54	86	87
	7,837	6,309	895	829

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Deferred at 1 April 2022	251	264	251	264
Deferred during the year	238	251	238	251
Released from previous periods	(242)	(264)	(242)	(264)
Deferred at 31 March 2023	247	251	247	264

Deferred income comprises grant income received which is required to be spent in future periods.

THE COALFIELDS REGENERATION TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

19 Creditors: amounts falling due after one year

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Bank loans	14,100	15,479	-	-

Loans repayable, included within creditors, are analysed as follows:

	2023 £'000	2022 £'000
Bank loan due in one year	5,179	3,800
Bank loan repayable between two to five years	14,100	15,479
	19,279	19,279

The bank loans are secured by fixed charges over a number of investment properties. Interest on the loans is charged at between 2.6% and 3.2% over the Bank of England base rate and repayable between 18 July 2023 and 15 December 2027 by way of repayment on maturity.

The loans are secured against investment properties held by the group with a value of £48.5m (2022: £53.7m).

20 Deferred tax

	Group 2023	Group 2022	Charity 2023	Charity 2022
Provision for deferred tax				
Fixed asset differences	1,535	2,260	-	-
Total deferred tax liability	1,535	2,260	-	-
Movement in provision:				
Provision brought forward	2,260	897	-	-
(Charge)/credit for the period	(725)	1,363	-	-
Provision carried forward	1,535	2,260	-	-

21 Pensions and other post-retirement benefits

The Trust operates a defined benefit pension scheme which is part of the West Yorkshire Pension Fund multi-employer scheme. The assets of the scheme are held separately from those of the Trust and are independently administered.

The valuation used has been based on the most recent actuarial valuation at 31 March 2022 and was updated by Aon Hewitt to take account of the requirements of FRS 102

THE COALFIELDS REGENERATION TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

21 Pensions and other post-retirement benefits (continued)

The assets and liabilities of the scheme at 31 March are:

	2023 £'000	2022 £'000
<i>Scheme assets at fair value:</i>		
Equities	11,184	10,989
Property	457	551
Government bonds	955	1,019
Corporate bonds	637	661
Cash	318	399
Other	291	151
Fair value of scheme assets	13,842	13,770
Present value of funded defined benefit obligations	(7,584)	(10,060)
Funded status	6,258	3,710
Unrecognised asset	(6,258)	(757)
Asset recognised on the balance sheet	-	2,953

The amounts recognised in the income statement are as follows:

	2023 £'000	2022 £'000
Operating cost		
Current service cost	99	111
Past service cost	-	-
Financing cost		
Interest on net defined benefit asset	(100)	(42)
Pension expense recognised	(1)	69

Amount recognised in other comprehensive income

	2023 £'000	2022 £'000
Asset gains in the year	2,693	697
Liability (losses)/gains in the year	(181)	1,101
Adjustment to reflect restriction on pension asset	(5,501)	384
Total amount recognised	(2,989)	2,182

Changes in the present value of the defined benefit obligation are analysed as follows:

	2023 £'000	2022 £'000
At 1 April 2022	10,060	10,655
Current service cost	99	111
Interest expense on defined benefit obligation	270	221
Contributions by participants	21	22
Actuarial (gains) / losses on liabilities	(2,693)	(697)
Net benefits paid	(173)	(252)
At 31 March 2023	7,584	10,060

THE COALFIELDS REGENERATION TRUST
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21 Pensions and other post-retirement benefits (continued)

Changes in the fair value of plan assets are analysed as follows:

	2023	2022
	£'000	£'000
At 1 April 2022	13,770	12,601
Interest on income assets	370	263
Re-measurement gains on assets	(181)	1,101
Employer contributions	35	35
Participant contributions	21	22
Net benefits paid	(173)	(252)
At 31 March 2023	13,842	13,770

Asset cap:

	2023
	£'000
At 1 April 2022	757
Capped in year	5,501
At 31 March 2023	6,258

The Trustees have reviewed the position of the scheme, which includes the expected future service costs and the period over which the charity will benefit and are of the opinion that there is no reliable measure or sufficient certainty of long term recoverability and have capped the asset at £nil.

