

# LANCASHIRE ENVIRONMENTAL FUND LIMITED

England & Wales · Charity number 1074983

## Details

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|                |                                                                          |
|----------------|--------------------------------------------------------------------------|
| Other names    | LWS LANCASHIRE ENVIRONMENTAL FUND LIMITED, LANCASHIRE ENVIRONMENTAL FUND |
| Status         | Registered                                                               |
| Legal form     | Charitable company                                                       |
| Company number | <a href="#">03527370</a>                                                 |
| Registered     | 1999-04-01                                                               |
| Register       | <a href="#">View on the Charity Commission register</a>                  |

## Contact

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|         |                                                                                                    |
|---------|----------------------------------------------------------------------------------------------------|
| Address | Lancashire Environmental Fund<br>The Barn<br>Berkeley Drive<br>Bamber Bridge<br>Preston<br>PR5 6BY |
| Phone   | 01772317247                                                                                        |
| Email   | <a href="mailto:general@lancsenvfund.org.uk">general@lancsenvfund.org.uk</a>                       |
| Website | <a href="http://www.lancsenvfund.org.uk">www.lancsenvfund.org.uk</a>                               |

## Activities

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**Objects:** (1) THE CONSERVATION, PROTECTION AND IMPROVEMENT OF THE PHYSICAL AND NATURAL ENVIRONMENT; (2) THE ADVANCEMENT OF PUBLIC EDUCATION IN SUSTAINABLE WASTE MANAGEMENT PRACTICES AND THE REMEDIATION OF CONTAMINATED LAND; (3) THE PROVISION OF OPEN SPACES FOR THE RECREATION AND OTHER LEISURE-TIME OCCUPATION OF THE PUBLIC WITH THE OBJECT OF IMPROVING THEIR CONDITIONS OF LIFE; (4) THE RESTORATION, PRESERVATION AND REPAIR OF BUILDINGS OF HISTORICAL IMPORTANCE OR ARCHITECTURAL VALUE; AND (5) THE MAINTENANCE AND REPAIR OF PUBLIC AMENITIES FOR THE BENEFIT OF THE INHABITANTS OF THE AREA OF BENEFIT. FOR FURTHER DETAILS SEE CLAUSE 3(A) TO (G)

**Activities:** Make grants to finance environmental projects which have been registered with Entrust including the provision and maintaining of public amenities and parks, within 10 miles of a landfill site.

## Classification

- **How:** Makes Grants To Organisations
- **What:** Environment/conservation/heritage
- **Who:** Other Charities Or Voluntary Bodies

## Geography

- **Area of benefit:** INHABITANCE OF LANCASHIRE
- Lancashire

## Finances

| Period end | Income     | Expenditure | Assets     | Employees |
|------------|------------|-------------|------------|-----------|
| 2024-12-31 | £1,398,019 | £1,397,999  | £944,082   | 3         |
| 2023-12-31 | £1,325,237 | £1,599,015  | £944,062   | 3         |
| 2022-12-31 | £1,289,612 | £1,339,032  | £1,217,840 | 3         |
| 2021-12-31 | £1,296,799 | £1,147,639  | £1,267,260 | 3         |
| 2020-12-31 | £1,183,726 | £1,108,387  | £1,118,100 | 3         |

## Trustees

| Name                           | Role | Appointed  |
|--------------------------------|------|------------|
| Andrew James Hughes            |      | 2020-08-19 |
| Deborah Louise King            |      | 2025-05-20 |
| FRANCIS PATRICK MCGINTY        |      | 2015-10-07 |
| Timothy Vincent Joseph Burrows |      | 2026-03-30 |

**LANCASHIRE ENVIRONMENTAL FUND LIMITED**

England & Wales - Charity number 1074983

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# Accounts

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**Charity Number: 1074983**

**Company Number: 03527370**

**LANCASHIRE  
ENVIRONMENTAL FUND  
LIMITED (BY GUARANTEE)  
Trustees' Report and Accounts**

**For The Year Ended  
31 December 2024**

## **LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)**

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## LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

### CHARITY DETAILS

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|                                    |                                                                                                                     |
|------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <b>Company Name</b>                | Lancashire Environmental Fund                                                                                       |
| <b>Charity registration number</b> | 1074983                                                                                                             |
| <b>Company registration number</b> | 03527370                                                                                                            |
| <b>Trustees</b>                    | J Drury<br>F McGinty<br>A J Hughes<br>S Turner (resigned 2 May 2025)<br>D King (appointed 20 May 2025)              |
| <b>Secretary</b>                   | Lancashire County Council                                                                                           |
| <b>Fund Manager</b>                | E Morgan                                                                                                            |
| <b>Auditor</b>                     | MHA<br>Richard House<br>Winckley Square<br>Preston<br>PR1 3HP                                                       |
| <b>Legal advisor</b>               | County Hall Lancashire County Council<br>Democratic Services Department<br>Preston<br>Lancashire<br>PR1 0LD         |
| <b>Principal/contact address</b>   | c/o Lancashire Wildlife Trust<br>The Barn<br>Berkeley Drive<br>Bamber Bridge<br>PR5 6BY                             |
| <b>Registered address</b>          | County Hall Lancashire County Council<br>Democratic Services Department<br>Preston<br>Lancashire<br>PR1 0LD         |
| <b>Members</b>                     | Community Futures<br>Lancashire County Council<br>Suez Recycling & Recovery UK Limited<br>Lancashire Wildlife Trust |

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## REPORT OF THE TRUSTEES

YEAR ENDED 31 DECEMBER 2024

The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their report and the audited financial statements of the charity for the year ended 31 December 2024. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

### Structure, governance and management

Lancashire Environmental Fund Limited (hereafter referred to as "the charitable company") is a charitable company limited by guarantee, incorporated on 13 March 1998 and registered as a charity on 1 April 1999. The charitable company is governed by its memorandum and articles of association. The power of appointing and removing trustees is vested in the members by way of an instrument in writing signed by each member, each member having the power to appoint one trustee.

The criteria used by Lancashire Environmental Fund Limited to determine the pay and remuneration of key management personnel are the same as those used by Lancashire Wildlife Trust from whom staff are seconded. Lancashire Wildlife Trust use comparisons to external charities for similar roles as a basis for determining the pay and remuneration of key management personnel.

### Trustees of the charity

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end are set out on page 1. Trustees are appointed by the Board. The Board's Legal Officer will update the Trustees on changes to the law affecting the scheme. The Fund Manager will provide induction for new members.

The trustees delegate the assessment of applications to an assessment group, which is chaired by the fund manager. The fund manager is assisted by a small team and co-ordinates the daily operation of the charity. The trustees meet quarterly to approve or refuse grants based on the recommendations of the assessment group.

### Risk review

The board has conducted its own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. Significant external risks are mitigated by Professional Indemnity Insurance. Internal risks are minimised by segregation of duties and checking procedures.

The major risks to which the charity is exposed due to its management and administration being provided by LWT have been reviewed by the trustees of LWT. Internal risks relevant to the charity are being minimised by the implementation of procedures for authorisation of all transactions. Risk management priorities of LWT, impacting on the management and administration of the charity, are quality systems, succession planning for key staff and the regular review of systems.

Future legislative changes to the Landfill Communities Fund could result in Suez Recycling & Recovery UK Limited, the landfill operator, deciding to withdraw from the scheme. If this happens, the Lancashire Environmental Fund Limited will have to wind up after running down the existing general unrestricted fund balance.

The Fund could also face further challenges as a result of possible legislation to cap administration fees at 7.5% of project expenditure. This represents an extremely challenging target for such a relatively small fund which does not enjoy the benefits of economies of scale which other larger Landfill Communities Fund distributors have.

However, the Trustees have made and will continue to make significant efforts to reduce administration fees wherever possible.

## **LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)**

### **REPORT OF THE TRUSTEES**

**YEAR ENDED 31 DECEMBER 2024**

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The Lancashire Environmental Fund primarily distributes monies raised from the Landfill Tax paid by Lancashire County Council. The current contract for waste management expires on 31<sup>st</sup> March 2025 and the expectation is that the amount of Landfill Tax that the fund is likely to receive will reduce significantly thereafter. Depending on how much this reduction is and also upon the administration costs of running the Fund it may well be that the continued operation of the Fund becomes unviable. If this is indeed the case, alternative arrangements for the distribution of any future and existing funds will have to be made.

The Fund relies on the continued support of Lancashire County Council who pay many of the third party contributions required to enable the Landfill Tax income to be released.

### **Connected Charities and Organisations**

#### **Lancashire Wildlife Trust Limited**

The trustees consider Lancashire Wildlife Trust Limited ("LWT") to be a connected charity as it is a member of the charitable company with the power to appoint one trustee to the board. J Drury was a trustee of LWT until October 2019 and remains a trustee of Lancashire Environmental Fund. In addition, LWT provides management, organisational, administrative and supervision services to the charitable company under an agreement and both parties operate from Cuerden Valley Park near Bamber Bridge. The charitable company has no employees of its own, but subcontracts one full time and two part time employees from Lancashire Wildlife Trust who work exclusively on the charitable company's affairs.

During the year, a total of £63,247 (2023: £63,975) was payable for these services and other management, organisational, administrative and supervision services.

LWT is established to promote the conservation of nature for the purpose of study and research and to educate the public in the understanding and appreciation of nature, the awareness of its value and the need for its conservation. During the year the charitable company awarded grants totalling £106,495 (2023: £99,510) to LWT in connection with those objectives.

#### **Lancashire County Council**

The trustees consider Lancashire County Council to be a connected organisation as it is a member of the charitable company with the power to appoint one trustee to the board. S Turner is both a trustee of the charitable company (resigned 2 May 2025) and Deputy Leader of Lancashire County Council.

One of the current functions of Lancashire County Council is to provide and maintain public open spaces including country parks, greenway bridle paths, footpaths etc for the pleasure and enjoyment of the people of Lancashire. During the year the charitable company awarded grants totalling £0 (2023: £0) to Lancashire County Council in connection with this objective.

# **LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)**

## **REPORT OF THE TRUSTEES**

**YEAR ENDED 31 DECEMBER 2024**

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### **Community Futures**

The trustees consider Community Futures to be a connected charity as it is a member of the charitable company with the power to appoint one trustee to the board. F McGinty is the Community Futures appointee and a Trustee of the charitable company. The aim of Community Futures is to promote and develop social and community activity in Lancashire, working through voluntary groups and in partnership with public authorities.

### **Suez Recycling & Recovery UK Limited**

The trustees consider Suez Recycling & Recovery UK Limited to be a connected organisation as it is a member of the charitable company with the power to appoint one trustee to the board. A J Hughes is the Suez Recycling & Recovery UK Limited appointee and a Trustee of the charitable company. Suez Recycling & Recovery UK Limited are the waste management company contracted by Lancashire County Council to dispose of the waste in the county which goes to landfill.

### **Objectives, activities and public benefit**

The principal activity of the charitable company is the support for environmental projects via an Entrust registered environmental body which receives landfill tax credits and awards grants to environmental projects which meet the criteria specified by the Landfill Tax Regulations 1996 (As Amended):

- Providing and maintaining public amenities and parks, within 10 miles of a landfill site, when the work benefits the natural social or built environment;
- The provision, conservation, restoration or enhancement of a natural habitat, maintenance or recovery of a species within 10 miles of a landfill site;
- Restoring and repairing buildings which are for religious worship, or architectural or historical interest within 10 miles of a landfill site.

The trustees have had due regard to guidance published by the Charity Commission on public benefit.

### **Grant making policy**

The charity invites applications for funding of environmental projects across the Lancashire area. Institutional applicants are invited to submit a summary of their proposals in a specified format. The applications are reviewed against specific criteria by the fund manager. Projects may be funded over varying periods of time, therefore cost and progress is monitored on a continuous basis.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

### **Achievements and performance**

During the year, the charitable company awarded a total of £1,338,829 (2023: £1,620,531) to 60 projects (2023: 75 projects) while maintaining sufficient resources to enable charitable activities going forward.

The Fund distributes grants on a quarterly cycle on a demand led basis. This makes it difficult to set specific targets for the number and type of project applications received and supported. To ensure the number of applications is maximised, the Fund Manager regularly attends funding events in Lancashire to promote access to the fund.

### **Financial review**

All of the £1,324,361 (2023: £1,258,513) landfill tax income was received from Suez Recycling & Recovery UK Limited in the year. The trustees anticipate the charitable company will continue to be dependent on this income source.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## REPORT OF THE TRUSTEES

YEAR ENDED 31 DECEMBER 2024

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The expectation going forward is that the amount of waste going to landfill and therefore the landfill tax income paid to the Fund will continue to reduce as alternative contracts for disposal of waste are entered into by LCC.

In addition to the grants awarded of £1,338,829 (2023: £1,620,531), previously awarded balances totalling £54,261 (2023: £137,672) were written off and this resulted in a net grant cost for the year of £1,284,568 (2023: £1,482,859).

At the year end, grant balances totalling £1,173,884 (2023: £1,845,449) remained unpaid.

Further to the costs of grant awards, governance and support costs of £114,431 (2023: £116,156) were incurred and the excess of income over expenditure for the year was £20 (2023: £273,778 excess of expenditure over income).

At the year end, Lancashire Environmental Fund was also holding a sum of £220,594 (2023: £140,000) as an agent for Lancashire County Council, these funds to be used to provide third party contribution payments to draw monies to cover grants awarded for all the grant schemes other than the Green Grant scheme.

At the year end, Lancashire Environmental Fund was holding a balance of £248,560 (2023: £166,081) as an agent for Lancashire County Council. This amount is being used to cover the third party contribution payments required to draw down funds to enable payments of grants awarded under all the Grant schemes including the Green Grant scheme. During the year an amount of £3,186 (2023: £2,159) interest on these monies held was received. Amounts totalling £716 (2023: £565) were disbursed to Suez Recycling & Recovery UK Limited to facilitate the drawdown of funds for the Green Grant scheme totalling £6,418 (2023: £5,139). £0 (2023: £60,000) was paid to secure funding under the other grant schemes during the year.

### Investment policy

Surplus funds are held on deposit with Nationwide Building Society and The Royal Bank of Scotland, to ensure a competitive interest rate as well as security and fund accessibility.

Interest earned is reviewed regularly by the Finance Officer. The trustees consider the returns achieved to be satisfactory in the current investment climate.

### Reserves policy

The general unrestricted fund balance of £794,082 (2023: £794,062) which remains unallocated will be applied to future awards.

The level of general unrestricted funds is reviewed before grant commitments are made to ensure that the balance of these funds is always sufficient to cover current and proposed grant commitments and ongoing administration costs. The trustees are concerned to maximise the benefit to the community of their grant making policy. The trustees, however, have to work within the statutory framework set out in the Landfill Tax regulations and the compliance control of Entrust, the regulator of the Landfill Tax Credit Scheme.

£150,000 of unrestricted funds have previously been set aside in a designated reserve to provide for transitional costs, in the event of landfill operations ceasing as a result of statutory changes to the Scheme or a decision of the landfill operator. The reserve was calculated on the basis of an 18 month wind-up at an annual cost of £100,000 to provide support for existing grant-funded projects. The trustees have reviewed the level of the designated reserve and have decided to keep it as this level, subject to continuous review in the future.

The total fund balances at 31 December 2024 were £944,082 (2023: £944,062).

The required level of free reserves is currently £nil as the designated fund has sufficient resources to provide for foreseeable transitional costs. The actual level of free reserves at 31 December 2024 amounted to £794,082 (2023: £794,062). Reserves were built up in the early years due to uncertainty over the continued funding from Landfill operations. At that time it was the Trustees intention to hold sufficient funds to provide for five years of grant and administrative expenses following cessation of funding. This is no longer the case and the Trustees are actively looking to reduce the amount of free reserves held.





# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## REPORT OF THE TRUSTEES

YEAR ENDED 31 DECEMBER 2024

It is the intention of the Trust to continue to reduce reserves through the issuing of grants. The rate at which reserves are distributed is limited by the number and value of applications received, and by the number of those applications that meet the requirements as set out in the Objectives and in the Landfill Tax Regulations. The Trust actively encourages applications through advertising and promotion of the scheme.

### Future plans

The Trust will continue to offer grants in line with the objects subject to the potential impact of the factors highlighted in the risk review.

### Auditor

Following the merger of MHA Moore & Smalley with MHA, the company's independent auditor has now become MHA. MHA are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

### Trustees' responsibilities

The trustees (who are also directors of Lancashire Environmental Fund Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

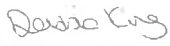
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In preparing this report the Trustees have taken advantage of the small companies exemption provided by the Companies Act 2006.

The report was approved by the board on 19<sup>th</sup> March 2025 and signed on its behalf by

  
D King  
Trustee

  
H MacAndrew  
Secretary

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR YEAR ENDED 31 DECEMBER 2024

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### Opinion

We have audited the financial statements of Lancashire Environmental Fund Limited (the 'charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 charitable company's affairs as at 31 December 2024, and of its incoming resources and application of resources, including its 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.

### 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 responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

### Material uncertainty related 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. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

We draw attention to Note 1 in the financial statements, which indicates that the income received from Suez will be reducing significantly from 1 April 2025 and will cease with effect from 1 April 2026. The Trustees are currently reviewing options for the charity after this date. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

### Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

We have nothing to report in this regard.

# **LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONTINUED)**

### **FOR YEAR ENDED 31 DECEMBER 2024**

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#### **Opinions 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 6, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditors responsibilities for the audit of the financial statements**

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.

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 of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that have had a direct effect on the financial statements. The key laws and regulations we considered in this context include Charities Act and Entrust regulations. In addition, we consider compliance with employee legislation, as fundamental to the Charity's operations;

## LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONTINUED)

#### FOR YEAR ENDED 31 DECEMBER 2024

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- Discussions with management, including consideration of known or suspected instances of noncompliance with laws and regulations and fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Auditing the risk of fraud in revenue, including through the testing of income cut off at the period end and through income transaction testing to provide comfort that revenue is completely stated in the financial statements;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>

This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Nicola Mason MA(Cantab) FCA DchA**  
Senior Statutory Auditor  
For and on behalf of MHA, Statutory Auditor  
Preston, United Kingdom

July 7, 2025

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MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2024

|                                             | Note | Designated<br>funds<br>2024<br>£ | General<br>funds<br>2024<br>£ | Total<br>funds<br>2024<br>£ | Total<br>funds<br>2023<br>£ |
|---------------------------------------------|------|----------------------------------|-------------------------------|-----------------------------|-----------------------------|
| <b>Income from:</b>                         |      |                                  |                               |                             |                             |
| Donations and legacies                      | 2    | -                                | 1,324,361                     | 1,324,361                   | 1,258,513                   |
| Investments                                 | 3    | -                                | 73,658                        | 73,658                      | 66,724                      |
| <b>Total income</b>                         |      | -                                | 1,398,019                     | 1,398,019                   | 1,325,237                   |
| <b>Expenditure on:</b>                      |      |                                  |                               |                             |                             |
| Charitable activities                       | 4    | -                                | 1,397,999                     | 1,397,999                   | 1,599,015                   |
| <b>Total expenditure</b>                    |      | -                                | 1,397,999                     | 1,397,999                   | 1,599,015                   |
| <b>Net movement in funds</b>                |      | -                                | 20                            | 20                          | (273,778)                   |
| <b>Fund balance b/f at 1 January 2024</b>   |      | 150,000                          | 794,062                       | 944,062                     | 1,217,840                   |
| <b>Fund balance c/f at 31 December 2024</b> |      | 150,000                          | 794,082                       | 944,082                     | 944,062                     |

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## BALANCE SHEET

AS AT 31 DECEMBER 2024

|                                               | Note | 2024<br>£          | £              | 2023<br>£          | £              |
|-----------------------------------------------|------|--------------------|----------------|--------------------|----------------|
| <b>Current assets:</b>                        |      |                    |                |                    |                |
| Debtors                                       | 9    | 48,915             |                | 48,456             |                |
| Cash at bank and in hand                      |      | <u>2,350,548</u>   |                | <u>2,929,127</u>   |                |
| Total current assets                          |      | 2,399,463          |                | 2,977,583          |                |
| <b>Liabilities:</b>                           |      |                    |                |                    |                |
| Creditors: amount falling due within one year | 10   | <u>(1,455,381)</u> |                | <u>(2,033,521)</u> |                |
| <b>Net current assets</b>                     |      |                    | <b>944,082</b> |                    | <b>944,062</b> |
| <b>Net assets less current liabilities</b>    |      |                    | <b>944,082</b> |                    | <b>944,062</b> |
| <b>The funds of the charity:</b>              |      |                    |                |                    |                |
| 11                                            |      |                    |                |                    |                |
| Unrestricted:                                 |      |                    |                |                    |                |
| General                                       |      |                    | 794,082        |                    | 794,062        |
| Designated                                    |      |                    | <u>150,000</u> |                    | <u>150,000</u> |
| <b>Total funds</b>                            |      |                    | <b>944,082</b> |                    | <b>944,062</b> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board on 19<sup>th</sup> March 2025 and signed on its behalf by:

  
D King – Trustee  
Company Registration Number: 03527370

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

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2024

|                                                            | Note | £      | 2024<br>£ | £      | 2023<br>£ |
|------------------------------------------------------------|------|--------|-----------|--------|-----------|
| <b>Cash inflows from operating activities:</b>             |      |        |           |        |           |
| <i>Net cash provided by/(used in) operating activities</i> | 12   |        | (652,237) |        | (146,670) |
| <b>Cash flows from investing activities:</b>               |      |        |           |        |           |
| Interest receivable                                        |      | 73,658 |           | 66,724 |           |
| <i>Net cash provided by/(used in) investing activities</i> |      |        | 73,658    |        | 66,724    |
| <i>Change in cash and cash equivalents in the year</i>     |      |        | (578,579) |        | (79,946)  |
| <b>Cash and cash equivalents at 1 January 2024</b>         |      |        | 2,929,127 |        | 3,009,073 |
| <b>Cash and cash equivalents at 31 December 2024</b>       |      |        | 2,350,548 |        | 2,929,127 |

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2024

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### 1 Accounting policies

#### General information and basis of preparation

Lancashire Environmental Fund Limited is a company limited by guarantee and does not have a share capital. The liability of the members is limited and is not to exceed £1 per member. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees Report on pages 2 to 6.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

#### Income recognition

Income arising from the Landfill Tax Credit Scheme is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes interest received from interest bearing deposit accounts. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method.

#### Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes grants awarded.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2024

### 1 Accounting policies (continued)

#### Expenditure recognition (continued)

Grants payable to third parties are within the charitable objectives. Grants are due for payment when the grantee makes an approved claim. Previously grant liabilities were treated as falling due within one year unless the terms of the grant offer anticipated payment after one year from the balance sheet date and by reviewing the current status of the project at the year end and when it was anticipated to be completed.

Grants are released to the income and expenditure account when:

- projects are cancelled by the grant applicants;
- the original grant application exceeds the final amount claimed on project completion.

#### Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

The analysis of these costs is included in note 5.

#### Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

#### Employee benefits

When employees have rendered service to the charity, 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. Staff costs are recharged to the charity by Lancashire Wildlife Trust.

#### Going concern

The financial statements have been prepared on a going concern basis. The Fund relies on monies received from the waste contract between Lancashire County Council and Suez Recycling & Recovery (UK) Ltd and the income received from this contract will reduce significantly from 1<sup>st</sup> April 2025 and will cease with effect from 1 April 2026. The trustees have considered this when making assessment of the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. Grant awards will reduce in-line with the funds available and the budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

The trustees are currently reviewing options for the future of the charity from 1<sup>st</sup> April 2026. There is uncertainty over whether the charity will have the ability to generate future revenue and reduce costs to enable the charity to be viable longer term when the current income stream ends and as such there is potential that the charity could be wound down from 1<sup>st</sup> April 2026. As a result, the trustees consider there is a material uncertainty over the continued operations of the charity beyond 12 months from authorising these financial statements.