Main assumptions:

	2023	2022
	%	%
Discount rate	4.7	2.7
CPI inflation	2.7	3.0
Pension increases	2.7	3.0
Pension accounts revaluation rate	2.7	3.0
Salary increases	3.95	4.25
Post-retirement mortality:		
Current pensioners aged 65 – male	21.6	21.8
Current pensioners aged 65 – female	24.6	24.6
Future pensioner current age 45 - male	22.9	22.5
Future pensioner current age 45 - female	25.7	25.7

THE COALFIELDS REGENERATION TRUST
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22 Restricted funds

Analysis of movement in restricted funds – current year

Charity and group

	Balance at 1 April 2022	Income	Expenditure	Transfers	Gains and losses	Balance at 31 March 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Durham Council	-	3	3	-	-	-
Wakefield MDC	-	21	21	-	-	-
Sheffield Futures	-	12	12	-	-	-
Reds in the Community	-	1	1	-	-	-
Entain	-	48	48	-	-	-
Conexus Health	-	113	113	-	-	-
Engage Meir	-	1	1	-	-	-
Scottish Government	-	774	774	-	-	-
Corra Foundation	-	26	26	-	-	-
DWP Kickstart	2	12	12	-	-	2
Sustrans	24	119	119	-	-	24
East Ayrshire DC	5	39	39	-	-	5
Fife Council	5	4	4	-	-	5
Clacks Council	-	2	2	-	-	-
Police Scotland	-	3	3	-	-	-
Fala Foods	-	1	1	-	-	-
Other	20	3	1	-	-	22
Welsh Assembly	-	450	450	-	-	-
Invoiced services	-	16	16	-	-	-
Tesco Foundation	-	1	1	-	-	-
FA Wales Trust	-	3	3	-	-	-
Macmillan	-	13	13	-	-	-
Skewen Flood Donations	-	7	7	-	-	-
WCVA Together Fund	-	8	8	-	-	-
Cefn Golau Driving Change	-	76	76	-	-	-
Welsh Government (Capital)	-	153	-	-	-	153
DHLUC	-	124	-	-	-	124
RCT Council	-	4	4	-	-	-
Pen Bryn Wind Farm	-	1	1	-	-	-
Pen y Cymoedd	-	33	-	-	-	33
Regener8	-	14	14	-	-	-
CHARITY TOTAL	56	2,085	1,773	-	-	368
Subsidiary Companies	-	-	-	-	-	-
GROUP TOTAL	56	2,085	1,773	-	-	368

THE COALFIELDS REGENERATION TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Analysis of movement in restricted funds – prior year

	Balance at 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Balance at 31 March 2022 £'000
Believe Housing	-	1	1	-	-	-
Wakefield MDC	-	47	47	-	-	-
Sheffield Futures	-	72	72	-	-	-
ESC Lottery	-	10	10	-	-	-
Yorkshire Sport	-	10	10	-	-	-
Five Towns PCN	-	115	115	-	-	-
Scottish Government	-	755	755	-	-	-
Corra Foundation	-	25	25	-	-	-
Sustrans	17	131	124	-	-	24
East Ayrshire DC	5	30	30	-	-	-
Fife Council	5	3	3	-	-	-
Clacks Council	-	7	7	-	-	-
Zone Initiative	-	5	5	-	-	-
Fala Foods	-	1	1	-	-	-
Other	8	4	(8)	-	-	20
Welsh Assembly	-	450	450	-	-	-
Invoiced services	-	11	11	-	-	-
Tesco Foundation	-	1	1	-	-	-
FA Wales Trust	-	6	6	-	-	-
Transport for Wales	-	1	1	-	-	-
Skewen Flood Donations	-	16	16	-	-	-
WCVA Together Fund	-	19	19	-	-	-
Cefn Golau Driving Change	-	68	68	-	-	-
Merthyr Tydfil CBC RDP	-	40	40	-	-	-
THI Heritage Lottery	-	34	34	-	-	-
Grantscape	-	2	2	-	-	-
DWP Kickstart	2	209	209	-	-	2
Coronavirus Job Retention	-	-	-	-	-	-
CHARITY TOTAL	37	2,085	2,054	-	-	56
Subsidiary Companies	-	-	-	-	-	-
GROUP TOTAL	37	2,085	2,054	-	-	56

Purpose of funds

Conexus Health – towards delivery of health & skills programme in Airedale
Scottish Government – for delivery of agreed programme in Scotland
Sustrans – for Connecting Kincardine project costs
Welsh Assembly – for delivery of agreed programme in Wales
Welsh Government (Capital) – towards refurbishment of Cana Centre
DHLUC - towards refurbishment of Cana Centre

All funds are used to deliver activity in accordance with the Trust's objectives in Scotland and Wales respectively.