#### Judgements and key sources of estimation uncertainty

There have been no significant judgements (apart from those involving estimates) made in the process of preparing the financial statements.

There have been no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2024

### 2 Donations and legacies

|                     | 2024<br>£        | 2023<br>£        |
|---------------------|------------------|------------------|
| Landfill tax income | 1,324,361        | 1,258,513        |
|                     | <u>1,324,361</u> | <u>1,258,513</u> |

All of the income from donations and legacies in the current and previous year was unrestricted.

### 3 Investments

|                                                            | 2024<br>£     | 2023<br>£     |
|------------------------------------------------------------|---------------|---------------|
| Interest receivable from interest bearing deposit accounts | 73,658        | 66,724        |
|                                                            | <u>73,658</u> | <u>66,724</u> |

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

### 4 Charitable activities

|                                       | 2024<br>£        | 2023<br>£        |
|---------------------------------------|------------------|------------------|
| Grants (note 8)                       | 1,283,568        | 1,482,859        |
| Governance and support costs (note 5) | <u>114,431</u>   | <u>116,156</u>   |
|                                       | <u>1,397,999</u> | <u>1,599,015</u> |

All of the expenditure on charitable activities in the current and previous year was unrestricted.





# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2024

### 5 Governance and administration of the charitable company

| 2024               | Basis of apportionment | Governance<br>£ | Support costs<br>£ | 2024<br>£ |
|--------------------|------------------------|-----------------|--------------------|-----------|
| Entrust levy       | Income                 | -               | 40,129             | 40,129    |
| Staff costs        | Staff time             | -               | 56,357             | 56,357    |
| Publicity          | Usage                  | -               | 1,171              | 1,171     |
| Audit fee          | Usage                  | 6,780           | -                  | 6,780     |
| Stationery         | Staff time             | 4               | 31                 | 35        |
| Senior mgt charge  | Staff time             | 2,834           | 2,834              | 5,668     |
| Office Expenditure | Staff time             | 388             | 3,488              | 3,876     |
| Other              | Staff time             | 415             | -                  | 415       |
|                    |                        | 10,421          | 104,010            | 114,431   |

| 2023               | Basis of apportionment | Governance<br>£ | Support costs<br>£ | 2023<br>£ |
|--------------------|------------------------|-----------------|--------------------|-----------|
| Entrust levy       | Income                 | -               | 43,052             | 43,052    |
| Staff costs        | Staff time             | -               | 57,020             | 57,020    |
| Publicity          | Usage                  | -               | 76                 | 76        |
| Audit fee          | Usage                  | 6,042           | -                  | 6,042     |
| Stationery         | Staff time             | 4               | 37                 | 41        |
| Senior mgt charge  | Staff time             | 2,834           | 2,834              | 5,668     |
| Office Expenditure | Staff time             | 383             | 3,448              | 3,831     |
| Other              | Staff time             | 426             | -                  | 426       |
|                    |                        | 9,689           | 106,467            | 116,156   |

The 2024 and 2023 costs were all charged to unrestricted general funds.

During the year the charitable company, which has no employees of its own, subcontracted one (2023: one) full-time and two (2023: two) part-time employees from Lancashire Wildlife Trust to work exclusively on the charitable company's affairs. All these employees undertook work relating to the provision of grants.

The aggregate payroll costs of three persons were as follows:

|                       | 2024<br>£ | 2023<br>£ |
|-----------------------|-----------|-----------|
| Gross salaries        | 51,529    | 52,107    |
| Social security costs | 3,666     | 3,598     |
| Pension contributions | 1,162     | 1,315     |
|                       | 56,357    | 57,020    |

No employee received emoluments of more than £60,000.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2024

### 6 Auditor's remuneration

|                                                         | 2024<br>£ | 2023<br>£ |
|---------------------------------------------------------|-----------|-----------|
| Auditor's remuneration (net of VAT): For audit services | 5,651     | 5,035     |

### 7 Trustee and key management personnel remuneration and expenses

The directors, who are also trustees, of the charitable company are non-executive, are not remunerated and as such are not regarded as employees. None of the trustees received any reimbursement of any expenses. Indemnity insurance of £960 (2023: £995) was purchased during the year, to protect the charity and its trustees from any loss arising from the actions of the trustees.

The key management personnel of the charity comprise only the fund manager. The total cost of key management personnel of the charity (including employer's pension and National Insurance contributions) was therefore £32,139 (2023: £34,915).

### 8 Grants

|                                        | 2024<br>£        | 2023<br>£        |
|----------------------------------------|------------------|------------------|
| Balance payable brought forward        | 1,845,449        | 1,637,692        |
| Previously awarded grants released     | (55,261)         | (137,672)        |
| New grants awarded in the year         | 1,338,829        | 1,620,531        |
| Net grant cost in year (note 4)        | 1,283,568        | 1,482,859        |
|                                        | 3,129,017        | 3,120,551        |
| Grants paid in the year                | (1,956,133)      | (1,275,102)      |
| Grants repaid in the year              | 1,000            | -                |
| <b>Balance payable carried forward</b> | <b>1,173,884</b> | <b>1,845,449</b> |
| <b>Being:</b>                          |                  |                  |
| Due within one year (note 10)          | 1,173,884        | 1,845,449        |

During the year the charitable company awarded 60 grants (2023: 75 grants). All grants in the year were awarded to institutions and all were amenity related.

An analysis of new commitments (grants awarded) in the year is shown below.

Previously awarded grants released relate to grants where the intended recipient no longer meets the criteria for grant award or does not require the full grant award any longer.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2024

### 8 Grants (continued)

|                                                                         | Grant Awarded<br>£ |
|-------------------------------------------------------------------------|--------------------|
| <b>Community Facility Improvements</b>                                  |                    |
| Soundskills Heating System, Brookfield                                  | £11,600            |
| Stacksteads Methodist Church Activity Space                             | £17,500            |
| St Matthews Church, Burnley Hydrogen Ready Boiler                       | £18,000            |
| Whitewell Bottom Community Centre, Solar panels                         | £16,780            |
| St Andrews Church, Longton Community Hall Refurbishment                 | £40,000            |
| Billington & Langho Comm Assoc, Outdoor Play & Solar Battery            | £37,230            |
| Foulridge Village Hall Thermal & Safety Improvement                     | £18,500            |
| Garstang Sports Club facilities Upgrade                                 | £40,000            |
| Heysham Jubilee Institute, Energy Efficient Windows & Doors             | £38,800            |
| The Hub at Banks, Roof Replacement                                      | £38,000            |
| Bodies in Motion Garden Zone Community Café                             | £37,510            |
| Colne citadel, Re Roof, Render & Windows                                | £29,800            |
| Rufford Village Hall Environmental Upgrade                              | £20,238            |
| More Music, Morecambe Essential Repairs                                 | £40,000            |
| HAPPA Improved Pathways, Brierfield                                     | £15,422            |
| Improved Accessibility for The Grand at Clitheroe                       | £21,507            |
| Leyland Baptist Church Building Works                                   | £30,000            |
| 1 <sup>st</sup> Oswaldtwistle St Pauls Scout Hut Access                 | £7,725             |
| Haslingden Community Link, Mitchell Building Boiler                     | £5,161             |
| Burnley, Pendle & Rossendale Council for Voluntary Service, New Boilers | £30,000            |
| Ribblesdale Wanderers CC, Illuminating Community Pathway                | £3,650             |
| <b>Total</b>                                                            | <b>£517,423</b>    |
| <b>Habitat Creation and Management</b>                                  |                    |
| Lancashire Wildlife Trust, Red Rose Peatland Recovery                   | £39,000            |
| Lancashire Wildlife Trust, Freemans Freedom to Graze                    | £15,813            |
| RSPB Cockshotts Farm Lodge Pond Restoration                             | £4,736             |
| <b>Total</b>                                                            | <b>£59,549</b>     |
| <b>Green Grants</b>                                                     |                    |
| Planting of a Sensory Garden at Happy Mount Park, Morecambe             | £840               |
| Picnic Bench at Durham Road Play Park Wilpshire                         | £800               |
| Basically Cheer, New Beginnings                                         | £999               |
| Bulb & Tree Planting at Hilldale Parish Church                          | £895               |
| Padiham & Fennyfold Allotments, Raised Beds                             | £3,000             |
| CVPT Access & Stepway Enhancements                                      | £3,000             |
| PCC Longton St Andrews Wildflower Garden                                | £3,000             |
| Stanhill Village Brookside Wildflower Meadow                            | £3,000             |
|                                                                         | <b>£15,534</b>     |

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2024

### 8 Grants (continued)

Grant Awarded

£

#### Parks, Gardens and Open Spaces

|                                                                     |         |
|---------------------------------------------------------------------|---------|
| Claver Hill Community Project, Accessible Nature Trail              | £15,000 |
| Lancashire Wildlife Trust, Grow and Eat at The Chai Centre, Burnley | £21,682 |
| Cuerden Valley Park Trust Walled Orchard Update                     | £40,000 |
| Friends of Conway Park, Access For All                              | £29,920 |
| Roots to Branches Forest School Weeton Barracks, Force of Nature    | £39,970 |
| Grimsargh Wetlands Trust Access & Safety Improvements               | £11,000 |
| Pendle BC Lomeshaye Marsh Access Improvements,                      | £7,000  |
| Hesketh Bank Marsh Lane Garden Access Improvements                  | £9,930  |
| Withnell Fold Millenium Green Trust, Making Shed Area Safe          | £2,700  |
| Hyndburn Green Spaces Forum, Green Shoots at Gatty park, Accrington | £30,000 |
| Penine Oaks Public Footpath Wanlass Waters Colne                    | £29,642 |
| Cuerden Valley Park Trust, Andy Rowett Memorial Garden              | £40,000 |
| Pavillion Community Hub & Café Gardens                              | £13,265 |
| RSPB Dipping Into Nature, Leighton Moss                             | £24,614 |
| Lancashire Wildlife Trust Brews & Views, Mere Sands Wood            | £30,000 |
| Ulnes Walton Bridleway association, Upgrade Nixon Lane Woods        | £28,000 |

Total

£372,723

#### Play Areas and Recreational Facilities

|                                                                            |         |
|----------------------------------------------------------------------------|---------|
| Hawthorne Park Trust Play area Improvement                                 | £40,000 |
| Friends of Victoria Park Haslingden, Wheeled Sports Improvements           | £40,000 |
| Nelson Independent Labour Party Land Society Ltd, Clarion House Playground | £20,000 |
| Ribble Valley Borough Council, Longridge Pump Track                        | £40,000 |
| Friends of Winchester Field Woodland & Park Improvements                   | £38,000 |
| Friends of Clifton Park Refurb of William Pickles Park                     | £38,000 |
| Friends of Roods Play Area Improvements                                    | £38,000 |
| Staining Parish Council Community Activity Play Area                       | £33,000 |
| Friends of Whitaker Park Play Area Improvements                            | £30,000 |
| WAVE Adventure Public Trails & Pump Track, Moller Ring Crawshawbooth       | £9,000  |
| Friends of Rhyddings Park New Play Area                                    | £30,000 |
| Pilling Village Hall, Play Out in Pilling                                  | £17,600 |

Total

£373,600

Overall Total

£1,338,829

**LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)****NOTES TO THE ACCOUNTS (CONTINUED)****YEAR ENDED 31 DECEMBER 2024****9 Debtors**

|                                                           | <b>2024</b>       | <b>2023</b>       |
|-----------------------------------------------------------|-------------------|-------------------|
|                                                           | <b>£</b>          | <b>£</b>          |
| Accrued income                                            | 48,915            | 48,456            |
|                                                           | <u>          </u> | <u>          </u> |
| All accrued income related to unrestricted general funds. |                   |                   |

**10 Creditors: amounts falling due within one year**

|                         | <b>2024</b>       | <b>2023</b>       |
|-------------------------|-------------------|-------------------|
|                         | <b>£</b>          | <b>£</b>          |
| Grants awarded (note 8) | 1,173,884         | 1,845,449         |
| Other creditors         | 265,030           | 182,024           |
| Accruals                | 16,467            | 6,048             |
|                         | <u>          </u> | <u>          </u> |
|                         | 1,455,381         | 2,033,521         |
|                         | <u>          </u> | <u>          </u> |

During the year ended 31 December 2024 Lancashire County Council paid £nil (2023: £nil) to the fund to cover the cost of third party contributions necessary to draw landfill tax income to finance the Green Grant Scheme going forward. In the event of the Green Grant Scheme ceasing to exist, the monies are to be used specifically to pay third party contributions to draw landfill tax income to be allocated to Lancashire Environmental Fund's other remaining grant schemes. At the year end an amount of £27,966 (2023: £26,080) was held within other creditors for this purpose.

During the year ended 31 December 2024 Lancashire County Council paid £80,000 (2023: £80,000) to the fund to cover the cost of third party contributions necessary to draw landfill tax income to finance the Main Grant and Small Grant Schemes going forward. At the year end an amount of £220,594 (2023: £140,001) was held within other creditors.

**LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2024**

**11 Summary of funds**

|                                          | General<br>fund<br>£ | Designated<br>Fund<br>£ | Total<br>unrestricted<br>fund<br>£ |
|------------------------------------------|----------------------|-------------------------|------------------------------------|
| <b>Fund balances at 31 December 2024</b> |                      |                         |                                    |
| <b>Represented by:</b>                   |                      |                         |                                    |
| Current assets                           | 2,249,463            | 150,000                 | 2,399,463                          |
| Current liabilities                      | (1,455,381)          | -                       | (1,455,381)                        |
|                                          | 794,082              | 150,000                 | 944,082                            |
| <b>Movements in funds</b>                |                      |                         |                                    |
| Balance brought forward                  | 794,062              | 150,000                 | 944,062                            |
| Net outgoing funds                       | 20                   | -                       | 20                                 |
| <b>Balance carried forward</b>           | <b>794,082</b>       | <b>150,000</b>          | <b>944,082</b>                     |
|                                          |                      |                         |                                    |
|                                          | General<br>fund<br>£ | Designated<br>Fund<br>£ | Total<br>unrestricted<br>fund<br>£ |
| <b>Fund balances at 31 December 2023</b> |                      |                         |                                    |
| <b>Represented by:</b>                   |                      |                         |                                    |
| Current assets                           | 2,827,583            | 150,000                 | 2,977,583                          |
| Current liabilities                      | (2,033,521)          | -                       | (2,033,521)                        |
|                                          | 794,062              | 150,000                 | 944,062                            |
| <b>Movements in funds</b>                |                      |                         |                                    |
| Balance brought forward                  | 1,067,840            | 150,000                 | 1,217,840                          |
| Net incoming funds                       | (273,778)            | -                       | (273,778)                          |
| <b>Balance carried forward</b>           | <b>794,062</b>       | <b>150,000</b>          | <b>944,062</b>                     |

The general fund relates to surplus funds from landfill tax credit receipts not yet paid out as grants.

A designated fund of £150,000 has been set up by the Trustees to provide for future transitional expenses in the event that landfill operations cease.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2024

### 12 Reconciliation of net income/(expenditure) to net cash flow from operating activities

|                                       | 2024<br>£ | 2023<br>£ |
|---------------------------------------|-----------|-----------|
| Net income/(expenditure) for the year | 20        | (273,778) |
| Interest receivable                   | (73,658)  | (66,724)  |
| (Increase)/decrease in debtors        | (459)     | (27,371)  |
| Increase/(decrease) in creditors      | (578,140) | 221,203   |
|                                       | (652,237) | (146,670) |

### 13 Related party transactions

SUEZ Recycling & Recovery UK Limited ('SUEZ') is a member of the charitable company with the power to appoint one trustee to the board. A J Hughes is a Director of Suez and a trustee of the charitable company. During the year landfill tax monies payable to the charitable company from SUEZ amounted to £1,324,361 (2023: £1,258,513).

Lancashire Wildlife Trust ('LWT') is a member of the charitable company with the power to appoint one trustee to the board. J Drury was a trustee of LWT until October 2019 and remains a trustee of LEF. During the year LWT provided management, organisational, administrative and supervision services to the charitable company for which £63,289 (2023: £63,975) was charged in the income and expenditure account. A balance of £114,113 (2023: £179,207) was due to LWT at 31 December 2024. This comprised outstanding grants of £107,538 (2023: £172,965) and service charges of £6,575 (2023: £6,242). Grants totalling £106,495 (2023: £99,510) were awarded to LWT during the year. Grants of £2,616 (2023: £2,617) previously awarded to LWT have been written back during the year.

Lancashire County Council ('LCC') is a member of the charitable company with the power to appoint one trustee to the board. S Turner was the Chairman of the charitable company and a member of LCC. A balance of £0 (2023: £0) was due to LCC as at 31<sup>st</sup> December 2024. Grants totalling £0 (2023: £0) were awarded to LCC during the year. Grants of £0 (2023: £285) previously awarded to LCC have been written back during the year.

It is the company policy that trustees must inform the board of their interests in grant applications at the start of board meetings. The interested trustee will not participate during the consideration of these applications. In the case of the Chairman having an interest in an application, the chair is taken by the Vice-Chairman.

# LANCASHIRE ENVIRONMENTAL FUND

The Barn, Berkeley Drive, Bamber Bridge, Preston PR5 6BY  
Tel: 01772 317247  
Fax: 01772 628849  
general@lancsenvfund.org.uk  
www.lancsenvfund.org.uk

*Contributing to a quality and sustainable environment for Lancashire*

MHA  
Richard House  
9 Winckley Square  
Preston  
PR1 3HP

Dear Sirs

## Financial statements for the year ended 31 December 2024

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the charitable company's financial statements for the year ended 31 December 2024. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

### General

- 1 We have fulfilled our responsibilities as directors as set out in the terms of your engagement letter, under the Companies Act 2006 and Charities Act 2011 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
- 2 All the transactions undertaken by the charitable company have been properly reflected and recorded in the accounting records.
- 3 All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the charitable company, and with all other records and related information requested, including minutes of all management and trustee meetings and correspondence with The Charity Commission.
- 4 The financial statements are free of material misstatements, including omissions.
- 5 The effects of uncorrected misstatements (as set out in the Audit Findings Report) are immaterial both individually and in total

### Internal control and fraud

- 6 We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
- 7 We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
- 8 We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.



### **Assets and liabilities**

- 9 The charitable company has satisfactory title to all assets and there are no liens or encumbrances on the charitable company's assets, except for those that are disclosed in the notes to the financial statements.
- 10 All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
- 11 We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.

### **Accounting estimates**

- 12 The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

### **Loans and arrangements**

- 13 The charitable company has not granted any advances or credits to, or made guarantees on behalf of, directors other than those disclosed in the financial statements.

### **Legal claims**

- 14 We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for, and disclosed in, the financial statements.

### **Laws and regulations**

- 15 We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

### **Related parties**

- 16 Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with legislative and accounting standards requirements.

### **Subsequent events**

- 17 All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

### **Going concern**

- 18 We believe that the charitable company's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the charitable company's needs. We also confirm our plans for future action(s) required to enable the charitable company to continue as a going concern are feasible. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the charitable company's ability to continue as a going concern need to be made in the financial statements.

### **Grants and donations**

- 19 All grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.
- 20 We confirm the following specific representations made to you during the course of your audit:
  - a We are not aware of any reasons why any of the grants awarded but not paid at 31 December 2024 may not be payable.

- b There are no additional related party transactions other than those included in note 13 of the accounts.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

*Dorinda King*

Trustee

On behalf of the board of Trustees

Date May 27, 2025



**LANCASHIRE ENVIRONMENTAL FUND LIMITED**

England & Wales - Charity number 1074983

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# Accounts

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Charity Number: 1074983  
Company Number: 03527370

**LANCASHIRE  
ENVIRONMENTAL FUND  
LIMITED (BY GUARANTEE)**

**Trustees' Report and Accounts**

**For The Year Ended  
31 December 2023**

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

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# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## CHARITY DETAILS

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|                                    |                                                                                                                       |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>Company Name</b>                | Lancashire Environmental Fund                                                                                         |
| <b>Charity registration number</b> | 1074983                                                                                                               |
| <b>Company registration number</b> | 03527370                                                                                                              |
| <b>Trustees</b>                    | J Drury<br>F McGinty<br>A J Hughes<br>S Turner                                                                        |
| <b>Secretary</b>                   | Lancashire County Council                                                                                             |
| <b>Fund Manager</b>                | A Rowett (Resigned 11/06/2023)<br>E Morgan (Appointed 10/07/2023)                                                     |
| <b>Auditor</b>                     | MHA<br>Richard House<br>Winckley Square<br>Preston<br>PR1 3HP                                                         |
| <b>Legal advisor</b>               | Company Secretary<br>PO Box 100<br>County Hall Democratic Services<br>Lancashire County Council<br>Preston<br>PR1 0LD |
| <b>Principal/contact address</b>   | c/o Lancashire Wildlife Trust<br>The Barn<br>Berkeley Drive<br>Bamber Bridge<br>PR5 6BY                               |
| <b>Registered address</b>          | Company Secretary<br>PO Box 100<br>County Hall Democratic Services<br>Lancashire County Council<br>Preston<br>PR1 0LD |
| <b>Members</b>                     | Community Futures<br>Lancashire County Council<br>Suez Recycling & Recovery UK Limited<br>Lancashire Wildlife Trust   |

# **LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)**

## **REPORT OF THE TRUSTEES**

**YEAR ENDED 31 DECEMBER 2023**

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The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their report and the audited financial statements of the charity for the year ended 31 December 2023. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

### **Structure, governance and management**

Lancashire Environmental Fund Limited (hereafter referred to as "the charitable company") is a charitable company limited by guarantee, incorporated on 13 March 1998 and registered as a charity on 1 April 1999. The charitable company is governed by its memorandum and articles of association. The power of appointing and removing trustees is vested in the members by way of an instrument in writing signed by each member, each member having the power to appoint one trustee.

The criteria used by Lancashire Environmental Fund Limited to determine the pay and remuneration of key management personnel are the same as those used by Lancashire Wildlife Trust from whom staff are seconded. Lancashire Wildlife Trust use comparisons to external charities for similar roles as a basis for determining the pay and remuneration of key management personnel.

### **Trustees of the charity**

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end are set out on page 1. Trustees are appointed by the Board. The Board's Legal Officer will update the Trustees on changes to the law affecting the scheme. The Fund Manager will provide induction for new members.

The trustees delegate the assessment of applications to an assessment group, which is chaired by the fund manager. The fund manager is assisted by a small team and co-ordinates the daily operation of the charity. The trustees meet quarterly to approve or refuse grants based on the recommendations of the assessment group.

### **Risk review**

The board has conducted its own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. Significant external risks are mitigated by Professional Indemnity Insurance. Internal risks are minimised by segregation of duties and checking procedures.

The major risks to which the charity is exposed due to its management and administration being provided by LWT have been reviewed by the trustees of LWT. Internal risks relevant to the charity are being minimised by the implementation of procedures for authorisation of all transactions. Risk management priorities of LWT, impacting on the management and administration of the charity, are quality systems, succession planning for key staff and the regular review of systems.

Future legislative changes to the Landfill Communities Fund could result in Suez Recycling & Recovery UK Limited, the landfill operator, deciding to withdraw from the scheme. If this happens, the Lancashire Environmental Fund Limited will have to wind up after running down the existing general unrestricted fund balance.

The Fund could also face further challenges as a result of possible legislation to cap administration fees at 7.5% of project expenditure. This represents an extremely challenging target for such a relatively small fund which does not enjoy the benefits of economies of scale which other larger Landfill Communities Fund distributors have.

However, the Trustees have made and will continue to make significant efforts to reduce administration fees wherever possible.

# **LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)**

## **REPORT OF THE TRUSTEES**

**YEAR ENDED 31 DECEMBER 2023**

---

The Lancashire Environmental Fund primarily distributes monies raised from the Landfill Tax paid by Lancashire County Council. The current contract for waste management expires on 31<sup>st</sup> March 2025 and the expectation is that the amount of Landfill Tax that the fund is likely to receive will reduce significantly thereafter. Depending on how much this reduction is and also upon the administration costs of running the Fund it may well be that the continued operation of the Fund becomes unviable. If this is indeed the case, alternative arrangements for the distribution of any future and existing funds will have to be made.

The Fund relies on the continued support of Lancashire County Council who pay many of the third party contributions required to enable the Landfill Tax income to be released.

### **Connected Charities and Organisations**

#### **Lancashire Wildlife Trust Limited**

The trustees consider Lancashire Wildlife Trust Limited ("LWT") to be a connected charity as it is a member of the charitable company with the power to appoint one trustee to the board. J Drury was a trustee of LWT until October 2019 and remains a trustee of Lancashire Environmental Fund. In addition, LWT provides management, organisational, administrative and supervision services to the charitable company under an agreement and both parties operate from Cuerden Valley Park near Bamber Bridge. The charitable company has no employees of its own, but subcontracts one full time and two part time employees from Lancashire Wildlife Trust who work exclusively on the charitable company's affairs.

During the year, a total of £63,975 (2022: £67,283) was payable for these services and other management, organisational, administrative and supervision services.

LWT is established to promote the conservation of nature for the purpose of study and research and to educate the public in the understanding and appreciation of nature, the awareness of its value and the need for its conservation. During the year the charitable company awarded grants totalling £99,510 (2022: £135,755) to LWT in connection with those objectives.

#### **Lancashire County Council**

The trustees consider Lancashire County Council to be a connected organisation as it is a member of the charitable company with the power to appoint one trustee to the board. S Turner is both a trustee of the charitable company and Deputy Leader of Lancashire County Council.

One of the current functions of Lancashire County Council is to provide and maintain public open spaces including country parks, greenway bridle paths, footpaths etc for the pleasure and enjoyment of the people of Lancashire. During the year the charitable company awarded grants totalling £0 (2022: £30,000) to Lancashire County Council in connection with this objective.

#### **Community Futures**

The trustees consider Community Futures to be a connected charity as it is a member of the charitable company with the power to appoint one trustee to the board. F McGinty is the Community Futures appointee and a Trustee of the charitable company. The aim of Community Futures is to promote and develop social and community activity in Lancashire, working through voluntary groups and in partnership with public authorities.

#### **Suez Recycling & Recovery UK Limited**

The trustees consider Suez Recycling & Recovery UK Limited to be a connected organisation as it is a member of the charitable company with the power to appoint one trustee to the board. A J Hughes is the Suez Recycling & Recovery UK Limited appointee and a Trustee of the charitable company. Suez Recycling & Recovery UK Limited are the waste management company contracted by Lancashire County Council to dispose of the waste in the county which goes to landfill.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## REPORT OF THE TRUSTEES

YEAR ENDED 31 DECEMBER 2023

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### Objectives, activities and public benefit

The principal activity of the charitable company is the support for environmental projects via an Entrust registered environmental body which receives landfill tax credits and awards grants to environmental projects which meet the criteria specified by the Landfill Tax Regulations 1996 (As Amended):

- Providing and maintaining public amenities and parks, within 10 miles of a landfill site, when the work benefits the natural social or built environment;
- The provision, conservation, restoration or enhancement of a natural habitat, maintenance or recovery of a species within 10 miles of a landfill site;
- Restoring and repairing buildings which are for religious worship, or architectural or historical interest within 10 miles of a landfill site.

The trustees have had due regard to guidance published by the Charity Commission on public benefit.

### Grant making policy

The charity invites applications for funding of environmental projects across the Lancashire area. Institutional applicants are invited to submit a summary of their proposals in a specified format. The applications are reviewed against specific criteria by the fund manager. Projects may be funded over varying periods of time, therefore cost and progress is monitored on a continuous basis.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

### Achievements and performance

During the year, the charitable company awarded a total of £1,620,531 (2022: £1,331,210 to 75 projects (2022: 68 projects) while maintaining sufficient resources to enable charitable activities going forward.

The Fund distributes grants on a quarterly cycle on a demand led basis. This makes it difficult to set specific targets for the number and type of project applications received and supported. To ensure the number of applications is maximised, the Fund Manager regularly attends funding events in Lancashire to promote access to the fund.

### Financial review

All of the £1,258,513 (2022: £1,265,423) landfill tax income was received from Suez Recycling & Recovery UK Limited in the year. The trustees anticipate the charitable company will continue to be dependent on this income source.

The expectation going forward is that the amount of waste going to landfill and therefore the landfill tax income paid to the Fund will start to reduce as alternative contracts for disposal of waste are entered into by LCC.

In addition to the grants awarded of £1,620,531 (2022: £1,331,210), previously awarded balances totalling £137,672 (2022: £112,159) were written off and this resulted in a net grant cost for the year of £1,482,859 (2022: £1,219,051).

At the year end, grant balances totalling £1,845,449 (2022: £1,637,692) remained unpaid.

Further to the costs of grant awards, governance and support costs of £116,156 (2022: £119,981) were incurred and the excess of expenditure over income for the year was £273,778 (2022: £49,420 excess of expenditure over income).

# **LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)**

## **REPORT OF THE TRUSTEES**

**YEAR ENDED 31 DECEMBER 2023**

---

At the year end, Lancashire Environmental Fund was holding a balance of £166,081 (2022: £146,137) as an agent for Lancashire County Council. This amount is being used to cover the third party contribution payments required to draw down funds to enable payments of grants awarded under all the Grant schemes including the Green Grant scheme. During the year an amount of £2,159 (2022: £333) interest on these monies held was received. Amounts totalling £565 (2022: £708) were disbursed to Suez Recycling & Recovery UK Limited to facilitate the drawdown of funds for the Green Grant scheme totalling £5,139 (2022: £7,077). £40,000 (2022: £40,000) was paid to secure funding under the other grant schemes during the year.

### **Investment policy**

Surplus funds are held on deposit with Nationwide Building Society and The Royal Bank of Scotland, to ensure a competitive interest rate as well as security and fund accessibility.

Interest earned is reviewed regularly by the Finance Officer. The trustees consider the returns achieved to be satisfactory in the current investment climate.

### **Reserves policy**

The general unrestricted fund balance of £794,062 (2022: £1,067,840) which remains unallocated will be applied to future awards.

The level of general unrestricted funds is reviewed before grant commitments are made to ensure that the balance of these funds is always sufficient to cover current and proposed grant commitments and ongoing administration costs. The trustees are concerned to maximise the benefit to the community of their grant making policy. The trustees, however, have to work within the statutory framework set out in the Landfill Tax regulations and the compliance control of Entrust, the regulator of the Landfill Tax Credit Scheme.

£150,000 of unrestricted funds have previously been set aside in a designated reserve to provide for transitional costs, in the event of landfill operations ceasing as a result of statutory changes to the Scheme or a decision of the landfill operator. The reserve was calculated on the basis of an 18 month wind-up at an annual cost of £100,000 to provide support for existing grant-funded projects. The trustees have reviewed the level of the designated reserve and have decided to keep it at this level, subject to continuous review in the future.

The total fund balances at 31 December 2023 were £944,062 (2022: £1,217,840).

The required level of free reserves is currently £nil as the designated fund has sufficient resources to provide for foreseeable transitional costs. The actual level of free reserves at 31 December 2023 amounted to £794,062 (2022: £1,067,840). Reserves were built up in the early years due to uncertainty over the continued funding from Landfill operations. At that time it was the Trustees intention to hold sufficient funds to provide for five years of grant and administrative expenses following cessation of funding. This is no longer the case and the Trustees are actively looking to reduce the amount of free reserves held.

It is the intention of the Trust to continue to reduce reserves through the issuing of grants. The rate at which reserves are distributed is limited by the number and value of applications received, and by the number of those applications that meet the requirements as set out in the Objectives and in the Landfill Tax Regulations. The Trust actively encourages applications through advertising and promotion of the scheme.

### **Future plans**

The Trust will continue to offer grants in line with the objects subject to the potential impact of the factors highlighted in the risk review.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## REPORT OF THE TRUSTEES

YEAR ENDED 31 DECEMBER 2023

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### Auditor

MHA are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

### Trustees' responsibilities

The trustees (who are also directors of Lancashire Environmental Fund Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

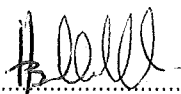
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In preparing this report the Trustees have taken advantage of the small companies exemption provided by the Companies Act 2006.

The report was approved by the board on 10<sup>th</sup> July 2024 and signed on its behalf by



S Turner  
Trustee



H MacAndrew – Lancashire County Council  
Secretary

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR YEAR ENDED 31 DECEMBER 2023

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### Opinion

We have audited the financial statements of Lancashire Environmental Fund Limited (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 charitable company's affairs as at 31 December 2023, and of its incoming resources and application of resources, including its 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.

### 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 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 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 trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

We have nothing to report in this regard.

**LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONTINUED)**  
**FOR YEAR ENDED 31 DECEMBER 2023**

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**Opinions 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

**Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 6, 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 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 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**

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.

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 of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that have had a direct effect on the financial statements. The key laws and regulations we considered in this context include Charities Act and Entrust regulations. In addition, we consider compliance with employee legislation, as fundamental to the Charity's operations;

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONTINUED)

FOR YEAR ENDED 31 DECEMBER 2023

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- Discussions with management, including consideration of known or suspected instances of noncompliance with laws and regulations and fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Auditing the risk of fraud in revenue, including through the testing of the cut off of income at the year end and proof in total of donations to ensure revenue is complete in the financial statements and recognised in the correct accounting period;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>

This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Nicola Mason**

For and on behalf of MHA, Statutory Auditor  
Preston, United Kingdom

19/7/2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2023

|                                             | Note | Designated<br>funds<br>2023<br>£ | General<br>funds<br>2023<br>£ | Total<br>funds<br>2023<br>£ | Total<br>funds<br>2022<br>£ |
|---------------------------------------------|------|----------------------------------|-------------------------------|-----------------------------|-----------------------------|
| <b>Income from:</b>                         |      |                                  |                               |                             |                             |
| Donations and legacies                      | 2    | -                                | 1,258,513                     | 1,258,513                   | 1,265,423                   |
| Investments                                 | 3    | -                                | 66,724                        | 66,724                      | 24,189                      |
| <b>Total income</b>                         |      | -                                | 1,325,237                     | 1,325,237                   | 1,289,612                   |
| <b>Expenditure on:</b>                      |      |                                  |                               |                             |                             |
| Charitable activities                       | 4    | -                                | 1,599,015                     | 1,599,015                   | 1,339,032                   |
| <b>Total expenditure</b>                    |      | -                                | 1,599,015                     | 1,599,015                   | 1,339,032                   |
| <b>Net movement in funds</b>                |      | -                                | (273,778)                     | (273,778)                   | (49,420)                    |
| <b>Fund balance b/f at 1 January 2023</b>   |      | 150,000                          | 1,067,840                     | 1,217,840                   | 1,267,250                   |
| <b>Fund balance c/f at 31 December 2023</b> |      | 150,000                          | 794,062                       | 944,062                     | 1,217,840                   |

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## BALANCE SHEET

AS AT 31 DECEMBER 2023

|                                               | Note | 2023<br>£          | £              | 2022<br>£          | £                |
|-----------------------------------------------|------|--------------------|----------------|--------------------|------------------|
| <b>Current assets:</b>                        |      |                    |                |                    |                  |
| Debtors                                       | 9    | 48,456             |                | 21,085             |                  |
| Cash at bank and in hand                      |      | <u>2,929,127</u>   |                | <u>3,009,073</u>   |                  |
| Total current assets                          |      | 2,977,583          |                | 3,030,158          |                  |
| <b>Liabilities:</b>                           |      |                    |                |                    |                  |
| Creditors: amount falling due within one year | 10   | <u>(2,033,521)</u> |                | <u>(1,812,318)</u> |                  |
| <b>Net current assets</b>                     |      |                    | <u>944,062</u> |                    | <u>1,217,840</u> |
| <b>Net assets less current liabilities</b>    |      |                    | <u>944,062</u> |                    | <u>1,217,840</u> |
| <b>The funds of the charity:</b>              |      |                    |                |                    |                  |
| 11                                            |      |                    |                |                    |                  |
| Unrestricted:                                 |      |                    |                |                    |                  |
| General                                       |      |                    | 794,062        |                    | 1,067,840        |
| Designated                                    |      |                    | <u>150,000</u> |                    | <u>150,000</u>   |
| <b>Total funds</b>                            |      |                    | <u>944,062</u> |                    | <u>1,217,840</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board on 10<sup>th</sup> July 2024 and signed on its behalf by:



S Turner – Trustee

Company Registration Number: 03527370

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

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2023

|                                                            | Note | £      | 2023<br>£ | £      | 2022<br>£ |
|------------------------------------------------------------|------|--------|-----------|--------|-----------|
| <b>Cash inflows from operating activities:</b>             |      |        |           |        |           |
| <i>Net cash provided by/(used in) operating activities</i> | 12   |        | (146,670) |        | 39,609    |
| <b>Cash flows from investing activities:</b>               |      |        |           |        |           |
| Interest receivable                                        |      | 66,724 |           | 24,189 |           |
| <i>Net cash provided by/(used in) investing activities</i> |      |        | 66,724    |        | 24,189    |
| <i>Change in cash and cash equivalents in the year</i>     |      |        | (79,946)  |        | 63,798    |
| Cash and cash equivalents at 1 January 2023                |      |        | 3,009,073 |        | 2,945,275 |
| Cash and cash equivalents at 31 December 2023              |      |        | 2,929,127 |        | 3,009,073 |

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

#### General information and basis of preparation

Lancashire Environmental Fund Limited is a company limited by guarantee and does not have a share capital. The liability of the members is limited and is not to exceed £1 per member. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees Report on pages 2 to 6.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

#### Income recognition

Income arising from the Landfill Tax Credit Scheme is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes interest received from interest bearing deposit accounts. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method.

#### Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes grants awarded.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies (continued)

#### Expenditure recognition (continued)

Grants payable to third parties are within the charitable objectives. Grants are due for payment when the grantee makes an approved claim. Previously grant liabilities were treated as falling due within one year unless the terms of the grant offer anticipated payment after one year from the balance sheet date and by reviewing the current status of the project at the year end and when it was anticipated to be completed.

Grants are released to the income and expenditure account when:

- projects are cancelled by the grant applicants;
- the original grant application exceeds the final amount claimed on project completion.

#### Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

The analysis of these costs is included in note 5.

#### Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

#### Employee benefits

When employees have rendered service to the charity, 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. Staff costs are recharged to the charity by Lancashire Wildlife Trust.

#### Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered this when making assessment of the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

#### Judgements and key sources of estimation uncertainty

There have been no significant judgements (apart from those involving estimates) made in the process of preparing the financial statements.

There have been no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2023

### 2 Donations and legacies

|                     | 2023<br>£ | 2022<br>£ |
|---------------------|-----------|-----------|
| Landfill tax income | 1,258,513 | 1,265,423 |
|                     | 1,258,513 | 1,265,423 |

All of the income from donations and legacies in the current and previous year was unrestricted.

### 3 Investments

|                                                            | 2023<br>£ | 2022<br>£ |
|------------------------------------------------------------|-----------|-----------|
| Interest receivable from interest bearing deposit accounts | 66,724    | 24,189    |

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

### 4 Charitable activities

|                                       | 2023<br>£ | 2022<br>£ |
|---------------------------------------|-----------|-----------|
| Grants (note 8)                       | 1,482,859 | 1,219,051 |
| Governance and support costs (note 5) | 116,156   | 119,981   |
|                                       | 1,599,015 | 1,339,032 |

All of the expenditure on charitable activities in the current and previous year was unrestricted.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2023

### 5 Governance and administration of the charitable company

| 2023               | Basis of apportionment | Governance<br>£ | Support costs<br>£ | 2023<br>£ |
|--------------------|------------------------|-----------------|--------------------|-----------|
| Entrust levy       | Income                 | -               | 43,052             | 43,052    |
| Staff costs        | Staff time             | -               | 57,020             | 57,020    |
| Publicity          | Usage                  | -               | 76                 | 76        |
| Audit fee          | Usage                  | 6,042           | -                  | 6,042     |
| Stationery         | Staff time             | 4               | 37                 | 41        |
| Senior mgt charge  | Staff time             | 2,834           | 2,834              | 5,668     |
| Office Expenditure | Staff time             | 383             | 3,448              | 3,831     |
| Other              | Staff time             | 426             | -                  | 426       |
|                    |                        | 9,689           | 106,467            | 116,156   |

| 2022               | Basis of apportionment | Governance<br>£ | Support costs<br>£ | 2022<br>£ |
|--------------------|------------------------|-----------------|--------------------|-----------|
| Entrust levy       | Income                 | -               | 43,069             | 43,069    |
| Staff costs        | Staff time             | -               | 60,276             | 60,276    |
| Publicity          | Usage                  | -               | 1,452              | 1,452     |
| Audit fee          | Usage                  | 5,700           | -                  | 5,700     |
| Stationery         | Staff time             | 5               | 47                 | 52        |
| Senior mgt charge  | Staff time             | 2,834           | 2,834              | 5,668     |
| Office Expenditure | Staff time             | 351             | 3,158              | 3,509     |
| Other              | Staff time             | 255             | -                  | 255       |
|                    |                        | 9,145           | 110,836            | 119,981   |

The 2023 and 2022 costs were all charged to unrestricted general funds.

During the year the charitable company, which has no employees of its own, subcontracted one (2022: one) full-time and two (2022: two) part-time employees from Lancashire Wildlife Trust to work exclusively on the charitable company's affairs. All these employees undertook work relating to the provision of grants.

The aggregate payroll costs of three persons were as follows:

|                       | 2023<br>£ | 2022<br>£ |
|-----------------------|-----------|-----------|
| Gross salaries        | 52,107    | 54,344    |
| Social security costs | 3,598     | 4,090     |
| Pension contributions | 1,315     | 1,842     |
|                       | 57,020    | 60,275    |

No employee received emoluments of more than £60,000.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2023

### 6 Auditor's remuneration

|                                                         | 2023<br>£ | 2022<br>£ |
|---------------------------------------------------------|-----------|-----------|
| Auditor's remuneration (net of VAT): For audit services | 5,035     | 4,750     |

### 7 Trustee and key management personnel remuneration and expenses

The directors, who are also trustees, of the charitable company are non-executive, are not remunerated and as such are not regarded as employees. None of the trustees received any reimbursement of any expenses. Indemnity insurance of £995 (2022: £1,001) was purchased during the year, to protect the charity and its trustees from any loss arising from the actions of the trustees.

The key management personnel of the charity comprise only the fund manager. The total cost of key management personnel of the charity (including employer's pension and National Insurance contributions) was therefore £34,915 (2022: £41,372).

### 8 Grants

|                                            | 2023<br>£        | 2022<br>£        |
|--------------------------------------------|------------------|------------------|
| Balance payable brought forward            | 1,637,692        | 1,558,240        |
| Previously awarded grants released         | (137,672)        | (112,159)        |
| New grants awarded in the year             | 1,620,531        | 1,331,210        |
| Net grant cost in year (note 4)            | 1,482,859        | 1,219,051        |
|                                            | 3,120,551        | 2,777,291        |
| Grants paid in the year                    | (1,275,102)      | (1,139,599)      |
| Grants previously paid in advance returned | -                | -                |
| <b>Balance payable carried forward</b>     | <b>1,845,449</b> | <b>1,637,692</b> |
| <b>Being:</b>                              |                  |                  |
| Due within one year (note 10)              | 1,845,449        | 1,637,692        |

During the year the charitable company awarded 75 grants (2022: 68 grants). All grants in the year were awarded to institutions and all were amenity related.

An analysis of new commitments (grants awarded) in the year is shown below.

Previously awarded grants released relate to grants where the intended recipient no longer meets the criteria for grant award or does not require the full grant award any longer.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2023

### 8 Grants (continued)

|                                                                              | Grant Awarded<br>£ |
|------------------------------------------------------------------------------|--------------------|
| <b>Community Facility Improvements</b>                                       |                    |
| Bolton le Sands Community Centre Solar panels                                | £2,480             |
| Building for Growth, Moorlands Church, Lancaster                             | £40,000            |
| Rammy Men Kitchen Expansion & Access, Stubbins Vale Mill, Ramsbottom         | £18,960            |
| Solar panels, Low Moor Reading Room and Club, Clitheroe                      | £14,250            |
| Barton & Myerscough Village Hall Energy Generation and Storage               | £36,630            |
| Trawden Forest Community Centre, Modular Building and Sensory Garden         | £20,000            |
| New Pathway, West End Community Hall, Oswaldtwistle                          | £11,250            |
| Hurst Green Village Hall Replacement Windows                                 | £9,000             |
| Sanctuary Cookalongs Kitchen Improvements, Catherine Beckett Centre, Preston | £40,000            |
| New Roof at Cowpe Institute                                                  | £30,000            |
| Storeroom Renovation, Mellor Brook Community Centre                          | £3,517             |
| Rewiring Victoria Institute, Caton                                           | £40,000            |
| Washroom Refurbishment at Catterall Village Hall                             | £18,550            |
| Kitchen Refurbishment at Padiham Road Methodist Church                       | £10,000            |
| Cloughton Memorial Village Hall Regeneration                                 | £40,000            |
| West Bradford Community Hub Renovation                                       | £40,000            |
| Developing New Day Church Community Hub                                      | £31,120            |
| Efficient Warmth, Greenhill Community Hub, Skelmersdale                      | £48,280            |
| Sound & IT at Garstang Methodist Community Hub                               | £7,000             |
| Community Network Outreach Service, Leyland, Community Kitchen               | £10,540            |
| New Footpath at Salesbury Memorial Hall                                      | £27,200            |
| Ingol & Tanterton Community Trust, local Treasures Inextricably Linked       | £39,890            |
| Over Kelleet Jubilee Bells                                                   | £7,900             |
| Kitchen Upgrade at West Craven Baptist Church                                | £3,950             |
| Knowle Green Village Hall Net Zero                                           | £20,000            |
| PCC of St Michaels & All Angels Church, Croston, Boiler Replacement          | £18,950            |
| St Andrews Church Ashton, Roof Renovation                                    | £21,430            |
| Roof Replacement at Tarleton Scout Group Community Centre                    | £27,830            |
| New Community Facilities at Whalley Old Grammar School Community Centre      | £40,000            |
| Community Kitchen at Williams Hall Vocational Centre, Nelson                 | £40,000            |
| Solar Solution at Parbold Community Hall                                     | £39,200            |
| Central Heating Boiler at Sion Baptist Church, Burnley                       | £32,625            |
| Young Inskip People Centre, Refurbishment and Development                    | £7,310             |
| Solar panels at St Marys Clitheroe Community Hall                            | £16,630            |
| Poulton Le Fylde Community Hall Sustainable Roof Phase 2                     | £40,000            |
| St Pauls PCC Low Moor, Clitheroe Enhancing Community Space                   | £11,000            |
| Community Kitchen at St Laurence's Church, Chorley Wellness Hub              | £40,000            |
| <b>Total</b>                                                                 | <b>£905,492</b>    |
| <b>Habitat Creation and Management</b>                                       |                    |
| Lancashire Wildlife Trust, Aughton Woods & Lawsons Meadow Restoration        | £40,000            |
| Adlington Pollinator Project                                                 | £1,000             |
| Lancashire Wildlife Trust Booths Invasive Species                            | £26,760            |
| Woodlands Trust, Improvements at Swindells Woodland, Billington              | £9,040             |
| RSPB Leighton Moss, Lower Hide Replacement                                   | £40,000            |
| <b>Total</b>                                                                 | <b>£116,800</b>    |

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2023

### 8 Grants (continued)

|                                                                          | Grant Awarded<br>£ |
|--------------------------------------------------------------------------|--------------------|
| <b>Parks, Gardens and Open Spaces</b>                                    |                    |
| Waterfoot Forward, Tricketts Memorial Ground Improvements                | £40,000            |
| Friends of Newton Community Park, Phase2 Transformation                  | £28,150            |
| Enhancing Community Space at Padiham War Memorial Ground                 | £40,000            |
| Lancashire Wildlife Trust, Paths for All At Boilton Woods, Brockholes    | £32,750            |
| Salterforth Parish Council Community Garden                              | £40,000            |
| Hyndburn Leisure, Clayton Community Garden                               | £2,160             |
| Making Freemans Wood, Lancaster, Accessible,                             | £40,000            |
| Tanterton Village Centre Ltd, Garden Project                             | £17,000            |
| Thornton Cleveleys FC Gamble Road Landscaping Scheme                     | £40,000            |
| <b>Total</b>                                                             | <b>£280,060</b>    |
| <br><b>General Environmental Improvements</b>                            |                    |
| Stanhill Village Community Association, Kemp Delph Improvements          | £40,000            |
| Waddington Parish Council Village Habitat creation and Access            | £11,075            |
| <b>Total</b>                                                             | <b>£51,075</b>     |
| <br><b>Play Areas and Recreational Facilities</b>                        |                    |
| Sycamore Grove Playpark Refurbishment, Marsh Community Centre, Lancaster | £28,775            |
| Carnforth Community Swimming Pool Extension                              | £40,000            |
| Improvements to Draper Avenue Play Area, Ecclestone                      | £40,000            |
| Thornton Cleveleys Sports Club Play Area                                 | £5,000             |
| Friends of Memorial Park, Padiham, Wheeled Sports Facility               | £5,000             |
| Childrens Play Equipment, Ribchester Playing Fields Trust                | £16,500            |
| Grindleton Recreation Ground, Multi Use Games Area Renovation            | £13,060            |
| Kidtopia, Mercer Park, Clayton with Altham Prospects                     | £40,000            |
| The Last fence, Read & Simonstone Community Tennis Club                  | £20,250            |
| Fell View Play Area Improvements, Caton with Littledale Parish Council   | £13,500            |
| Hapton Pump Track, Hapton Parish Council                                 | £40,000            |
| <b>Total</b>                                                             | <b>£262,085</b>    |
| <br><b>Green Grants</b>                                                  |                    |
| Balance Equipment at Bay Cottage Play Area, Heysham                      | £512               |
| Garstang Millenium Trust Bird Hide & Feeding Station                     | £1,000             |
| Friends of Whalley Moor Woodland, Queens Memorial Bench                  | £906               |
| Friends of Haslingden Cemetery, Green Shoots Project                     | £1,000             |
| Footpath Access Improvements, Ramsgrave Parish Council                   | £650               |
| New Tools for Fairfield Association Nature Reserve                       | £951               |
| <b>Total</b>                                                             | <b>£5,019</b>      |
| <b>Overall Total</b>                                                     | <b>£1,620,531</b>  |

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2023

### 9 Debtors

|                                                           | 2023<br>£ | 2022<br>£ |
|-----------------------------------------------------------|-----------|-----------|
| Accrued income                                            | 48,456    | 21,085    |
| All accrued income related to unrestricted general funds. |           |           |

### 10 Creditors: amounts falling due within one year

|                         | 2023<br>£ | 2022<br>£ |
|-------------------------|-----------|-----------|
| Grants awarded (note 8) | 1,845,449 | 1,637,692 |
| Other creditors         | 182,024   | 168,920   |
| Accruals                | 6,048     | 5,706     |
|                         | 2,033,521 | 1,812,318 |

During the year ended 31 December 2023 Lancashire County Council paid £nil (2022: £nil) to the fund to cover the cost of third party contributions necessary to draw landfill tax income to finance the Green Grant Scheme going forward. In the event of the Green Grant Scheme ceasing to exist, the monies are to be used specifically to pay third party contributions to draw landfill tax income to be allocated to Lancashire Environmental Fund's other remaining grant schemes. At the year end an amount of £26,080 (2022: £24,487) was held within other creditors.

During the year ended 31 December 2023 Lancashire County Council paid £80,000 (2022: £80,000) to the fund to cover the cost of third party contributions necessary to draw landfill tax income to finance the Main Grant and Small Grant Schemes going forward. At the year end an amount of £140,001 (2022: £121,650) was held within other creditors.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2023

### 11 Summary of funds

|                                          | General<br>fund<br>£ | Designated<br>Fund<br>£ | Total<br>unrestricted<br>fund<br>£ |
|------------------------------------------|----------------------|-------------------------|------------------------------------|
| <b>Fund balances at 31 December 2023</b> |                      |                         |                                    |
| <b>Represented by:</b>                   |                      |                         |                                    |
| Current assets                           | 2,827,583            | 150,000                 | 2,977,583                          |
| Current liabilities                      | (2,033,521)          | -                       | (2,033,521)                        |
|                                          | 794,062              | 150,000                 | 944,062                            |
| <b>Movements in funds</b>                |                      |                         |                                    |
| Balance brought forward                  | 1,067,840            | 150,000                 | 1,217,840                          |
| Net outgoing funds                       | (273,778)            | -                       | (273,778)                          |
| <b>Balance carried forward</b>           | <b>794,062</b>       | <b>150,000</b>          | <b>944,062</b>                     |

|                                          | General<br>fund<br>£ | Designated<br>Fund<br>£ | Total<br>unrestricted<br>fund<br>£ |
|------------------------------------------|----------------------|-------------------------|------------------------------------|
| <b>Fund balances at 31 December 2022</b> |                      |                         |                                    |
| <b>Represented by:</b>                   |                      |                         |                                    |
| Current assets                           | 2,880,158            | 150,000                 | 3,030,158                          |
| Current liabilities                      | (1,812,318)          | -                       | (1,812,318)                        |
|                                          | 1,067,840            | 150,000                 | 1,217,840                          |
| <b>Movements in funds</b>                |                      |                         |                                    |
| Balance brought forward                  | 1,117,260            | 150,000                 | 1,267,260                          |
| Net incoming funds                       | (49,420)             | -                       | (49,420)                           |
| <b>Balance carried forward</b>           | <b>1,067,840</b>     | <b>150,000</b>          | <b>1,217,840</b>                   |

The general fund relates to surplus funds from landfill tax credit receipts not yet paid out as grants.

A designated fund of £150,000 has been set up by the Trustees to provide for future transitional expenses in the event that landfill operations cease.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2023

### 12 Reconciliation of net income/(expenditure) to net cash flow from operating activities

|                                       | 2023<br>£        | 2022<br>£     |
|---------------------------------------|------------------|---------------|
| Net income/(expenditure) for the year | (273,778)        | (49,420)      |
| Interest receivable                   | (66,724)         | (24,189))     |
| (Increase)/decrease in debtors        | (27,371)         | (13,880)      |
| Increase/(decrease) in creditors      | 221,203          | 127,098       |
|                                       | <u>(146,670)</u> | <u>39,609</u> |

### 13 Related party transactions

SUEZ Recycling & Recovery UK Limited ('SUEZ') is a member of the charitable company with the power to appoint one trustee to the board. A J Hughes is a Director of Suez and a trustee of the charitable company. During the year landfill tax monies payable to the charitable company from SUEZ amounted to £1,258,513 (2022: £1,265,423).

Lancashire Wildlife Trust ('LWT') is a member of the charitable company with the power to appoint one trustee to the board. J Drury was a trustee of LWT until October 2019 and remains a trustee of LEF. During the year LWT provided management, organisational, administrative and supervision services to the charitable company for which £63,975 (2022: £67,283) was charged in the income and expenditure account. A balance of £179,207 (2022: £167,175) was due to LWT at 31 December 2023. This comprised outstanding grants of £172,965 (2022: £154,955) and service charges of £6,242 (2022: £12,220). Grants totalling £99,510 (2022: £135,755) were awarded to LWT during the year. Grants of £2,617 (2022: £nil) previously awarded to LWT have been written back during the year.

Lancashire County Council ('LCC') is a member of the charitable company with the power to appoint one trustee to the board. S Turner was the Chairman of the charitable company and a member of LCC. A balance of £nil (2022: £30,000) was due to LCC as at 31<sup>st</sup> December 2023 (2022: £30,000). Grants totalling £nil (2022: £30,000) were awarded to LCC during the year. Grants of £285 (2022: £nil) previously awarded to LCC have been written back during the year.

It is the company policy that trustees must inform the board of their interests in grant applications at the start of board meetings. The interested trustee will not participate during the consideration of these applications. In the case of the Chairman having an interest in an application, the chair is taken by the Vice-Chairman.

**LANCASHIRE ENVIRONMENTAL FUND LIMITED**

England & Wales - Charity number 1074983

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# Accounts

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**Charity Number: 1074983**  
**Company Number: 03527370**

**LANCASHIRE  
ENVIRONMENTAL FUND  
LIMITED (BY GUARANTEE)**  
**Trustees' Report and Accounts**

**For The Year Ended  
31 December 2022**

**LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)**

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# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## CHARITY DETAILS

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|                                    |                                                                                                                       |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>Company Name</b>                | Lancashire Environmental Fund                                                                                         |
| <b>Charity registration number</b> | 1074983                                                                                                               |
| <b>Company registration number</b> | 03527370                                                                                                              |
| <b>Trustees</b>                    | J Drury<br>F McGinty<br>A J Hughes<br>S Turner                                                                        |
| <b>Secretary</b>                   | L Sales                                                                                                               |
| <b>Fund Manager</b>                | A Rowett                                                                                                              |
| <b>Auditor</b>                     | MHA Moore and Smalley<br>Richard House<br>Winckley Square<br>Preston<br>PR1 3HP                                       |
| <b>Legal advisor</b>               | Company Secretary<br>PO Box 100<br>County Hall Democratic Services<br>Lancashire County Council<br>Preston<br>PR1 0LD |
| <b>Principal/contact address</b>   | c/o Lancashire Wildlife Trust<br>The Barn<br>Berkeley Drive<br>Bamber Bridge<br>PR5 6BY                               |
| <b>Registered address</b>          | Company Secretary<br>PO Box 100<br>County Hall Democratic Services<br>Lancashire County Council<br>Preston<br>PR1 0LD |
| <b>Members</b>                     | Community Futures<br>Lancashire County Council<br>Suez Recycling & Recovery UK Limited<br>Lancashire Wildlife Trust   |

# **LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)**

## **REPORT OF THE TRUSTEES**

**YEAR ENDED 31 DECEMBER 2022**

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The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their report and the audited financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

### **Structure, governance and management**

Lancashire Environmental Fund Limited (hereafter referred to as "the charitable company") is a charitable company limited by guarantee, incorporated on 13 March 1998 and registered as a charity on 1 April 1999. The charitable company is governed by its memorandum and articles of association. The power of appointing and removing trustees is vested in the members by way of an instrument in writing signed by each member, each member having the power to appoint one trustee.

The criteria used by Lancashire Environmental Fund Limited to determine the pay and remuneration of key management personnel are the same as those used by Lancashire Wildlife Trust from whom staff are seconded. Lancashire Wildlife Trust use comparisons to external charities for similar roles as a basis for determining the pay and remuneration of key management personnel.

### **Trustees of the charity**

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end are set out on page 1. Trustees are appointed by the Board. The Board's Legal Officer will update the Trustees on changes to the law affecting the scheme. The Fund Manager will provide induction for new members.

The trustees delegate the assessment of applications to an assessment group, which is chaired by the fund manager. The fund manager is assisted by a small team and co-ordinates the daily operation of the charity. The trustees meet quarterly to approve or refuse grants based on the recommendations of the assessment group.

### **Risk review**

The board has conducted its own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. Significant external risks are mitigated by Professional Indemnity Insurance. Internal risks are minimised by segregation of duties and checking procedures.

The major risks to which the charity is exposed due to its management and administration being provided by LWT have been reviewed by the trustees of LWT. Internal risks relevant to the charity are being minimised by the implementation of procedures for authorisation of all transactions. Risk management priorities of LWT, impacting on the management and administration of the charity, are quality systems, succession planning for key staff and the regular review of systems.

Future legislative changes to the Landfill Communities Fund could result in Suez Recycling & Recovery UK Limited, the landfill operator, deciding to withdraw from the scheme. If this happens, the Lancashire Environmental Fund Limited will have to wind up after running down the existing general unrestricted fund balance.

The Fund could also face further challenges as a result of possible legislation to cap administration fees at 7.5% of project expenditure. This represents an extremely challenging target for such a relatively small fund which does not enjoy the benefits of economies of scale which other larger Landfill Communities Fund distributors have.

However, the Trustees have made and will continue to make significant efforts to reduce administration fees wherever possible.

# **LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)**

## **REPORT OF THE TRUSTEES**

**YEAR ENDED 31 DECEMBER 2022**

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The Lancashire Environmental Fund primarily distributes monies raised from the Landfill Tax paid by Lancashire County Council. In the longer term, the amount of waste sent to landfill will reduce, as intended by the introduction of the Landfill Tax, and this trend is expected to continue over the coming years. As a result, the amount of Landfill Tax income that the fund is likely to receive in future is expected to reduce. There may come a time when the administration costs of running the Fund would not be justified by the amount of income received for distribution.

The Fund relies on the continued support of Lancashire County Council who pay many of the third party contributions required to enable the Landfill Tax income to be released.

### **Connected Charities and Organisations**

#### **Lancashire Wildlife Trust Limited**

The trustees consider Lancashire Wildlife Trust Limited ("LWT") to be a connected charity as it is a member of the charitable company with the power to appoint one trustee to the board. J Drury was a trustee of LWT until October 2019 and remains a trustee of Lancashire Environmental Fund. In addition, LWT provides management, organisational, administrative and supervision services to the charitable company under an agreement and both parties operate from Cuerden Valley Park near Bamber Bridge. The charitable company has no employees of its own, but subcontracts one full time and two part time employees from Lancashire Wildlife Trust who work exclusively on the charitable company's affairs.

During the year, a total of £67,283 (2021: £65,509) was payable for these services and other management, organisational, administrative and supervision services.

LWT is established to promote the conservation of nature for the purpose of study and research and to educate the public in the understanding and appreciation of nature, the awareness of its value and the need for its conservation. During the year the charitable company awarded grants totalling £135,755 (2021: £49,200) to LWT in connection with those objectives.

#### **Lancashire County Council**

The trustees consider Lancashire County Council to be a connected organisation as it is a member of the charitable company with the power to appoint one trustee to the board. S Turner is both a trustee of the charitable company and Deputy Leader of Lancashire County Council.

One of the current functions of Lancashire County Council is to provide and maintain public open spaces including country parks, greenway bridle paths, footpaths etc for the pleasure and enjoyment of the people of Lancashire. During the year the charitable company awarded grants totalling £30,000 (2021: £30,000) to Lancashire County Council in connection with this objective.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## REPORT OF THE TRUSTEES

YEAR ENDED 31 DECEMBER 2022

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### Community Futures

The trustees consider Community Futures to be a connected charity as it is a member of the charitable company with the power to appoint one trustee to the board. F McGinty is the Community Futures appointee and a Trustee of the charitable company. The aim of Community Futures is to promote and develop social and community activity in Lancashire, working through voluntary groups and in partnership with public authorities.

### Suez Recycling & Recovery UK Limited

The trustees consider Suez Recycling & Recovery UK Limited to be a connected organisation as it is a member of the charitable company with the power to appoint one trustee to the board. A J Hughes is the Suez Recycling & Recovery UK Limited appointee and a Trustee of the charitable company. Suez Recycling & Recovery UK Limited are the waste management company contracted by Lancashire County Council to dispose of the waste in the county which goes to landfill.

### Objectives, activities and public benefit

The principal activity of the charitable company is the support for environmental projects via an Entrust registered environmental body which receives landfill tax credits and awards grants to environmental projects which meet the criteria specified by the Landfill Tax Regulations 1996 (As Amended):

- Providing and maintaining public amenities and parks, within 10 miles of a landfill site, when the work benefits the natural social or built environment;
- The provision, conservation, restoration or enhancement of a natural habitat, maintenance or recovery of a species within 10 miles of a landfill site;
- Restoring and repairing buildings which are for religious worship, or architectural or historical interest within 10 miles of a landfill site.

The trustees have had due regard to guidance published by the Charity Commission on public benefit.

### Grant making policy

The charity invites applications for funding of environmental projects across the Lancashire area. Institutional applicants are invited to submit a summary of their proposals in a specified format. The applications are reviewed against specific criteria by the fund manager. Projects may be funded over varying periods of time, therefore cost and progress is monitored on a continuous basis.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

### Achievements and performance

During the year, the charitable company awarded a total of £1,331,210 (2021: £1,166,271) to 68 projects (2021: 60 projects) while maintaining sufficient resources to enable charitable activities going forward.

The Fund distributes grants on a quarterly cycle on a demand led basis. This makes it difficult to set specific targets for the number and type of project applications received and supported. To ensure the number of applications is maximised, the Fund Manager regularly attends funding events in Lancashire to promote access to the fund.

### Financial review

All of the £1,265,423 (2021: £1,287,961) landfill tax income was received from Suez Recycling & Recovery UK Limited in the year. The trustees anticipate the charitable company will continue to be dependent on this income source.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## REPORT OF THE TRUSTEES

### YEAR ENDED 31 DECEMBER 2022

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The expectation going forward is that the amount of waste going to landfill and therefore the landfill tax income paid to the Fund will start to reduce as alternative contracts for disposal of waste are entered into by LCC.

In addition to the grants awarded of £1,331,210 (2021: £1,166,271), previously awarded balances totalling £112,159 (2021: £125,624) were written off and this resulted in a net grant cost for the year of £1,219,051 (2021: £1,040,647).

At the year end, grant balances totalling £1,637,692 (2021: £1,558,240) remained unpaid.

Further to the costs of grant awards, governance and support costs of £119,981 (2021: £106,992) were incurred and the excess of expenditure over income for the year was £49,420 (2021: £149,160 excess of income over expenditure).

At the year end, Lancashire Environmental Fund was also holding a sum of £121,650 (2021: £82,357) as an agent for Lancashire County Council, these funds to be used to provide third party contribution payments to draw monies to cover grants awarded for all the grant schemes other than the Green Grant scheme.

At the year end, Lancashire Environmental Fund was holding a balance of £146,137 (2021: £107,218) as an agent for Lancashire County Council. This amount is being used to cover the third party contribution payments required to draw down funds to enable payments of grants awarded under all the Grant schemes including the Green Grant scheme. During the year an amount of £333 (2021: £13) interest on these monies held was received. Amounts totalling £708 (2021: £868) were disbursed to Suez Recycling & Recovery UK Limited to facilitate the drawdown of funds for the Green Grant scheme totalling £7,077 (2021: £8,680). £40,000 (2021: £80,000) was paid to secure funding under the other grant schemes during the year.

#### Investment policy

Surplus funds are held on deposit with Nationwide Building Society and The Royal Bank of Scotland, to ensure a competitive interest rate as well as security and fund accessibility.

Interest earned is reviewed regularly by the Finance Officer. The trustees consider the returns achieved to be satisfactory in the current investment climate.

#### Reserves policy

The general unrestricted fund balance of £1,067,840 (2021: £1,117,260) which remains unallocated will be applied to future awards.

The level of general unrestricted funds is reviewed before grant commitments are made to ensure that the balance of these funds is always sufficient to cover current and proposed grant commitments and ongoing administration costs. The trustees are concerned to maximise the benefit to the community of their grant making policy. The trustees, however, have to work within the statutory framework set out in the Landfill Tax regulations and the compliance control of Entrust, the regulator of the Landfill Tax Credit Scheme.

£150,000 of unrestricted funds have previously been set aside in a designated reserve to provide for transitional costs, in the event of landfill operations ceasing as a result of statutory changes to the Scheme or a decision of the landfill operator. The reserve was calculated on the basis of an 18 month wind-up at an annual cost of £100,000 to provide support for existing grant-funded projects. The trustees have reviewed the level of the designated reserve and have decided to keep it as this level, subject to continuous review in the future.

The total fund balances at 31 December 2022 were £1,217,840 (2021: £1,267,260).

The required level of free reserves is currently £nil as the designated fund has sufficient resources to provide for foreseeable transitional costs. The actual level of free reserves at 31 December 2022 amounted to £1,067,840. Reserves were built up in the early years due to uncertainty over the continued funding from Landfill operations. At that time it was the Trustees intention to hold sufficient funds to provide for five years of grant and administrative expenses following cessation of funding.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## REPORT OF THE TRUSTEES

YEAR ENDED 31 DECEMBER 2022

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It is the intention of the Trust to continue to reduce reserves through the issuing of grants. The rate at which reserves are distributed is limited by the number and value of applications received, and by the number of those applications that meet the requirements as set out in the Objectives and in the Landfill Tax Regulations. The Trust actively encourages applications through advertising and promotion of the scheme.

### Future plans

The Trust will continue to offer grants in line with the objects subject to the potential impact of the factors highlighted in the risk review.

### Auditor

MHA Moore and Smalley are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

### Trustees' responsibilities

The trustees (who are also directors of Lancashire Environmental Fund Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In preparing this report the Trustees have taken advantage of the small companies exemption provided by the Companies Act 2006.

The report was approved by the board on 22<sup>nd</sup> March 2023 and signed on its behalf by

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**S Turner**  
Trustee

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**L Sales**  
Secretary

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR YEAR ENDED 31 DECEMBER 2022

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### Opinion

We have audited the financial statements of Lancashire Environmental Fund Limited (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 charitable company's affairs as at 31 December 2022, and of its incoming resources and application of resources, including its 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.

### 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 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 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 trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

We have nothing to report in this regard.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONTINUED) FOR YEAR ENDED 31 DECEMBER 2022

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### Opinions 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

### Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, 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 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 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

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.

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 of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that have had a direct effect on the financial statements. The key laws and regulations we considered in this context include Charities Act and Entrust regulations. In addition, we consider compliance with employee legislation, as fundamental to the Charity's operations;

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONTINUED)

FOR YEAR ENDED 31 DECEMBER 2022

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- Discussions with management, including consideration of known or suspected instances of noncompliance with laws and regulations and fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the field in which the client operates we identified that compliance with the UK Companies Act and Landfill Tax regulations are the areas most likely to have a material impact on the financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>

This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Nicola Mason (Senior Statutory Auditor)**

**For and on behalf of MHA Moore and Smalley, Statutory Auditor**

Richard House  
Winckley Square  
Preston  
PR1 3HP

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# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2022

|                                             | Note | Designated<br>funds<br>2022<br>£ | General<br>funds<br>2022<br>£ | Total<br>funds<br>2022<br>£ | Total<br>funds<br>2021<br>£ |
|---------------------------------------------|------|----------------------------------|-------------------------------|-----------------------------|-----------------------------|
| <b>Income from:</b>                         |      |                                  |                               |                             |                             |
| Donations and legacies                      | 2    | -                                | 1,265,423                     | 1,265,423                   | 1,287,961                   |
| Investments                                 | 3    | -                                | 24,189                        | 24,189                      | 8,838                       |
| <b>Total income</b>                         |      | -                                | 1,289,612                     | 1,289,612                   | 1,296,799                   |
| <b>Expenditure on:</b>                      |      |                                  |                               |                             |                             |
| Charitable activities                       | 4    | -                                | 1,339,032                     | 1,339,032                   | 1,147,639                   |
| <b>Total expenditure</b>                    |      | -                                | 1,339,032                     | 1,339,032                   | 1,147,639                   |
| <b>Net movement in funds</b>                |      | -                                | (49,420)                      | (49,420)                    | 149,160                     |
| <b>Fund balance b/f at 1 January 2022</b>   |      | 150,000                          | 1,117,260                     | 1,267,250                   | 1,118,100                   |
| <b>Fund balance c/f at 31 December 2022</b> |      | 150,000                          | 1,067,840                     | 1,217,840                   | 1,267,260                   |

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## BALANCE SHEET

AS AT 31 DECEMBER 2022

|                                               | Note | 2022<br>£          | £                | 2021<br>£          | £                |
|-----------------------------------------------|------|--------------------|------------------|--------------------|------------------|
| <b>Current assets:</b>                        |      |                    |                  |                    |                  |
| Debtors                                       | 9    | 21,085             |                  | 7,205              |                  |
| Cash at bank and in hand                      |      | <u>3,009,073</u>   |                  | <u>2,945,275</u>   |                  |
| Total current assets                          |      | 3,030,158          |                  | 2,952,480          |                  |
| <b>Liabilities:</b>                           |      |                    |                  |                    |                  |
| Creditors: amount falling due within one year | 10   | <u>(1,812,318)</u> |                  | <u>(1,685,220)</u> |                  |
| <b>Net current assets</b>                     |      |                    | <u>1,217,840</u> |                    | <u>1,267,260</u> |
| <b>Net assets less current liabilities</b>    |      |                    | <u>1,217,840</u> |                    | <u>1,267,260</u> |
| <b>The funds of the charity:</b>              |      |                    |                  |                    |                  |
| 11                                            |      |                    |                  |                    |                  |
| Unrestricted:                                 |      |                    |                  |                    |                  |
| General                                       |      |                    | 1,067,840        |                    | 1,117,260        |
| Designated                                    |      |                    | <u>150,000</u>   |                    | <u>150,000</u>   |
| <b>Total funds</b>                            |      |                    | <u>1,217,840</u> |                    | <u>1,267,260</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board on 22nd March 2023 and signed on its behalf by:

.....  
**S Turner – Trustee**  
**Company Registration Number: 03527370**

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

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2022

|                                                            | Note | £             | 2022<br>£        | £            | 2021<br>£        |
|------------------------------------------------------------|------|---------------|------------------|--------------|------------------|
| <b>Cash inflows from operating activities:</b>             |      |               |                  |              |                  |
| <i>Net cash provided by/(used in) operating activities</i> | 12   |               | <u>39,609</u>    |              | <u>238,203</u>   |
| <b>Cash flows from investing activities:</b>               |      |               |                  |              |                  |
| Interest receivable                                        |      | 24,189        |                  | 8,838        |                  |
|                                                            |      | <u>24,189</u> |                  | <u>8,838</u> |                  |
| <i>Net cash provided by/(used in) investing activities</i> |      |               | <u>24,189</u>    |              | <u>8,838</u>     |
| <i>Change in cash and cash equivalents in the year</i>     |      |               | 63,798           |              | 247,041          |
| <b>Cash and cash equivalents at 1 January 2022</b>         |      |               | <u>2,945,275</u> |              | <u>2,698,234</u> |
| <b>Cash and cash equivalents at 31 December 2022</b>       |      |               | <u>3,009,073</u> |              | <u>2,945,275</u> |

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

#### General information and basis of preparation

Lancashire Environmental Fund Limited is a company limited by guarantee and does not have a share capital. The liability of the members is limited and is not to exceed £1 per member. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees Report on pages 2 to 6.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

#### Income recognition

Income arising from the Landfill Tax Credit Scheme is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes interest received from interest bearing deposit accounts. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method.

#### Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes grants awarded.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies (continued)

#### **Expenditure recognition (continued)**

Grants payable to third parties are within the charitable objectives. Grants are due for payment when the grantee makes an approved claim. Previously grant liabilities were treated as falling due within one year unless the terms of the grant offer anticipated payment after one year from the balance sheet date and by reviewing the current status of the project at the year end and when it was anticipated to be completed.

Grants are released to the income and expenditure account when:

- projects are cancelled by the grant applicants;
- the original grant application exceeds the final amount claimed on project completion.

#### **Support costs allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

The analysis of these costs is included in note 5.

#### **Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

#### **Employee benefits**

When employees have rendered service to the charity, 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. Staff costs are recharged to the charity by Lancashire Wildlife Trust.

#### **Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have made an assessment of the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

#### **Judgements and key sources of estimation uncertainty**

There have been no significant judgements (apart from those involving estimates) made in the process of preparing the financial statements.

There have been no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2022

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### 2 Donations and legacies

|                     | 2022<br>£        | 2021<br>£        |
|---------------------|------------------|------------------|
| Landfill tax income | <u>1,265,423</u> | <u>1,287,961</u> |
|                     | <u>1,265,423</u> | <u>1,287,961</u> |

All of the income from donations and legacies in the current and previous year was unrestricted.

### 3 Investments

|                                                            | 2022<br>£     | 2021<br>£    |
|------------------------------------------------------------|---------------|--------------|
| Interest receivable from interest bearing deposit accounts | <u>24,189</u> | <u>8,838</u> |

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

### 4 Charitable activities

|                                       | 2022<br>£        | 2021<br>£        |
|---------------------------------------|------------------|------------------|
| Grants (note 8)                       | 1,219,051        | 1,040,647        |
| Governance and support costs (note 5) | <u>119,981</u>   | <u>106,992</u>   |
|                                       | <u>1,339,032</u> | <u>1,147,639</u> |

All of the expenditure on charitable activities in the current and previous year was unrestricted.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2022

### 5 Governance and administration of the charitable company

| 2022               | Basis of apportionment | Governance<br>£ | Support<br>costs<br>£ | 2022<br>£ |
|--------------------|------------------------|-----------------|-----------------------|-----------|
| Entrust levy       | Income                 | -               | 43,069                | 43,069    |
| Staff costs        | Staff time             | -               | 60,276                | 60,276    |
| Publicity          | Usage                  | -               | 1,452                 | 1,452     |
| Audit fee          | Usage                  | 5,700           | -                     | 5,700     |
| Stationery         | Staff time             | 5               | 47                    | 52        |
| Senior mgt charge  | Staff time             | 2,834           | 2,834                 | 5,668     |
| Office Expenditure | Staff time             | 351             | 3,158                 | 3,509     |
| Other              | Staff time             | 255             | -                     | 255       |
|                    |                        | 9,145           | 110,836               | 119,981   |
|                    |                        |                 |                       |           |
| 2021               | Basis of apportionment | Governance<br>£ | Support<br>costs<br>£ | 2021<br>£ |
| Entrust levy       | Income                 | -               | 35,553                | 35,553    |
| Staff costs        | Staff time             | -               | 58,086                | 58,086    |
| Publicity          | Usage                  | -               | (235)                 | (235)     |
| Audit fee          | Usage                  | 4,350           | -                     | 4,350     |
| Stationery         | Staff time             | 9               | 82                    | 91        |
| Senior mgt charge  | Staff time             | 2,834           | 2,834                 | 5,668     |
| Office Expenditure | Staff time             | 332             | 2,990                 | 3,322     |
| Other              | Staff time             | 157             | -                     | 157       |
|                    |                        | 7,682           | 99,310                | 106,992   |
|                    |                        |                 |                       |           |

The 2022 and 2021 costs were all charged to unrestricted general funds.

During the year the charitable company, which has no employees of its own, subcontracted one (2021: one) full-time and two (2021: two) part-time employees from Lancashire Wildlife Trust to work exclusively on the charitable company's affairs. All these employees undertook work relating to the provision of grants.

The aggregate payroll costs of three persons were as follows:

|                       | 2022<br>£ | 2021<br>£ |
|-----------------------|-----------|-----------|
| Gross salaries        | 54,344    | 52,575    |
| Social security costs | 4,090     | 3,734     |
| Pension contributions | 1,842     | 1,776     |
|                       | 60,275    | 58,085    |

No employee received emoluments of more than £60,000.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2022

### 6 Auditor's remuneration

|                                                         | 2022<br>£ | 2021<br>£ |
|---------------------------------------------------------|-----------|-----------|
| Auditor's remuneration (net of VAT): For audit services | 4,750     | 3,625     |

### 7 Trustee and key management personnel remuneration and expenses

The directors, who are also trustees, of the charitable company are non-executive, are not remunerated and as such are not regarded as employees. None of the trustees received any reimbursement of any expenses. Indemnity insurance of £1,001 (2021: £910) was purchased during the year, to protect the charity and its trustees from any loss arising from the actions of the trustees.

The key management personnel of the charity comprise only the fund manager. The total cost of key management personnel of the charity (including employer's pension and National Insurance contributions) was therefore £41,372 (2021: £39,826).

### 8 Grants

|                                            | 2022<br>£        | 2021<br>£        |
|--------------------------------------------|------------------|------------------|
| Balance payable brought forward            | 1,558,240        | 1,525,761        |
| Previously awarded grants released         | (112,159)        | (125,624)        |
| New grants awarded in the year             | 1,331,210        | 1,166,271        |
| Net grant cost in year (note 4)            | 1,219,051        | 1,040,647        |
|                                            | 2,777,291        | 2,566,408        |
| Grants paid in the year                    | (1,139,599)      | (1,010,609)      |
| Grants previously paid in advance returned | -                | 2,441            |
| <b>Balance payable carried forward</b>     | <b>1,637,692</b> | <b>1,558,240</b> |
| <b>Being:</b>                              |                  |                  |
| Due within one year (note 10)              | 1,637,692        | 1,558,240        |

During the year the charitable company awarded 68 grants (2021:60 grants). All grants in the year were awarded to institutions and all were amenity related.

An analysis of new commitments (grants awarded) in the year is shown below.

Previously awarded grants released relate to grants where the intended recipient no longer meets the criteria for grant award or does not require the full grant award any longer.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2022

### 8 Grants (continued)

|                                                                                     | Grant Awarded<br>£ |
|-------------------------------------------------------------------------------------|--------------------|
| <b>Community Facility Improvements</b>                                              |                    |
| Aighton, Bailey & Chaigley War Memorial Hall, Dishing up a Cracking Kitchen         | £30,000            |
| Longton VMSSC Indoor & Outdoor Improvements                                         | £26,535            |
| Holy Trinity Church, Tarleton, A Church Without Walls                               | £30,000            |
| Community Solutions NW Ltd, Elmfield Stable Community Refurbishment                 | £30,000            |
| Reglazing Sabden Village Hall                                                       | £27,280            |
| International Aid Trust Community Space at Croft Mill, Chorley                      | £30,000            |
| Mellor & district Community Association, Heating & Ventilation Improvements         | £30,000            |
| New Accessible Community Space, More Music, Morecambe                               | £30,000            |
| Enterprising Habits Ltd, Community Hub, Burnley                                     | £4,140             |
| Carnforth Memorial Village Hall, Central Heating Replacement                        | £15,000            |
| Bolton le Sands Community Centre, Solar Panels                                      | £9,720             |
| St Mary's Community Centre, Energy Efficiency Improvements                          | £20,160            |
| Cliviger Village Hall, New Roof and Solar Panels                                    | £30,000            |
| Crossgate Church Community Youth & Conference Space, Preston                        | £10,000            |
| The Well Baptist Church Refurbishments, Lytham St Annes                             | £30,000            |
| Colne Youth Action Group, Byron Road Youth Hub Refurbishment                        | £30,000            |
| New Roof, Barnoldswick Pensioners Club                                              | £30,000            |
| Solar Panels, Millennium Hall Community Centre, Fulwood                             | £8,100             |
| Read Cricket & Bowling Club, Facilities upgrade                                     | £15,000            |
| Bodies in Motion, Brierfield, Community Kitchen                                     | £26,930            |
| Croston Old School Outdoor Space                                                    | £9,800             |
| Community Café at Centenary House, West End, Morecambe                              | £30,000            |
| Burnley Cricket Club, Clubhouse Renovation                                          | £7,365             |
| The Base II Project, Leyland                                                        | £30,000            |
| Melling Village Hall centenary Project                                              | £30,000            |
| St Johns Community Hub, Little Thornton, Phase 2                                    | £15,000            |
| Skelmersdale Ecumenical Centre, New Windows                                         | £30,000            |
| Wheatley lane Methodist Church, Boiler Replacement                                  | £4,000             |
| Hesketh bank Community Centre Solar System                                          | £15,790            |
| Ellel Village Hall Community Improvements                                           | £14,000            |
| The Lightbeam Academy, Lift Off, Best Light Community Hub, Nelson                   | £15,000            |
| Damp Prevention Independent Methodist Church, Barnoldswick                          | £5,000             |
| <b>Total</b>                                                                        | <b>£668,820</b>    |
| <b>Habitat Creation and Management</b>                                              |                    |
| Lancashire Wildlife Trust, Pollinator Networks, Peel Park & The Coppice, Accrington | £30,000            |
| Preston & District Wildfowling Association, Hutton Marsh Habitat Improvements       | £9,000             |
| Lancashire Wildlife Trust Winmarleigh Moss Plant Reintroduction                     | £24,000            |
| RSPB Restoring Habitat at Challan Hall Allotment                                    | £30,000            |
| <b>Total</b>                                                                        | <b>£93,000</b>     |
| <b>Parks, Gardens and Open Spaces</b>                                               |                    |
| Friends of Memorial Park, Great Harwood, Environmental Improvements                 | £30,000            |
| Victoria Park Pavillion CIC, Nelson, Garden Improvements                            | £16,150            |
| The Hub, Padiham & Pennyfold Poultry & Allotment Society                            | £23,150            |
| <b>Total</b>                                                                        | <b>£69,300</b>     |

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2022

### 8 Grants (continued)

|                                                                               | Grant Awarded<br>£ |
|-------------------------------------------------------------------------------|--------------------|
| <b>General Environmental Improvements</b>                                     |                    |
| WWT Martin Mere Wetland Centre, Nature Zone Development                       | £30,000            |
| Proffitts CIC. Quarry Hill Nelson, Nature Reserve Improvements                | £30,000            |
| Lancashire Wildlife Trust Heysham Moss Nature Reserve Access                  | £28,485            |
| Lancashire Wildlife Trust Access Nature at Brockholes Nature Reserve, Preston | £30,000            |
| Friends of Astley Park, All Access Path                                       | £8,780             |
| Friends of Highgate Wood, Boardwalk Improvements                              | £7,500             |
| Whinney Hill Woodland Improvements, Accrington                                | £30,000            |
| Lytham St Annes Civic Society, Witch Wood Restoration, Lytham                 | £9,115             |
| Lancashire Wildlife Trust, A Safe Platform, Mere Sands Wood, Rufford          | £23,260            |
| Caton With Littledale PC, Caton Greenway Enhancement                          | £30,000            |
| Cob Castle Road Bridleway Improvements, Haslingden                            | £30,000            |
| <b>Total</b>                                                                  | <b>£257,140</b>    |
| <b>Play Areas and Recreational Facilities</b>                                 |                    |
| Bretherton Parish Council Play Area Improvement                               | £30,000            |
| Friends of Greaves Park Improvements                                          | £30,000            |
| Friends of Conway Park                                                        | £4,000             |
| Heaton With Oxcliffe PC, Renovation of Portland Drive Play Area               | £4,765             |
| Friends of Ryelands Park, Health & Fitness Phase 3                            | £4,255             |
| Hyndburn Green Spaces Forum, Knuzdens Need For Play                           | £30,000            |
| Wheelton PC, New Play Equipment, Heapey & Wheelton Play Area                  | £30,000            |
| Crawshawbooth Community Association, Moller Ring Play Area                    | £30,000            |
| The Fairfield Association, Fairfield Playground, Lancaster                    | £30,000            |
| Thornton Cleveleys Sports Club, Community Playground                          | £17,610            |
| St Michaels and All Angels PCC Play in the Woods, Croft Field, Croston        | £25,600            |
| <b>Total</b>                                                                  | <b>£236,230</b>    |
| <b>Green Grants</b>                                                           |                    |
| Garstang Millenium Green Access Improvements to the Family Area               | £1,000             |
| Cuerden Valley Park Trust Sand Martin Nesting Boxes                           | £720               |
| Signage to the Storey gardens, Lancaster                                      | £1,000             |
| Balderstone PC Kissing Gates                                                  | £1,000             |
| Lymm Avenue Play Area Safety Surfacing                                        | £1,000             |
| Mellor PC Queens Green Canopy Jubilee Tree Planting                           | £1,000             |
| Fork to Fork Community Tree Nursery                                           | £1,000             |
| <b>Total</b>                                                                  | <b>£6,720</b>      |
| <b>Overall Total</b>                                                          | <b>£1,331,210</b>  |

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2022

### 9 Debtors

|                | 2022<br>£ | 2021<br>£ |
|----------------|-----------|-----------|
| Accrued income | 21,085    | 7,205     |

All accrued income related to unrestricted general funds.

### 10 Creditors: amounts falling due within one year

|                         | 2022<br>£ | 2021<br>£ |
|-------------------------|-----------|-----------|
| Grants awarded (note 8) | 1,637,692 | 1,558,240 |
| Other creditors         | 168,920   | 122,619   |
| Accruals                | 5,706     | 4,361     |
|                         | 1,812,318 | 1,685,220 |

During the year ended 31 December 2022 Lancashire County Council paid £nil (2020: £nil) to the fund to cover the cost of third party contributions necessary to draw landfill tax income to finance the Green Grant Scheme going forward. In the event of the Green Grant Scheme ceasing to exist, the monies are to be used specifically to pay third party contributions to draw landfill tax income to be allocated to Lancashire Environmental Fund's other remaining grant schemes. At the year end an amount of £24,487 (2021: £24,861) was held within other creditors.

During the year ended 31 December 2022 Lancashire County Council paid £80,000 (2021: £160,000) to the fund to cover the cost of third party contributions necessary to draw landfill tax income to finance the Main Grant and Small Grant Schemes going forward. At the year end an amount of £121,650 (2021: £82,357) was held within other creditors.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2022

### 11 Summary of funds

|                                          | General<br>fund<br>£ | Designated<br>Fund<br>£ | Total<br>unrestricted<br>fund<br>£ |
|------------------------------------------|----------------------|-------------------------|------------------------------------|
| <b>Fund balances at 31 December 2022</b> |                      |                         |                                    |
| <b>Represented by:</b>                   |                      |                         |                                    |
| Current assets                           | 2,880,158            | 150,000                 | 3,030,158                          |
| Current liabilities                      | (1,812,320)          | -                       | (1,812,320)                        |
|                                          | 1,067,840            | 150,000                 | 1,217,840                          |
| <b>Movements in funds</b>                |                      |                         |                                    |
| Balance brought forward                  | 1,117,260            | 150,000                 | 1,267,260                          |
| Net outgoing funds                       | (49,420)             | -                       | (49,420)                           |
| <b>Balance carried forward</b>           | <b>1,067,840</b>     | <b>150,000</b>          | <b>1,217,840</b>                   |
|                                          |                      |                         |                                    |
|                                          | General<br>fund<br>£ | Designated<br>Fund<br>£ | Total<br>unrestricted<br>fund<br>£ |
| <b>Fund balances at 31 December 2021</b> |                      |                         |                                    |
| <b>Represented by:</b>                   |                      |                         |                                    |
| Current assets                           | 2,802,480            | 150,000                 | 2,952,480                          |
| Current liabilities                      | (1,685,220)          | -                       | (1,685,220)                        |
|                                          | 1,117,260            | 150,000                 | 1,267,260                          |
| <b>Movements in funds</b>                |                      |                         |                                    |
| Balance brought forward                  | 968,100              | 150,000                 | 1,118,100                          |
| Net incoming funds                       | 149,160              | -                       | 149,160                            |
| <b>Balance carried forward</b>           | <b>1,117,260</b>     | <b>150,000</b>          | <b>1,267,260</b>                   |

The general fund relates to surplus funds from landfill tax credit receipts not yet paid out as grants.

A designated fund of £150,000 has been set up by the Trustees to provide for future transitional expenses in the event that landfill operations cease.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2022

### 12 Reconciliation of net income/(expenditure) to net cash flow from operating activities

|                                       | 2022<br>£     | 2021<br>£      |
|---------------------------------------|---------------|----------------|
| Net income/(expenditure) for the year | (49,420)      | 149,160        |
| Interest receivable                   | (24,189)      | (8,838)        |
| (Increase)/decrease in debtors        | (13,880)      | 341            |
| Increase/(decrease) in creditors      | 127,098       | 97,540         |
|                                       | <u>39,609</u> | <u>238,203</u> |

### 13 Related party transactions

SUEZ Recycling & Recovery UK Limited ('SUEZ') is a member of the charitable company with the power to appoint one trustee to the board. A J Hughes is a Director of Suez and a trustee of the charitable company. During the year landfill tax monies payable to the charitable company from SUEZ amounted to £1,265,423 (2021: £1,287,961).

Lancashire Wildlife Trust ('LWT') is a member of the charitable company with the power to appoint one trustee to the board. J Drury was a trustee of LWT until October 2019 and remains a trustee of LEF. During the year LWT provided management, organisational, administrative and supervision services to the charitable company for which £67,283 (2021: £65,509) was charged in the income and expenditure account. A balance of £167,175 (2021: £119,430) was due to LWT at 31 December 2022. This comprised outstanding grants of £154,955 (2021: £119,430) and service charges of £12,220 (2020: £nil). Grants totalling £135,755 (2021: £49,200) were awarded to LWT during the year. Grants of £nil (2021: £2,893) previously awarded to LWT have been written back during the year.

Lancashire County Council ('LCC') is a member of the charitable company with the power to appoint one trustee to the board. S Turner was the Chairman of the charitable company and a member of LCC. A balance of £30,000 (2021: £30,000) was due to LCC as at 31<sup>st</sup> December 2022. This comprised outstanding grants of £30,000 (2021: £30,000). Grants totalling £30,000 (2021: £30,000) were awarded to LCC during the year.

It is the company policy that trustees must inform the board of their interests in grant applications at the start of board meetings. The interested trustee will not participate during the consideration of these applications. In the case of the Chairman having an interest in an application, the chair is taken by the Vice-Chairman.

**LANCASHIRE ENVIRONMENTAL FUND LIMITED**

England & Wales - Charity number 1074983

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# Accounts

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**Charity Number: 1074983**  
**Company Number: 03527370**

**LANCASHIRE  
ENVIRONMENTAL FUND  
LIMITED (BY GUARANTEE)**  
**Trustees' Report and Accounts**

**For The Year Ended  
31 December 2021**

**LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)**

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# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## CHARITY DETAILS

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|                                    |                                                                                                                                     |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| <b>Company Name</b>                | Lancashire Environmental Fund                                                                                                       |
| <b>Charity registration number</b> | 1074983                                                                                                                             |
| <b>Company registration number</b> | 03527370                                                                                                                            |
| <b>Trustees</b>                    | J Drury<br>F McGinty<br>A J Hughes<br>S Turner Appointed 8 <sup>th</sup> June 2021<br>A Atkinson Resigned 8 <sup>th</sup> June 2021 |
| <b>Secretary</b>                   | L Sales                                                                                                                             |
| <b>Fund Manager</b>                | A Rowett                                                                                                                            |
| <b>Auditor</b>                     | MHA Moore and Smalley<br>Richard House<br>Winckley Square<br>Preston<br>PR1 3HP                                                     |
| <b>Legal advisor</b>               | Company Secretary<br>PO Box 100<br>County Hall Democratic Services<br>Lancashire County Council<br>Preston<br>PR1 0LD               |
| <b>Principal/contact address</b>   | c/o Lancashire Wildlife Trust<br>The Barn<br>Berkeley Drive<br>Bamber Bridge<br>PR5 6BY                                             |
| <b>Registered address</b>          | Company Secretary<br>PO Box 100<br>County Hall Democratic Services<br>Lancashire County Council<br>Preston<br>PR1 0LD               |
| <b>Members</b>                     | Community Futures<br>Lancashire County Council<br>Suez Recycling & Recovery UK Limited<br>Lancashire Wildlife Trust                 |

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## REPORT OF THE TRUSTEES

### YEAR ENDED 31 DECEMBER 2021

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The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their report and the audited financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

#### **Structure, governance and management**

Lancashire Environmental Fund Limited (hereafter referred to as "the charitable company") is a charitable company limited by guarantee, incorporated on 13 March 1998 and registered as a charity on 1 April 1999. The charitable company is governed by its memorandum and articles of association. The power of appointing and removing trustees is vested in the members by way of an instrument in writing signed by each member, each member having the power to appoint one trustee.

The criteria used by Lancashire Environmental Fund Limited to determine the pay and remuneration of key management personnel are the same as those used by Lancashire Wildlife Trust from whom staff are seconded. Lancashire Wildlife Trust use comparisons to external charities for similar roles as a basis for determining the pay and remuneration of key management personnel.

#### **Trustees of the charity**

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end are set out on page 1. Trustees are appointed by the Board. The Board's Legal Officer will update the Trustees on changes to the law affecting the scheme. The Fund Manager will provide induction for new members.

The trustees delegate the assessment of applications to an assessment group, which is chaired by the fund manager. The fund manager is assisted by a small team and co-ordinates the daily operation of the charity. The trustees meet quarterly to approve or refuse grants based on the recommendations of the assessment group.

#### **Risk review**

The board has conducted its own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. Significant external risks are mitigated by Professional Indemnity Insurance. Internal risks are minimised by segregation of duties and checking procedures.

The major risks to which the charity is exposed due to its management and administration being provided by LWT have been reviewed by the trustees of LWT. Internal risks relevant to the charity are being minimised by the implementation of procedures for authorisation of all transactions. Risk management priorities of LWT, impacting on the management and administration of the charity, are quality systems, succession planning for key staff and the regular review of systems.

Future legislative changes to the Landfill Communities Fund could result in Suez Recycling & Recovery UK Limited, the landfill operator, deciding to withdraw from the scheme. If this happens, the Lancashire Environmental Fund Limited will have to wind up after running down the existing general unrestricted fund balance.

The Fund could also face further challenges as a result of possible legislation to cap administration fees at 7.5% of project expenditure. This represents an extremely challenging target for such a relatively small fund which does not enjoy the benefits of economies of scale which other larger Landfill Communities Fund distributors have.

However, the Trustees have made and will continue to make significant efforts to reduce administration fees wherever possible.

# **LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)**

## **REPORT OF THE TRUSTEES**

### **YEAR ENDED 31 DECEMBER 2021**

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The Lancashire Environmental Fund primarily distributes monies raised from the Landfill Tax paid by Lancashire County Council. In the longer term, the amount of waste sent to landfill will reduce, as intended by the introduction of the Landfill Tax, and this trend is expected to continue over the coming years. As a result, the amount of Landfill Tax income that the fund is likely to receive is also expected to reduce in future. There may come a time when the administration costs of running the Fund would not be justified by the amount of income received for distribution.

The Fund relies on the continued support of Lancashire County Council who pay many of the third party contributions required to enable the Landfill Tax income to be released.

The Fund has remained operational throughout the COVID pandemic and it is anticipated that it will continue to do so throughout the crisis however long it lasts. That being said, the Fund has not remained unaffected by the impact.

The number of claims submitted in this period and therefore grants paid out has been significantly reduced from the levels expected as many projects have either been delayed or suspended during the crisis. The number of applications for new grants, whilst similar to those awarded in 2020, has reduced since the onset of the pandemic no doubt due to the difficulty organisations are experiencing in meeting to organise, plan and submit grant applications for projects, exaggerated by the uncertainty about demand and whether facilities will prove to be sustainable after COVID has run its course.

#### **Connected Charities and Organisations**

##### **Lancashire Wildlife Trust Limited**

The trustees consider Lancashire Wildlife Trust Limited ("LWT") to be a connected charity as it is a member of the charitable company with the power to appoint one trustee to the board. J Drury was a trustee of LWT until October 2019 and remains a trustee of Lancashire Environmental Fund. In addition, LWT provides management, organisational, administrative and supervision services to the charitable company under an agreement and both parties operate from Cuerden Valley Park near Bamber Bridge. The charitable company has no employees of its own, but subcontracts one full time and two part time employees from Lancashire Wildlife Trust who work exclusively on the charitable company's affairs.

During the year, a total of £65,509 (2020: £63,710) was payable for these services and other management, organisational, administrative and supervision services.

LWT is established to promote the conservation of nature for the purpose of study and research and to educate the public in the understanding and appreciation of nature, the awareness of its value and the need for its conservation. During the year the charitable company awarded grants totalling £49,200 (2019: £47,300) to LWT in connection with those objectives.

##### **Lancashire County Council**

The trustees consider Lancashire County Council to be a connected organisation as it is a member of the charitable company with the power to appoint one trustee to the board. S Turner is both a trustee of the charitable company and Deputy Leader of Lancashire County Council.

One of the current functions of Lancashire County Council is to provide and maintain public open spaces including country parks, greenway bridle paths, footpaths etc for the pleasure and enjoyment of the people of Lancashire. During the year the charitable company awarded grants totalling £30,000 (2020: £Nil) to Lancashire County Council in connection with this objective.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## REPORT OF THE TRUSTEES

YEAR ENDED 31 DECEMBER 2021

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### Community Futures

The trustees consider Community Futures to be a connected charity as it is a member of the charitable company with the power to appoint one trustee to the board. F McGinty is the Community Futures appointee and a Trustee of the charitable company. The aim of Community Futures is to promote and develop social and community activity in Lancashire, working through voluntary groups and in partnership with public authorities.

### Suez Recycling & Recovery UK Limited

The trustees consider Suez Recycling & Recovery UK Limited to be a connected organisation as it is a member of the charitable company with the power to appoint one trustee to the board. A J Hughes is the Suez Recycling & Recovery UK Limited appointee and a Trustee of the charitable company. Suez Recycling & Recovery UK Limited are the waste management company contracted by Lancashire County Council to dispose of the waste in the county which goes to landfill.

### Objectives, activities and public benefit

The principal activity of the charitable company is the support for environmental projects via an Entrust registered environmental body which receives landfill tax credits and awards grants to environmental projects which meet the criteria specified by the Landfill Tax Regulations 1996 (As Amended):

- Providing and maintaining public amenities and parks, within 10 miles of a landfill site, when the work benefits the natural social or built environment;
- The provision, conservation, restoration or enhancement of a natural habitat, maintenance or recovery of a species within 10 miles of a landfill site;
- Restoring and repairing buildings which are for religious worship, or architectural or historical interest within 10 miles of a landfill site.

The trustees have had due regard to guidance published by the Charity Commission on public benefit.

### Grant making policy

The charity invites applications for funding of environmental projects across the Lancashire area. Institutional applicants are invited to submit a summary of their proposals in a specified format. The applications are reviewed against specific criteria by the fund manager. Projects may be funded over varying periods of time, therefore cost and progress is monitored on a continuous basis.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

### Achievements and performance

During the year, the charitable company awarded a total of £1,166,271 (2020: £1,099,243 to 60 projects (2020: 57 projects) while maintaining sufficient resources to enable charitable activities going forward.

The Fund distributes grants on a quarterly cycle on a demand led basis. This makes it difficult to set specific targets for the number and type of project applications received and supported. To ensure the number of applications is maximised, the Fund Manager regularly attends funding events in Lancashire to promote access to the fund.

### Financial review

All of the £1,287,961 (2020: £1,170,152) landfill tax income was received from Suez Recycling & Recovery UK Limited in the year. The trustees anticipate the charitable company will continue to be dependent on this income source.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## REPORT OF THE TRUSTEES

### YEAR ENDED 31 DECEMBER 2021

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The expectation going forward is that the amount of waste going to landfill and therefore the landfill tax income paid to the Fund will start to reduce as alternative contracts for disposal of waste are entered into by LCC.

In addition to the grants awarded of £1,166,271 (2020: £1,099,243), previously awarded balances totalling £125,624 (2020: £89,657) were written off and this resulted in a net grant cost for the year of £1,040,647 (2020: £1,009,586).

At the year end, grant balances totalling £1,558,240 (2020: £1,525,761) remained unpaid.

Further to the costs of grant awards, governance and support costs of £106,992 (2020: £98,801) were incurred and the excess of income over expenditure for the year was £149,160 (2020: £75,339 excess of expenditure over income).

At the year end, Lancashire Environmental Fund was also holding a sum of £82,357 (2020: £26,930) as an agent for Lancashire County Council, these funds to be used to provide third party contribution payments to draw monies to cover grants awarded for all the grant schemes other than the Green Grant scheme.

At the year end, Lancashire Environmental Fund was holding a balance of £107,218 (2020: £54,645) as an agent for Lancashire County Council. This amount is being used to cover the third party contribution payments required to draw down funds to enable payments of grants awarded under all the Grant schemes including the Green Grant scheme. During the year an amount of £13 (2020: £34) interest on these monies held was received. Amounts totalling £868 (2020: £821) were disbursed to Suez Recycling & Recovery UK Limited to facilitate the drawdown of funds for the Green Grant scheme totalling £8,680 (2020: £8,210). Nothing was paid to secure funding under the other grant schemes during the year.

#### **Investment policy**

Surplus funds are held on deposit with Nationwide Building Society and The Royal Bank of Scotland, to ensure a competitive interest rate as well as security and fund accessibility.

Interest earned is reviewed regularly by the Finance Officer. The trustees consider the returns achieved to be satisfactory in the current investment climate.

#### **Reserves policy**

The general unrestricted fund balance of £1,117,260 (2020: £968,100) which remains unallocated will be applied to future awards.

The level of general unrestricted funds is reviewed before grant commitments are made to ensure that the balance of these funds is always sufficient to cover current and proposed grant commitments and ongoing administration costs. The trustees are concerned to maximise the benefit to the community of their grant making policy. The trustees, however, have to work within the statutory framework set out in the Landfill Tax regulations and the compliance control of Entrust, the regulator of the Landfill Tax Credit Scheme.

£150,000 of unrestricted funds have previously been set aside in a designated reserve to provide for transitional costs, in the event of landfill operations ceasing as a result of statutory changes to the Scheme or a decision of the landfill operator. The reserve was calculated on the basis of an 18 month wind-up at an annual cost of £100,000 to provide support for existing grant-funded projects. The trustees have reviewed the level of the designated reserve and have decided to keep it as this level, subject to continuous review in the future.

The total fund balances at 31 December 2021 were £1,267,260 (2020: £1,118,100).

The required level of free reserves is currently £nil as the designated fund has sufficient resources to provide for foreseeable transitional costs. The actual level of free reserves at 31 December 2021 amounted to £1,117,260. Reserves were built up in the early years due to uncertainty over the continued funding from Landfill operations. At that time it was the Trustees intention to hold sufficient funds to provide for five years of grant and administrative expenses following cessation of funding.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## REPORT OF THE TRUSTEES

YEAR ENDED 31 DECEMBER 2021

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It is the intention of the Trust to continue to reduce reserves through the issuing of grants. The rate at which reserves are distributed is limited by the number and value of applications received, and by the number of those applications that meet the requirements as set out in the Objectives and in the Landfill Tax Regulations. The Trust actively encourages applications through advertising and promotion of the scheme.

### Future plans

The Trust will continue to offer grants in line with the objects subject to the potential impact of the factors highlighted in the risk review.

### Auditor

MHA Moore and Smalley are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

### Trustees' responsibilities

The trustees (who are also directors of Lancashire Environmental Fund Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In preparing this report the Trustees have taken advantage of the small companies exemption provided by the Companies Act 2006.

The report was approved by the board on 16<sup>th</sup> March 2022 and signed on its behalf by

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**S Turner**  
Trustee

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**L Sales**  
Secretary

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR YEAR ENDED 31 DECEMBER 2021

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### Opinion

We have audited the financial statements of Lancashire Environmental Fund Limited (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 charitable company's affairs as at 31 December 2021, and of its incoming resources and application of resources, including its 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.

### 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 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 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 trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

We have nothing to report in this regard.

# **LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONTINUED)**

**FOR YEAR ENDED 31 DECEMBER 2021**

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### **Opinions 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 6, 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 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 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**

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.

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 of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that have had a direct effect on the financial statements. The key laws and regulations we considered in this context include Charities Act and Entrust regulations. In addition, we consider compliance with employee legislation, as fundamental to the Charity's operations;

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONTINUED)

FOR YEAR ENDED 31 DECEMBER 2021

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- Discussions with management, including consideration of known or suspected instances of noncompliance with laws and regulations and fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>

This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Nicola Mason (Senior Statutory Auditor)**

**For and on behalf of MHA Moore and Smalley, Statutory Auditor**

Richard House  
Winckley Square  
Preston  
PR1 3HP

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# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2021

|                                             | Note | Designated<br>funds<br>2021<br>£ | General<br>funds<br>2021<br>£ | Total<br>funds<br>2021<br>£ | Total<br>funds<br>2020<br>£ |
|---------------------------------------------|------|----------------------------------|-------------------------------|-----------------------------|-----------------------------|
| <b>Income from:</b>                         |      |                                  |                               |                             |                             |
| Donations and legacies                      | 2    | -                                | 1,287,961                     | 1,287,961                   | 1,170,152                   |
| Investments                                 | 3    | -                                | 8,838                         | 8,838                       | 13,574                      |
| <b>Total income</b>                         |      | -                                | 1,296,799                     | 1,296,799                   | 1,183,726                   |
| <b>Expenditure on:</b>                      |      |                                  |                               |                             |                             |
| Charitable activities                       | 4    | -                                | 1,147,639                     | 1,147,639                   | 1,108,387                   |
| <b>Total expenditure</b>                    |      | -                                | 1,147,639                     | 1,147,639                   | 1,108,387                   |
| <b>Net movement in funds</b>                |      | -                                | 149,160                       | 149,160                     | 75,339                      |
| <b>Fund balance b/f at 1 January 2021</b>   |      | 150,000                          | 968,100                       | 1,118,100                   | 1,042,761                   |
| <b>Fund balance c/f at 31 December 2021</b> |      | 150,000                          | 1,117,260                     | 1,267,260                   | 1,118,100                   |

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## BALANCE SHEET

AS AT 31 DECEMBER 2021

|                                               | Note | 2021<br>£          | £                | 2020<br>£          | £                |
|-----------------------------------------------|------|--------------------|------------------|--------------------|------------------|
| <b>Current assets:</b>                        |      |                    |                  |                    |                  |
| Debtors                                       | 9    | 7,205              |                  | 7,546              |                  |
| Cash at bank and in hand                      |      | <u>2,945,275</u>   |                  | <u>2,698,234</u>   |                  |
| Total current assets                          |      | 2,952,480          |                  | 2,705,780          |                  |
| <b>Liabilities:</b>                           |      |                    |                  |                    |                  |
| Creditors: amount falling due within one year | 10   | <u>(1,685,220)</u> |                  | <u>(1,587,680)</u> |                  |
| <b>Net current assets</b>                     |      |                    | <u>1,267,260</u> |                    | <u>1,118,100</u> |
| <b>Net assets less current liabilities</b>    |      |                    | <u>1,267,260</u> |                    | <u>1,118,100</u> |
| <b>The funds of the charity:</b>              |      |                    |                  |                    |                  |
| 11                                            |      |                    |                  |                    |                  |
| Unrestricted:                                 |      |                    |                  |                    |                  |
| General                                       |      |                    | 1,117,260        |                    | 968,100          |
| Designated                                    |      |                    | <u>150,000</u>   |                    | <u>150,000</u>   |
| <b>Total funds</b>                            |      |                    | <u>1,267,260</u> |                    | <u>1,118,100</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board on 16<sup>th</sup> March 2022 and signed on its behalf by:

.....  
**S Turner – Trustee**  
**Company Registration Number: 03527370**

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

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2021

|                                                            | Note | £            | 2021<br>£               | £             | 2020<br>£               |
|------------------------------------------------------------|------|--------------|-------------------------|---------------|-------------------------|
| <b>Cash inflows from operating activities:</b>             |      |              |                         |               |                         |
| <i>Net cash provided by/(used in) operating activities</i> | 12   |              | <u>238,203</u>          |               | <u>98,296</u>           |
| <b>Cash flows from investing activities:</b>               |      |              |                         |               |                         |
| Interest receivable                                        |      | 8,838        |                         | 13,574        |                         |
|                                                            |      | <u>8,838</u> |                         | <u>13,574</u> |                         |
| <i>Net cash provided by/(used in) investing activities</i> |      |              | <u>8,838</u>            |               | <u>13,574</u>           |
| <b>Change in cash and cash equivalents in the year</b>     |      |              | 247,041                 |               | 111,870                 |
| <b>Cash and cash equivalents at 1 January 2021</b>         |      |              | <u>2,698,234</u>        |               | <u>2,586,364</u>        |
| <b>Cash and cash equivalents at 31 December 2021</b>       |      |              | <u><u>2,945,275</u></u> |               | <u><u>2,698,234</u></u> |

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2021

---

### 1 Accounting policies

#### General information and basis of preparation

Lancashire Environmental Fund Limited is a company limited by guarantee and does not have a share capital. The liability of the members is limited and is not to exceed £1 per member. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees Report on pages 2 to 6.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

#### Income recognition

Income arising from the Landfill Tax Credit Scheme is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes interest received from interest bearing deposit accounts. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method.

#### Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes grants awarded.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2021

---

### 1 Accounting policies (continued)

#### **Expenditure recognition (continued)**

Grants payable to third parties are within the charitable objectives. Grants are due for payment when the grantee makes an approved claim. Previously grant liabilities were treated as falling due within one year unless the terms of the grant offer anticipated payment after one year from the balance sheet date and by reviewing the current status of the project at the year end and when it was anticipated to be completed.

Grants are released to the income and expenditure account when:

- projects are cancelled by the grant applicants;
- the original grant application exceeds the final amount claimed on project completion.

#### **Support costs allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

The analysis of these costs is included in note 5.

#### **Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

#### **Employee benefits**

When employees have rendered service to the charity, 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. Staff costs are recharged to the charity by Lancashire Wildlife Trust.

#### **Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. Whilst the coronavirus pandemic has been ongoing during the year and since the year end, this has had minimal impact on the levels of income being received by the charity. The trustees have considered this when making assessment of the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

#### **Judgements and key sources of estimation uncertainty**

There have been no significant judgements (apart from those involving estimates) made in the process of preparing the financial statements.

There have been no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2021

---

### 2 Donations and legacies

|                     | 2021<br>£        | 2020<br>£        |
|---------------------|------------------|------------------|
| Landfill tax income | <u>1,287,961</u> | <u>1,170,152</u> |
|                     | <u>1,287,961</u> | <u>1,170,152</u> |

All of the income from donations and legacies in the current and previous year was unrestricted.

### 3 Investments

|                                                            | 2021<br>£    | 2020<br>£     |
|------------------------------------------------------------|--------------|---------------|
| Interest receivable from interest bearing deposit accounts | <u>8,838</u> | <u>13,574</u> |

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

### 4 Charitable activities

|                                       | 2021<br>£        | 2020<br>£        |
|---------------------------------------|------------------|------------------|
| Grants (note 8)                       | 1,040,647        | 1,009,586        |
| Governance and support costs (note 5) | <u>106,992</u>   | <u>98,801</u>    |
|                                       | <u>1,147,639</u> | <u>1,108,387</u> |

All of the expenditure on charitable activities in the current and previous year was unrestricted.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2021

### 5 Governance and administration of the charitable company

| 2021               | Basis of apportionment | Governance<br>£ | Support costs<br>£ | 2021<br>£      |
|--------------------|------------------------|-----------------|--------------------|----------------|
| Entrust levy       | Income                 | -               | 35,553             | 35,553         |
| Staff costs        | Staff time             | -               | 58,086             | 58,086         |
| Publicity          | Usage                  | -               | (235)              | (235)          |
| Audit fee          | Usage                  | 4,350           | -                  | 4,350          |
| Stationery         | Staff time             | 9               | 82                 | 91             |
| Senior mgt charge  | Staff time             | 2,834           | 2,834              | 5,668          |
| Office Expenditure | Staff time             | 332             | 2,990              | 3,322          |
| Other              | Staff time             | 157             | -                  | 157            |
|                    |                        | <u>7,682</u>    | <u>99,310</u>      | <u>106,992</u> |
|                    |                        |                 |                    |                |
| 2020               | Basis of apportionment | Governance<br>£ | Support costs<br>£ | 2020<br>£      |
| Entrust levy       | Income                 | -               | 27,881             | 27,881         |
| Staff costs        | Staff time             | -               | 56,331             | 56,331         |
| Publicity          | Usage                  | -               | 1,590              | 1,590          |
| Audit fee          | Usage                  | 3,960           | -                  | 3,960          |
| Stationery         | Staff time             | 3               | 23                 | 26             |
| Senior mgt charge  | Staff time             | 2,834           | 2,834              | 5,668          |
| Office Expenditure | Staff time             | 319             | 2,873              | 3,192          |
| Other              | Staff time             | 153             | -                  | 153            |
|                    |                        | <u>7,269</u>    | <u>91,532</u>      | <u>98,801</u>  |

The 2021 and 2020 costs were all charged to unrestricted general funds.

During the year the charitable company, which has no employees of its own, subcontracted one (2020: one) full-time and two (2020: two) part-time employees from Lancashire Wildlife Trust to work exclusively on the charitable company's affairs. All these employees undertook work relating to the provision of grants.

The aggregate payroll costs of three persons were as follows:

|                       | 2021<br>£     | 2020<br>£     |
|-----------------------|---------------|---------------|
| Gross salaries        | 52,575        | 50,981        |
| Social security costs | 3,734         | 3,629         |
| Pension contributions | <u>1,776</u>  | <u>1,721</u>  |
|                       | <u>58,085</u> | <u>56,331</u> |

No employee received emoluments of more than £60,000.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2021

### 6 Auditor's remuneration

|                                                         | 2021<br>£ | 2020<br>£ |
|---------------------------------------------------------|-----------|-----------|
| Auditor's remuneration (net of VAT): For audit services | 3,625     | 3,300     |

### 7 Trustee and key management personnel remuneration and expenses

The directors, who are also trustees, of the charitable company are non-executive, are not remunerated and as such are not regarded as employees. None of the trustees received any reimbursement of any expenses. Indemnity insurance of £910 (2020: £893) was purchased during the year, to protect the charity and its trustees from any loss arising from the actions of the trustees.

The key management personnel of the charity comprise only the fund manager. The total cost of key management personnel of the charity (including employer's pension and National Insurance contributions) was therefore £39,826 (2020: £38,980).

### 8 Grants

|                                            | 2021<br>£        | 2020<br>£        |
|--------------------------------------------|------------------|------------------|
| Balance payable brought forward            | 1,525,761        | 1,509,370        |
| Previously awarded grants released         | (125,624)        | (89,657)         |
| New grants awarded in the year             | 1,166,271        | 1,099,243        |
| Net grant cost in year (note 4)            | 1,040,647        | 1,009,586        |
|                                            | 2,566,408        | 2,518,956        |
| Grants paid in the year                    | (1,010,609)      | (993,195)        |
| Grants previously paid in advance returned | 2,441            | -                |
| <b>Balance payable carried forward</b>     | <b>1,558,240</b> | <b>1,525,761</b> |
| <b>Being:</b>                              |                  |                  |
| Due within one year (note 10)              | 1,558,240        | 1,525,761        |

During the year the charitable company awarded 60 grants (2020:57 grants). All grants in the year were awarded to institutions and all were amenity related.

An analysis of new commitments (grants awarded) in the year is shown below.

Previously awarded grants released relate to grants where the intended recipient no longer meets the criteria for grant award or does not require the full grant award any longer.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2021

### 8 Grants (continued)

|                                                                             | Grant Awarded<br>£ |
|-----------------------------------------------------------------------------|--------------------|
| <b>Community Facility Improvements</b>                                      |                    |
| Woodplumpton & District Community Club, Disabled Toilet                     | £15,000            |
| Streetwise Youth Community Centre Refurbishment, Warton                     | £30,000            |
| New Kitchen Facilities, Healthier Heroes Burnley                            | £20,000            |
| Downham Village Hall Reopening Project                                      | £30,000            |
| Goosnargh Village Hall Trust, Double Glazing                                | £12,022            |
| Mission Heritage Centre Trust Sunderland Point, Centre Conversion           | £30,000            |
| Carnforth Free Methodist Church Community Facility Improvements             | £25,600            |
| Kelbrook & Sough Village Hall Patio Refurbishments                          | £3,370             |
| Crossgate Church Preston, Community Youth & Conference Space                | £30,000            |
| Dunsop Bridge Village Hall Roof Replacement and Solar Panels                | £13,240            |
| ABD Centre, Bacup, Keeping Warmer                                           | £7,630             |
| Building for the Future, Hope Church, Lancaster                             | £26,630            |
| Clitheroe United Reformed Church, Window Replacement                        | £14,100            |
| Rufford Village Hall Energy Efficiency Upgrade                              | £16,490            |
| Hyndburn Leisure Trust, Clayton Civic Health & Wellbeing Hub                | £30,000            |
| TASTE Pay What You Can Café, St Laurence's Church, Chorley                  | £30,000            |
| Re-Roofing Borwick & Priest Hutton War Memorial Hall                        | £30,000            |
| Carnforth Community Swimming Pool Upgrade                                   | £9,250             |
| Wheatley Lane Methodist Church, Boiler replacement & Heating System Upgrade | £6,000             |
| Ribblesdale Wanderers Cricket & Bowling Club Energy Efficiency Phase 3      | £21,910            |
| Accrington Cricket and Tennis Club, Community Clubhouse renovation          | £14,000            |
| Damp Prevention Independent Methodist Church Barnoldswick                   | £8,000             |
| <b>Total</b>                                                                | <b>£423,242</b>    |
|                                                                             | £                  |
| <b>Habitat Creation and Management</b>                                      |                    |
| Wyre Rivers Trust, Royles Brook Restoration, Thornton Cleveleys             | £30,000            |
| <b>Total</b>                                                                | <b>£30,000</b>     |
| <b>Parks, Gardens and Open Spaces</b>                                       |                    |
| Transforming Newton Community Park, Newton with Scales                      | £30,000            |
| Lancashire Wildlife Trust Grange Community Garden Development, Preston      | £19,200            |
| <b>Total</b>                                                                | <b>£49,200</b>     |

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

### 8 Grants (continued)

|                                                                        | Grant Awarded<br>£ |
|------------------------------------------------------------------------|--------------------|
| <b>General Environmental Improvements</b>                              |                    |
| New Footpath, Friends of Conway Park                                   | £20,190            |
| Boardwalk for All, Friends of Highgate Wood, Fulwood                   | £15,000            |
| Withnell Angling Club, Farington Lodges Dipping Platform               | £30,000            |
| HAPPA Access Improvements, Briercliffe                                 | £10,340            |
| Lancashire Wildlife Trust, Making an Entrance Mere Sands Wood Rufford  | £30,000            |
| Access for All at Carr Lake, Jigsaw, Mawdesley Equine & Peoples Trust  | £23,250            |
| Drainage& Environmental Improvements to Barley Village Green           | £12,500            |
| Lancashire County Council, Pennine Bridleway Upgrade at Holme Chapel   | £30,000            |
| Rivington Heritage Trust, Royton Lane Bridleway Access Upgrade         | £23,040            |
| Martin Mere Wetland Centre, Mere Tun Longhouse Project                 | £15,000            |
| <b>Total</b>                                                           | <b>£209,320</b>    |
| <b>Play Areas and Recreational Facilities</b>                          |                    |
| Playground Improvements, Friends of Bent Lane, Leyland                 | £30,000            |
| New play Area, Forton Recreation Ground                                | £30,000            |
| Farri Park Outdoor Community Space                                     | £35,000            |
| Chatburn Parish Council Playground                                     | £30,000            |
| Applecass, Young People Having Fun                                     | £15,000            |
| Guiding Light, Read & Simonstone Community Tennis Club                 | £30,000            |
| Hyndburn Green Spaces Forum, Lowerfold Park MUGA                       | £30,000            |
| Cycle Development Pendle, Developments to the Stephen Burke Sports Hub | £30,000            |
| Park Enhancement, Friends of Crag Bank Park                            | £30,000            |
| Regeneration of Torrisholme Play park Morecambe                        | £20,000            |
| Nether Kellett Village Play Area                                       | £30,000            |
| Friends of Memorial Park, Wheeled Sports Play Area                     | £30,000            |
| Scotch Quarry Community Garden Playground Refurbishment                | £30,000            |
| Rosendale Rays Special Needs Sports Club, Athletics Track Resurfacing  | £24,000            |
| Edenfield Village Residents Association Pump Track                     | £30,000            |
| Eco-Chic Old Laund Booth Play Area, Old Laund Booth Parish Council     | £22,100            |
| <b>Total</b>                                                           | <b>£446,100</b>    |
| <b>Green Grants</b>                                                    |                    |
| Whitworth Community Orchard                                            | £1,000             |
| Access Improvements to Barley Cop Community Woods, Lancaster           | £1,000             |
| Cuerden Valley Park Trust Outdoor Classroom                            | £1,000             |
| Malt Kiln Conservation Noticeboard                                     | £780               |
| Conserving Dobcroft Nature reserve, Ingol INTACT                       | £705               |
| Wilpshire Parish Council, Kissing Gate on Lancashire Way               | £1,000             |
| Waterside Millenium Green Trust Painting and Planting                  | £1,000             |
| Longton VM Sports & Social Club Tree Planting                          | £996               |
| Croston Together Central Focus Tree Planting                           | £928               |
| <b>Total</b>                                                           | <b>£8,409</b>      |
| <b>Overall Total</b>                                                   | <b>£1,166,271</b>  |

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2021

### 9 Debtors

|                | 2021<br>£ | 2020<br>£ |
|----------------|-----------|-----------|
| Accrued income | 7,205     | 7,546     |

All accrued income related to unrestricted general funds.

### 10 Creditors: amounts falling due within one year

|                         | 2021<br>£ | 2020<br>£ |
|-------------------------|-----------|-----------|
| Grants awarded (note 8) | 1,558,240 | 1,525,761 |
| Other creditors         | 122,619   | 57,949    |
| Accruals                | 4,361     | 3,970     |
|                         | 1,685,220 | 1,587,680 |

During the year ended 31 December 2021 Lancashire County Council paid £nil (2020: £nil) to the fund to cover the cost of third party contributions necessary to draw landfill tax income to finance the Green Grant Scheme going forward. In the event of the Green Grant Scheme ceasing to exist, the monies are to be used specifically to pay third party contributions to draw landfill tax income to be allocated to Lancashire Environmental Fund's other remaining grant schemes. At the year end an amount of £24,861 (2020: £25,716) was held within other creditors.

During the year ended 31 December 2021 Lancashire County Council paid £160,000 (2020: £28,930) to the fund to cover the cost of third party contributions necessary to draw landfill tax income to finance the Main Grant and Small Grant Schemes going forward. At the year end an amount of £82,357 (2020: £28,930) was held within other creditors.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2021

### 11 Summary of funds

|                                          | General<br>fund<br>£    | Designated<br>Fund<br>£ | Total<br>unrestricted<br>fund<br>£ |
|------------------------------------------|-------------------------|-------------------------|------------------------------------|
| <b>Fund balances at 31 December 2021</b> |                         |                         |                                    |
| <b>Represented by:</b>                   |                         |                         |                                    |
| Current assets                           | 2,802,480               | 150,000                 | 2,952,480                          |
| Current liabilities                      | (1,685,220)             | -                       | (1,685,220)                        |
|                                          | <u>1,117,260</u>        | <u>150,000</u>          | <u>1,267,260</u>                   |
| <b>Movements in funds</b>                |                         |                         |                                    |
| Balance brought forward                  | 968,100                 | 150,000                 | 1,118,100                          |
| Net incoming funds                       | <u>149,160</u>          | <u>-</u>                | <u>149,160</u>                     |
| <b>Balance carried forward</b>           | <b><u>1,117,260</u></b> | <b><u>150,000</u></b>   | <b><u>1,267,260</u></b>            |
|                                          |                         |                         |                                    |
|                                          | General<br>fund<br>£    | Designated<br>Fund<br>£ | Total<br>unrestricted<br>fund<br>£ |
| <b>Fund balances at 31 December 2020</b> |                         |                         |                                    |
| <b>Represented by:</b>                   |                         |                         |                                    |
| Current assets                           | 2,555,780               | 150,000                 | 2,705,780                          |
| Current liabilities                      | (1,587,680)             | -                       | (1,587,680)                        |
|                                          | <u>968,100</u>          | <u>150,000</u>          | <u>1,118,100</u>                   |
| <b>Movements in funds</b>                |                         |                         |                                    |
| Balance brought forward                  | 892,761                 | 150,000                 | 1,042,761                          |
| Net outgoing funds                       | <u>75,339</u>           | <u>-</u>                | <u>75,339</u>                      |
| <b>Balance carried forward</b>           | <b><u>968,100</u></b>   | <b><u>150,000</u></b>   | <b><u>1,118,100</u></b>            |

The general fund relates to surplus funds from landfill tax credit receipts not yet paid out as grants.

A designated fund of £150,000 has been set up by the Trustees to provide for future transitional expenses in the event that landfill operations cease.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2021

### 12 Reconciliation of net income/(expenditure) to net cash flow from operating activities

|                                       | 2021<br>£      | 2020<br>£     |
|---------------------------------------|----------------|---------------|
| Net income/(expenditure) for the year | 149,160        | 75,339        |
| Interest receivable                   | (8,838)        | (13,574)      |
| (Increase)/decrease in debtors        | 341            | 12,809        |
| Increase/(decrease) in creditors      | 97,540         | 23,722        |
|                                       | <u>238,203</u> | <u>98,296</u> |

### 13 Related party transactions

SUEZ Recycling & Recovery UK Limited ('SUEZ') is a member of the charitable company with the power to appoint one trustee to the board. A J Hughes is a Director of Suez and a trustee of the charitable company. During the year landfill tax monies payable to the charitable company from SUEZ amounted to £1,287,961 (2020: £1,170,152).

Lancashire Wildlife Trust ('LWT') is a member of the charitable company with the power to appoint one trustee to the board. J Drury was a trustee of LWT until October 2019 and remains a trustee of LEF. During the year LWT provided management, organisational, administrative and supervision services to the charitable company for which £65,509 (2020: £63,710) was charged in the income and expenditure account. A balance of £119,430 (2020: £139,162) was due to LWT at 31 December 2021. This comprised outstanding grants of £119,430 (2020: £139,162) and service charges of £nil (2020:£nil). Grants totalling £49,200 (2020:£47,330) were awarded to LWT during the year. Grants of £2,893 (2020: £3,084) previously awarded to LWT have been written back during the year.

Lancashire County Council ('LCC') is a member of the charitable company with the power to appoint one trustee to the board. S Turner was the Chairman of the charitable company and a member of LCC. A balance of £30,000 (2020: £30,000) was due to LCC as at 31<sup>st</sup> December 2021. This comprised outstanding grants of £30,000 (2020: £30,000). Grants totalling £30,000 (2020: Nil) were awarded to LCC during the year.

It is the company policy that trustees must inform the board of their interests in grant applications at the start of board meetings. The interested trustee will not participate during the consideration of these applications. In the case of the Chairman having an interest in an application, the chair is taken by the Vice-Chairman.

### 14 Post Balance sheet event

Following the year end, grants totalling £60,000 included in year end creditors, have been written back following a decision by the respective charities not to progress the projects. The projects have been withdrawn and will be included in grants released in the year ended 31 December 2022.

**LANCASHIRE ENVIRONMENTAL FUND LIMITED**

England & Wales - Charity number 1074983

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# Accounts

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Charity Number: 1074983  
Company Number: 03527370

**LANCASHIRE  
ENVIRONMENTAL FUND  
LIMITED (BY GUARANTEE)**  
Trustees' Report and Accounts

For The Year Ended  
31 December 2020

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

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# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## CHARITY DETAILS

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|                                    |                                                                                                                                                                                                                                 |
|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Company Name</b>                | Lancashire Environmental Fund                                                                                                                                                                                                   |
| <b>Charity registration number</b> | 1074983                                                                                                                                                                                                                         |
| <b>Company registration number</b> | 03527370                                                                                                                                                                                                                        |
| <b>Trustees</b>                    | J Drury<br>F McGinty<br>A J Hughes Appointed 19 <sup>th</sup> August 2020<br>S Turner Appointed 8 <sup>th</sup> June 2021<br>A Atkinson Resigned 8 <sup>th</sup> June 2021<br>J Wilkinson Resigned 19 <sup>th</sup> August 2020 |
| <b>Secretary</b>                   | L Sales                                                                                                                                                                                                                         |
| <b>Fund Manager</b>                | A Rowett                                                                                                                                                                                                                        |
| <b>Auditor</b>                     | MHA Moore and Smalley<br>Richard House<br>Winckley Square<br>Preston<br>PR1 3HP                                                                                                                                                 |
| <b>Legal advisor</b>               | Company Secretary<br>PO Box 100<br>County Hall Democratic Services<br>Lancashire County Council<br>Preston<br>PR1 0LD                                                                                                           |
| <b>Principal/contact address</b>   | c/o Lancashire Wildlife Trust<br>The Barn<br>Berkeley Drive<br>Bamber Bridge<br>PR5 6BY                                                                                                                                         |
| <b>Registered address</b>          | Company Secretary<br>PO Box 100<br>County Hall Democratic Services<br>Lancashire County Council<br>Preston<br>PR1 0LD                                                                                                           |
| <b>Members</b>                     | Community Futures<br>Lancashire County Council<br>Suez Recycling & Recovery UK Limited<br>Lancashire Wildlife Trust                                                                                                             |

# **LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)**

## **REPORT OF THE TRUSTEES**

**YEAR ENDED 31 DECEMBER 2020**

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The Trustees, who are also directors of the charity for the purposes of the Companies Act, present their report and the audited financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

### **Structure, governance and management**

Lancashire Environmental Fund Limited (hereafter referred to as "the charitable company") is a charitable company limited by guarantee, incorporated on 13 March 1998 and registered as a charity on 1 April 1999. The charitable company is governed by its memorandum and articles of association. The power of appointing and removing trustees is vested in the members by way of an instrument in writing signed by each member, each member having the power to appoint one trustee.

The criteria used by Lancashire Environmental Fund Limited to determine the pay and remuneration of key management personnel are the same as those used by Lancashire Wildlife Trust from whom staff are seconded. Lancashire Wildlife Trust use comparisons to external charities for similar roles as a basis for determining the pay and remuneration of key management personnel.

### **Trustees of the charity**

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end are set out on page 1. Trustees are appointed by the Board. The Board's Legal Officer will update the Trustees on changes to the law affecting the scheme. The Fund Manager will provide induction for new members.

The trustees delegate the assessment of applications to an assessment group, which is chaired by the fund manager. The fund manager is assisted by a small team and co-ordinates the daily operation of the charity. The trustees meet quarterly to approve or refuse grants based on the recommendations of the assessment group.

### **Risk review**

The board has conducted its own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. Significant external risks are mitigated by Professional Indemnity Insurance. Internal risks are minimised by segregation of duties and checking procedures.

The major risks to which the charity is exposed due to its management and administration being provided by LWT have been reviewed by the trustees of LWT. Internal risks relevant to the charity are being minimised by the implementation of procedures for authorisation of all transactions. Risk management priorities of LWT, impacting on the management and administration of the charity, are quality systems, succession planning for key staff and the regular review of systems.

Future legislative changes to the Landfill Communities Fund could result in Suez Recycling & Recovery UK Limited, the landfill operator, deciding to withdraw from the scheme. If this happens, the Lancashire Environmental Fund Limited will have to wind up after running down the existing general unrestricted fund balance.

The Fund could also face further challenges as a result of possible legislation to cap administration fees at 7.5% of project expenditure. This represents an extremely challenging target for such a relatively small fund which does not enjoy the benefits of economies of scale which other larger Landfill Communities Fund distributors have.

However, the Trustees have made and will continue to make significant efforts to reduce administration fees wherever possible.

# **LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)**

## **REPORT OF THE TRUSTEES**

**YEAR ENDED 31 DECEMBER 2020**

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The Lancashire Environmental Fund primarily distributes monies raised from the Landfill Tax paid by Lancashire County Council. In the longer term, the amount of waste sent to landfill will reduce, as intended by the introduction of the Landfill Tax, and this trend is expected to continue over the coming years. As a result, the amount of Landfill Tax income that the fund is likely to receive is also expected to reduce in future. There may come a time when the administration costs of running the Fund would not be justified by the amount of income received for distribution.

The Fund relies on the continued support of Lancashire County Council who pay many of the third party contributions required to enable the Landfill Tax income to be released.

The Fund has remained operational throughout the COVID pandemic and it is anticipated that it will continue to do so throughout the crisis however long it lasts. That being said, the Fund has not remained unaffected by the impact.

The number of claims submitted in this period and therefore grants paid out has been significantly reduced from the levels expected as many projects have either been delayed or suspended during the crisis. The number of applications for new grants has also noticeably reduced no doubt due to the impact of the pandemic and the difficulty organisations are experiencing in meeting to organise, plan and submit grant applications for projects, exaggerated by the uncertainty about demand and whether facilities will prove to be sustainable after COVID has run its course.

The income received from the Landfill Tax during the last two quarters of this financial year increased as this is paid from domestic waste which increased significantly as a result of the pandemic with people spending more time at home either on furlough, working from home or in lockdown. This is expected to continue for the first quarter of the next financial year before decreasing again to pre-COVID levels thereafter.

### **Connected Charities and Organisations**

#### **Lancashire Wildlife Trust Limited**

The trustees consider Lancashire Wildlife Trust Limited ("LWT") to be a connected charity as it is a member of the charitable company with the power to appoint one trustee to the board. J Drury was a trustee of LWT until October 2019 and remains a trustee of Lancashire Environmental Fund. In addition, LWT provides management, organisational, administrative and supervision services to the charitable company under an agreement and both parties operate from Cuerden Valley Park near Bamber Bridge. The charitable company has no employees of its own, but subcontracts one full time and two part time employees from Lancashire Wildlife Trust who work exclusively on the charitable company's affairs.

During the year, a total of £63,710 (2019: £64,075) was payable for these services and other management, organisational, administrative and supervision services.

LWT is established to promote the conservation of nature for the purpose of study and research and to educate the public in the understanding and appreciation of nature, the awareness of its value and the need for its conservation. During the year the charitable company awarded grants totalling £47,330 (2019: £84,900) to LWT in connection with those objectives.

#### **Lancashire County Council**

The trustees consider Lancashire County Council to be a connected organisation as it is a member of the charitable company with the power to appoint one trustee to the board. A Atkinson is both a trustee of the charitable company and Deputy Leader of Lancashire County Council.

One of the current functions of Lancashire County Council is to provide and maintain public open spaces including country parks, greenway bridle paths, footpaths etc for the pleasure and enjoyment of the people of Lancashire. During the year the charitable company awarded grants totalling £Nil (2019: £30,000) to Lancashire County Council in connection with this objective.

# **LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)**

## **REPORT OF THE TRUSTEES**

**YEAR ENDED 31 DECEMBER 2020**

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### **Community Futures**

The trustees consider Community Futures to be a connected charity as it is a member of the charitable company with the power to appoint one trustee to the board. F McGinty is the Community Futures appointee and a Trustee of the charitable company. The aim of Community Futures is to promote and develop social and community activity in Lancashire, working through voluntary groups and in partnership with public authorities.

### **Suez Recycling & Recovery UK Limited**

The trustees consider Suez Recycling & Recovery UK Limited to be a connected organisation as it is a member of the charitable company with the power to appoint one trustee to the board. A J Hughes is the Suez Recycling & Recovery UK Limited appointee and a Trustee of the charitable company. Suez Recycling & Recovery UK Limited are the waste management company contracted by Lancashire County Council to dispose of the waste in the county which goes to landfill.

### **Objectives, activities and public benefit**

The principal activity of the charitable company is the support for environmental projects via an Entrust registered environmental body which receives landfill tax credits and awards grants to environmental projects which meet the criteria specified by the Landfill Tax Regulations 1996 (As Amended):

- Providing and maintaining public amenities and parks, within 10 miles of a landfill site, when the work benefits the natural social or built environment;
- The provision, conservation, restoration or enhancement of a natural habitat, maintenance or recovery of a species within 10 miles of a landfill site;
- Restoring and repairing buildings which are for religious worship, or architectural or historical interest within 10 miles of a landfill site.

The trustees have had due regard to guidance published by the Charity Commission on public benefit.

### **Grant making policy**

The charity invites applications for funding of environmental projects across the Lancashire area. Institutional applicants are invited to submit a summary of their proposals in a specified format. The applications are reviewed against specific criteria by the fund manager. Projects may be funded over varying periods of time, therefore cost and progress is monitored on a continuous basis.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

### **Achievements and performance**

During the year, the charitable company awarded a total of £1,099,243 (2019: £1,296,383) to 57 projects (2019: 87 projects) while maintaining sufficient resources to enable charitable activities going forward.

The Fund distributes grants on a quarterly cycle on a demand led basis. This makes it difficult to set specific targets for the number and type of project applications received and supported. To ensure the number of applications is maximised, the Fund Manager regularly attends funding events in Lancashire to promote access to the fund.

### **Financial review**

All of the £1,170,152 (2019: £1,050,207) landfill tax income was received from Suez Recycling & Recovery UK Limited in the year. The trustees anticipate the charitable company will continue to be dependent on this income source.

# **LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)**

## **REPORT OF THE TRUSTEES**

**YEAR ENDED 31 DECEMBER 2020**

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The expectation going forward is that the amount of waste going to landfill and therefore the landfill tax income paid to the Fund will start to reduce as alternative contracts for disposal of waste are entered into by LCC.

In addition to the grants awarded of £1,099,243 (2019: £1,296,383), previously awarded balances totalling £89,657 (2019: £57,530) were written off and this resulted in a net grant cost for the year of £1,009,586 (2019: £1,238,853).

At the year end, grant balances totalling £1,525,761 (2019: £1,509,370) remained unpaid.

Further to the costs of grant awards, governance and support costs of £98,801 (2019: £103,643) were incurred and the excess of income over expenditure for the year was £75,339 (2019: £265,796 excess of expenditure over income).

At the year end, Lancashire Environmental Fund was also holding a sum of £28,930 (2019: Nil) as an agent for Lancashire County Council, these funds to be used to provide third party contribution payments to draw monies to cover grants awarded for all the grant schemes other than the Green Grant scheme.

At the year end, Lancashire Environmental Fund was holding a balance of £54,645 (2019: £26,504) as an agent for Lancashire County Council. This amount is being used to cover the third party contribution payments required to draw down funds to enable payments of grants awarded under all the Grant schemes including the Green Grant scheme. During the year an amount of £34 (2019: £75) interest on these monies held was received. Amounts totalling £821 (2019: £2,489) were disbursed to Suez Recycling & Recovery UK Limited to facilitate the drawdown of funds for the Green Grant scheme totalling £8,210 (2019: £22,626). Nothing was paid to secure funding under the other grant schemes during the year.

### **Investment policy**

Surplus funds are held on deposit with Nationwide Building Society and The Royal Bank of Scotland, to ensure a competitive interest rate as well as security and fund accessibility.

Interest earned is reviewed regularly by the Finance Officer. The trustees consider the returns achieved to be satisfactory in the current investment climate.

### **Reserves policy**

The general unrestricted fund balance of £968,100 (2019: £892,761) which remains unallocated will be applied to future awards.

The level of general unrestricted funds is reviewed before grant commitments are made to ensure that the balance of these funds is always sufficient to cover current and proposed grant commitments and ongoing administration costs. The trustees are concerned to maximise the benefit to the community of their grant making policy. The trustees, however, have to work within the statutory framework set out in the Landfill Tax regulations and the compliance control of Entrust, the regulator of the Landfill Tax Credit Scheme.

£150,000 of unrestricted funds have previously been set aside in a designated reserve to provide for transitional costs, in the event of landfill operations ceasing as a result of statutory changes to the Scheme or a decision of the landfill operator. The reserve was calculated on the basis of an 18 month wind-up at an annual cost of £100,000 to provide support for existing grant-funded projects. The trustees have reviewed the level of the designated reserve and have decided to keep it at this level, subject to continuous review in the future.

The total fund balances at 31 December 2020 were £1,118,100 (2019: £1,042,761).

The required level of free reserves is currently £nil as the designated fund has sufficient resources to provide for foreseeable transitional costs. The actual level of free reserves at 31 December 2020 amounted to £968,100. Reserves were built up in the early years due to uncertainty over the continued funding from Landfill operations. At that time it was the Trustees intention to hold sufficient funds to provide for five years of grant and administrative expenses following cessation of funding.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## REPORT OF THE TRUSTEES

YEAR ENDED 31 DECEMBER 2020

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It is now the intention of the Trust to continue to reduce reserves through the issuing of grants. The rate at which reserves are distributed is limited by the number and value of applications received, and by the number of those applications that meet the requirements as set out in the Objectives and in the Landfill Tax Regulations. The Trust actively encourages applications through advertising and promotion of the scheme.

### Future plans

The Trust will continue to offer grants in line with the objects subject to the potential impact of the factors highlighted in the risk review.

### Auditor

MHA Moore and Smalley are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

### Trustees' responsibilities

The trustees (who are also directors of Lancashire Environmental Fund Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

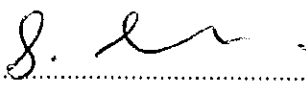
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

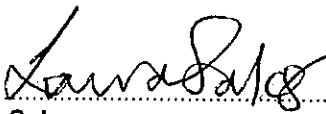
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In preparing this report the Trustees have taken advantage of the small companies exemption provided by the Companies Act 2006.

The report was approved by the board on 17 August 2021 and signed on its behalf by

  
.....  
**S Turner**  
Trustee

  
.....  
**L Sales**  
Secretary

# **LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**

**FOR YEAR ENDED 31 DECEMBER 2020**

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### **Opinion**

We have audited the financial statements of Lancashire Environmental Fund Limited (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 charitable company's affairs as at 31 December 2020, and of its incoming resources and application of resources, including its 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.

### **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 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 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 trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

We have nothing to report in this regard.

# **LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONTINUED)**

**FOR YEAR ENDED 31 DECEMBER 2020**

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### **Opinions 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 6, 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 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 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**

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.

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 of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on those laws and regulations that have had a direct effect on the financial statements. The key laws and regulations we considered in this context include Charities Act and Entrust regulations. In addition, we consider compliance with employee legislation, as fundamental to the Charity's operations;

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONTINUED)

FOR YEAR ENDED 31 DECEMBER 2020

- Discussions with management, including consideration of known or suspected instances of noncompliance with laws and regulations and fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

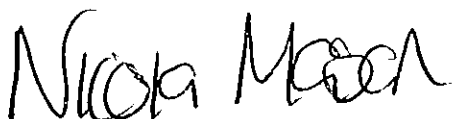
A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>

This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicola Mason (Senior Statutory Auditor)  
For and on behalf of MHA Moore and Smalley, Statutory Auditor

Richard House  
Winckley Square  
Preston  
PR1 3HP

10 September 2021.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2020

|                                             | Note | Designated<br>funds<br>2020<br>£ | General<br>funds<br>2020<br>£ | Total<br>funds<br>2020<br>£ | Total<br>funds<br>2019<br>£ |
|---------------------------------------------|------|----------------------------------|-------------------------------|-----------------------------|-----------------------------|
| <b>Income from:</b>                         |      |                                  |                               |                             |                             |
| Donations and legacies                      | 2    | -                                | 1,170,152                     | 1,170,152                   | 1,050,207                   |
| Investments                                 | 3    | -                                | 13,574                        | 13,574                      | 26,493                      |
| <b>Total income</b>                         |      | -                                | 1,183,726                     | 1,183,726                   | 1,076,700                   |
| <b>Expenditure on:</b>                      |      |                                  |                               |                             |                             |
| Charitable activities                       | 4    | -                                | 1,108,387                     | 1,108,387                   | 1,342,496                   |
| <b>Total expenditure</b>                    |      | -                                | 1,108,387                     | 1,108,387                   | 1,342,496                   |
| <b>Net movement in funds</b>                |      | -                                | 75,339                        | 75,339                      | (265,796)                   |
| <b>Fund balance b/f at 1 January 2020</b>   |      | 150,000                          | 892,761                       | 1,042,761                   | 1,308,557                   |
| <b>Fund balance c/f at 31 December 2020</b> |      | 150,000                          | 968,100                       | 1,118,100                   | 1,042,761                   |

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## BALANCE SHEET

AS AT 31 DECEMBER 2020

|                                               | Note | 2020<br>£          | £                | 2019<br>£          | £                |
|-----------------------------------------------|------|--------------------|------------------|--------------------|------------------|
| <b>Current assets:</b>                        |      |                    |                  |                    |                  |
| Debtors                                       | 9    | 7,546              |                  | 20,355             |                  |
| Cash at bank and in hand                      |      | <u>2,698,234</u>   |                  | <u>2,586,364</u>   |                  |
| Total current assets                          |      | 2,705,780          |                  | 2,606,719          |                  |
| <b>Liabilities:</b>                           |      |                    |                  |                    |                  |
| Creditors: amount falling due within one year | 10   | <u>(1,587,680)</u> |                  | <u>(1,563,958)</u> |                  |
| <b>Net current assets</b>                     |      |                    | <u>1,118,100</u> |                    | <u>1,042,761</u> |
| <b>Net assets less current liabilities</b>    |      |                    | <u>1,118,100</u> |                    | <u>1,042,761</u> |
| <b>The funds of the charity:</b>              |      |                    |                  |                    |                  |
| 11                                            |      |                    |                  |                    |                  |
| Unrestricted:                                 |      |                    |                  |                    |                  |
| General                                       |      | 968,100            |                  | 892,761            |                  |
| Designated                                    |      | <u>150,000</u>     |                  | <u>150,000</u>     |                  |
| <b>Total funds</b>                            |      |                    | <u>1,118,100</u> |                    | <u>1,042,761</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board on 17 August 2021 and signed on its behalf by:



S Turner – Trustee  
Company Registration Number: 03527370

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

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2020

|                                                            | Note | £      | 2020<br>£ | £      | 2019<br>£ |
|------------------------------------------------------------|------|--------|-----------|--------|-----------|
| <b>Cash inflows from operating activities:</b>             |      |        |           |        |           |
| <i>Net cash provided by/(used in) operating activities</i> | 12   |        | 98,296    |        | (705,129) |
| <b>Cash flows from investing activities:</b>               |      |        |           |        |           |
| Interest receivable                                        |      | 13,574 |           | 26,493 |           |
| <i>Net cash provided by/(used in) investing activities</i> |      |        | 13,574    |        | 26,493    |
| <i>Change in cash and cash equivalents in the year</i>     |      |        | 111,870   |        | (678,636) |
| Cash and cash equivalents at 1 January 2020                |      |        | 2,586,364 |        | 3,265,000 |
| Cash and cash equivalents at 31 December 2020              |      |        | 2,698,234 |        | 2,586,364 |

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### General information and basis of preparation

Lancashire Environmental Fund Limited is a company limited by guarantee and does not have a share capital. The liability of the members is limited and is not to exceed £1 per member. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are detailed in the Trustees Report on pages 2 to 6.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

#### Income recognition

Income arising from the Landfill Tax Credit Scheme is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes interest received from interest bearing deposit accounts. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method.

#### Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes grants awarded.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies (continued)

#### **Expenditure recognition (continued)**

Grants payable to third parties are within the charitable objectives. Grants are due for payment when the grantee makes an approved claim. Previously grant liabilities were treated as falling due within one year unless the terms of the grant offer anticipated payment after one year from the balance sheet date and by reviewing the current status of the project at the year end and when it was anticipated to be completed.

Grants are released to the income and expenditure account when:

- projects are cancelled by the grant applicants;
- the original grant application exceeds the final amount claimed on project completion.

#### **Support costs allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

The analysis of these costs is included in note 5.

#### **Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

#### **Employee benefits**

When employees have rendered service to the charity, 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. Staff costs are recharged to the charity by Lancashire Wildlife Trust.

#### **Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. Whilst the coronavirus pandemic has been ongoing during the year and since the year end, this has had minimal impact on the levels of income being received by the charity. The trustees have considered this when making assessment of the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

#### **Judgements and key sources of estimation uncertainty**

There have been no significant judgements (apart from those involving estimates) made in the process of preparing the financial statements.

There have been no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

### 2 Donations and legacies

|                     | 2020<br>£        | 2019<br>£        |
|---------------------|------------------|------------------|
| Landfill tax income | <u>1,170,152</u> | <u>1,050,207</u> |
|                     | <u>1,170,152</u> | <u>1,050,207</u> |

All of the income from donations and legacies in the current and previous year was unrestricted.

### 3 Investments

|                                                            | 2020<br>£     | 2019<br>£     |
|------------------------------------------------------------|---------------|---------------|
| Interest receivable from interest bearing deposit accounts | <u>13,574</u> | <u>26,493</u> |

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

### 4 Charitable activities

|                                       | 2020<br>£        | 2019<br>£        |
|---------------------------------------|------------------|------------------|
| Grants (note 8)                       | 1,009,586        | 1,238,853        |
| Governance and support costs (note 5) | <u>98,801</u>    | <u>103,643</u>   |
|                                       | <u>1,108,387</u> | <u>1,342,496</u> |

All of the expenditure on charitable activities in the current and previous year was unrestricted.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

### 5 Governance and administration of the charitable company

| 2020               | Basis of apportionment | Governance<br>£ | Support costs<br>£ | 2020<br>£      |
|--------------------|------------------------|-----------------|--------------------|----------------|
| Entrust levy       | Income                 | -               | 27,881             | 27,881         |
| Staff costs        | Staff time             | -               | 56,331             | 56,331         |
| Publicity          | Usage                  | -               | 1,590              | 1,590          |
| Audit fee          | Usage                  | 3,960           | -                  | 3,960          |
| Stationery         | Staff time             | 3               | 23                 | 26             |
| Senior mgt charge  | Staff time             | 2,834           | 2,834              | 5,668          |
| Office Expenditure | Staff time             | 319             | 2,873              | 3,192          |
| Other              | Staff time             | 153             | -                  | 153            |
|                    |                        | <u>7,269</u>    | <u>91,532</u>      | <u>98,801</u>  |
|                    |                        |                 |                    |                |
| 2019               | Basis of apportionment | Governance<br>£ | Support costs<br>£ | 2019<br>£      |
| Entrust levy       | Income                 | -               | 30,806             | 30,806         |
| Staff costs        | Staff time             | -               | 56,573             | 56,573         |
| Publicity          | Usage                  | -               | 1,911              | 1,911          |
| Audit fee          | Usage                  | 3,780           | -                  | 3,780          |
| Stationery         | Staff time             | 29              | 261                | 290            |
| Senior mgt charge  | Staff time             | 2,834           | 2,834              | 5,668          |
| Office Expenditure | Staff time             | 442             | 3,978              | 4,420          |
| Other              | Staff time             | 195             | -                  | 195            |
|                    |                        | <u>7,280</u>    | <u>96,363</u>      | <u>103,643</u> |

The 2020 and 2019 costs were all charged to unrestricted general funds.

During the year the charitable company, which has no employees of its own, subcontracted one (2019: one) full-time and two (2019: three) part-time employees from Lancashire Wildlife Trust to work exclusively on the charitable company's affairs. All these employees undertook work relating to the provision of grants.

The aggregate payroll costs of three persons were as follows:

|                       | 2020<br>£     | 2019<br>£     |
|-----------------------|---------------|---------------|
| Gross salaries        | 50,981        | 51,038        |
| Social security costs | 3,629         | 3,796         |
| Pension contributions | 1,721         | 1,738         |
|                       | <u>56,331</u> | <u>56,572</u> |

No employee received emoluments of more than £60,000.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

### 6 Auditor's remuneration

|                                                         | 2020<br>£ | 2019<br>£ |
|---------------------------------------------------------|-----------|-----------|
| Auditor's remuneration (net of VAT): For audit services | 3,300     | 3,150     |

### 7 Trustee and key management personnel remuneration and expenses

The directors, who are also trustees, of the charitable company are non-executive, are not remunerated and as such are not regarded as employees. None of the trustees received any reimbursement of any expenses. Indemnity insurance of £893 (2019: £744) was purchased during the year, to protect the charity and its trustees from any loss arising from the actions of the trustees.

The key management personnel of the charity comprise only the fund manager. The total cost of key management personnel of the charity (including employer's pension and National Insurance contributions) was therefore £38,980 (2019: £38,689).

### 8 Grants

|                                            | 2020<br>£ | 2019<br>£   |
|--------------------------------------------|-----------|-------------|
| Balance payable brought forward            | 1,509,370 | 1,910,225   |
| Previously awarded grants released         | (89,657)  | (57,530)    |
| New grants awarded in the year             | 1,099,243 | 1,296,383   |
| Net grant cost in year (note 4)            | 1,009,586 | 1,238,853   |
|                                            | 2,518,956 | 3,149,078   |
| Grants paid in the year                    | (993,195) | (1,639,708) |
| Grants previously paid in advance returned | -         | -           |
| Balance payable carried forward            | 1,525,761 | 1,509,370   |
| Being:                                     |           |             |
| Due within one year (note 10)              | 1,525,761 | 1,509,370   |

During the year the charitable company awarded 57 grants (2019:87 grants). All grants in the year were awarded to institutions and all were amenity related.

An analysis of new commitments (grants awarded) in the year is shown below.

Previously awarded grants released relate to grants where the intended recipient no longer meets the criteria for grant award or does not require the full grant award any longer.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

### 8 Grants (continued)

|                                                                                 | Grant Awarded<br>£ |
|---------------------------------------------------------------------------------|--------------------|
| <b>Community Facility Improvements</b>                                          |                    |
| Friends of Tawd Valley, Skelmersdale – Outdoor Classroom                        | 30,000             |
| Wilpshire Methodist Church, Facility & Access Improvements                      | 28,500             |
| St James the Great Wroughtington with Heskin, Refurbishment of Church Hall      | 30,000             |
| Sahara Community Centre, Preston – Access for All                               | 28,160             |
| Broughton in Amounderness Parish Council, Toll Bar Cottage Community Room       | 27,890             |
| St Peters Church & Community Centre, Haslingden – Accessibility Upgrade         | 5,850              |
| Silverdale Village Institute Disabled Ramp & Toilets                            | 13,010             |
| Hyndburn Leisure Trust, Bank Mill Community Health & Wellbeing Improvements     | 16,420             |
| Halton Community Association, Refurbishment of Rooms                            | 3,000              |
| Tunstall Parish Hall & Institute, Kitchen Renovation                            | 5,000              |
| Whitewell Bottom Community Centre, Energy Improvements                          | 20,640             |
| Friends of Bowland AONB Partnership, Spring Wood Information Centre, Whalley    | 30,000             |
| Ingol & Tanterton Community Trust, Sensory Spaces                               | 30,000             |
| Clitheroe CBTC Community Clubhouse Renovation                                   | 8,170              |
| Big Light on CIC, Burnley Switch Community Hub Energy Efficiency                | 30,000             |
| Haslingden Cricket Club Pavilion Refurbishment for Community Access             | 12,950             |
| Bodies in Motion, Brierfield Community Cafe                                     | 13,690             |
| Longton VM Sports & Social Club, Improvement Programme                          | 4,500              |
| Water Village Hall Bandroom Refurbishment                                       | 30,000             |
| Grimsargh Village Community Association, Roof Insulation                        | 30,000             |
| PCC of Upholland & Dalton, St Thomas the Martyr Development Project             | 30,000             |
| Accrington Sea Cadets, Building for the Future                                  | 30,000             |
| Heysham Cricket Club, Community Facility Project                                | 22,000             |
| Burnley Pioneer Project, Windows & Doors Parkside Methodist Church              | 4,870              |
| Trawden Forest Community Centre, Refurbishment of Toilets & Disabled Facilities | 15,000             |
| Church & Oswaldtwistle Cricket Club, Pavillion Regeneration                     | 12,500             |
| Men in Sheds, The beehive Building Redevelopment, Fleetwood                     | 30,000             |
| <b>Total</b>                                                                    | <b>542,150</b>     |
|                                                                                 | £                  |
| <b>Habitat Creation and Management</b>                                          |                    |
| Cuerden Valley Park Trust, Bamber Bridge – Meadow & Path                        | 30,000             |
| RSPB Leighton Moss Reedbed Rejuvenation Cell Project                            | 30,000             |
| <b>Total</b>                                                                    | <b>60,000</b>      |
|                                                                                 |                    |
| <b>Parks, Gardens and Open Spaces</b>                                           |                    |
| Friends of Ightenhill Park, Burnley – Community Market Garden                   | 14,000             |
| Elswick Parish Council Village Green and Pond Creation                          | 30,000             |
| Friends of Hurst Grange Park, Coach House Garden                                | 30,000             |
| <b>Total</b>                                                                    | <b>74,000</b>      |

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

### 8 Grants (continued)

|                                                                                 | Grant Awarded<br>£ |
|---------------------------------------------------------------------------------|--------------------|
| <b>General Environmental Improvements</b>                                       |                    |
| Inskip with Sowerby Parish Council, Improved Access to Carr House Green Common  | 27,350             |
| Alkincotes Woodland Nature Reserve Group, Colne – Multi User Path               | 18,400             |
| Shiva Trust Charity, ASIMSA Permaculture Garden & Pond, Water                   | 25,080             |
| LWT & Wyre Council, Improving Coastal Access & Interpretation at Rossall Point  | 17,330             |
| Ulmes Walton Bridleway Association, Sue Taylor Green Memorial Trail             | 30,000             |
| LWT Perfect Paths, Brockholes Nature Reserve                                    | 30,000             |
| Grimsargh Wetlands Trust, Opening up the Fen                                    | 10,980             |
| <b>Total</b>                                                                    | <b>159,140</b>     |
| <b>Play Areas and Recreational Facilities</b>                                   |                    |
| Walton le Dale Recreation Society, Playground Adventure Trail and Woodland Walk | 30,000             |
| Friends of Memorial Park Fleetwood, Play Area Improvements                      | 29,200             |
| Withnell Parish Council, Rejuvenation of Lodge Bank Play Area, Brinscall        | 30,000             |
| Friends of Ryelands Park, Lancaster – Health & Fitness Project, Phase 2         | 4,570              |
| Friends of Poulton Park Morecambe, Park Enhancements                            | 14,250             |
| Weir Pride, Weir Play Area                                                      | 30,000             |
| Friends of Bellis way Playground Group, Walton Park Garden                      | 28,695             |
| Water Village Trust, Wellbeing for Water                                        | 30,000             |
| Edenfield Village Residents Association, Play Area Improvements                 | 30,000             |
| Hyndburn Green Spaces Forum, Milnshaw Park Pumping & Jumping                    | 30,000             |
| <b>Total</b>                                                                    | <b>256,715</b>     |
| <b>Green Grants</b>                                                             |                    |
| Friends of Haslam Park, Tools for Willow Controls in the Wetlands               | 920                |
| Ribblesdale Wanderers Cricket & Bowling Club, Recycled Plastic Seating          | 1,000              |
| Stanhill Social Club, Energy saving Heating Controller                          | 960                |
| Barnoldswick Town Council, Information Panel for Sensory Garden                 | 985                |
| Longton VM Sports & Social Club Bulb Planting                                   | 700                |
| Byron Crescent Community Orchard, Coppull                                       | 700                |
| Malt Kiln Conservation Equipment                                                | 980                |
| Sunderland Point Community Association, Sambo's Grave Interpretation Panel      | 993                |
| <b>Total</b>                                                                    | <b>7,238</b>       |
| <b>Overall Total</b>                                                            | <b>1,099,243</b>   |

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

### 9 Debtors

|                | 2020<br>£ | 2019<br>£ |
|----------------|-----------|-----------|
| Accrued income | 7,546     | 20,355    |

All accrued income related to unrestricted general funds.

### 10 Creditors: amounts falling due within one year

|                         | 2020<br>£        | 2019<br>£        |
|-------------------------|------------------|------------------|
| Grants awarded (note 8) | 1,525,761        | 1,509,370        |
| Other creditors         | 57,949           | 50,794           |
| Accruals                | 3,970            | 3,794            |
|                         | <u>1,587,680</u> | <u>1,563,958</u> |

During the year ended 31 December 2020 Lancashire County Council paid £nil (2019: £nil) to the fund to cover the cost of third party contributions necessary to draw landfill tax income to finance the Green Grant Scheme going forward. In the event of the Green Grant Scheme ceasing to exist, the monies are to be used specifically to pay third party contributions to draw landfill tax income to be allocated to Lancashire Environmental Fund's other remaining grant schemes. At the year end an amount of £25,716 (2019: £26,504) was held within other creditors.

During the year ended 31 December 2020 Lancashire County Council paid £28,930 (2019: £nil) to the fund to cover the cost of third party contributions necessary to draw landfill tax income to finance the Main Grant and