THE COALFIELDS REGENERATION TRUST
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

23 Analysis of net assets between funds – current year

	Group Unrestricted Funds (including Pension) £'000	Group Restricted £'000	Group Total £'000	Charity Unrestricted Funds (including Pension) £'000	Charity Restricted £'000	Charity Total £'000
Tangible fixed assets	1,272	310	1,582	551	310	861
Investments	56,460	-	56,460	15,993	-	15,993
Cash at bank and in hand	7,691	58	7,749	5,434	58	5,492
Other net current (liabilities) / assets	(6,517)	-	(6,517)	16,294	-	16,294
Creditors due after one year	(14,100)	-	(14,100)	-	-	-
Provisions	(1,535)	-	(1,535)	-	-	-
Total	43,271	368	46,639	38,272	368	38,640

Analysis of net assets between funds – prior year (as restated)

	Group Unrestricted Funds (including Pension) £'000	Group Restricted £'000	Group Total £'000	Charity Unrestricted Funds (including Pension) £'000	Charity Restricted £'000	Charity Total £'000
Tangible fixed assets	5,160	-	5,160	404	-	404
Investments	58,805	-	58,805	16,566	-	16,566
Cash at bank and in hand	7,373	56	7,429	5,268	56	5,324
Other net current (liabilities) / assets	(5,169)	-	(5,169)	16,016	-	16,016
Creditors due after one year	(15,479)	-	(15,479)	-	-	-
Provisions	(2,260)	-	(2,260)	-	-	-
Pension Scheme Asset	2,953	-	2,953	2,953	-	2,953
Total	51,383	56	51,439	41,207	56	41,263

Group unrestricted investment property includes unrestricted losses of £5,318k (2022: gains of £12,671k). Charity unrestricted investment property includes unrealised losses of £428k (2022: gains of £418k).

24 Leasing commitments

Operating lease and rental payments fall due as follows:

Group and charity	Equipment 2023 £'000	Equipment 2022 £'000
In one year or less	7	-
Between one and five years	11	-
	<u>18</u>	<u>-</u>

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25 Financial commitments

The group had capital commitments amounting to £9k at 31 March 2023 (2022: £479k).

26 Contingent liabilities

There were no contingent liabilities at the year end (2022: none).

27 Prior year adjustment

Certain errors have been identified in the previously reported financial information related to prior years, including;

- i) Following a clarification of the accounting treatment, amounts included within the corporation tax creditor in prior years were deemed to be in excess of the expected corporation tax payable. A prior year adjustment has been made to adjust to the expected amounts payable in the consolidated balance sheet.
- ii) Deferred tax provisions have previously been included within creditors. Following a clarification in the accounting treatment, an adjustment has been made to include this within provisions in the consolidated balance sheet.
- iii) The gift aid donations received have been reclassified from investment income to donations to better reflect their nature. This has increase donations income in the charity by £2,326k and reduced investment income by the corresponding amount. This has not affected the group position as the balance eliminates on consolidation. These adjustments do not impact the charity only balance sheet.

The below table illustrates the effect of these adjustments.

Changes to the consolidated profit and loss account:

Period ended 31 March 2022	As previously reported £'000	Adjustment as at 31 March 2022 £'000	As restated £'000
Tax charge	1,381	(18)	1,363
Surplus for the year	9,077	18	9,095

Changes to the consolidated balance sheet:

Period ended 31 March 2022	As previously reported £'000	Adjustment As at 31 March 2021 £'000	Adjustment as at 31 March 2022 £'000	As restated £'000
Creditors due within one year				
Corporation tax	462	(444)	(18)	-
Deferred tax	2,260	-	(2,260)	-
Provisions	-	-	2,260	2,260
Deferred tax				
Capital and reserves	50,977	444	18	51,439

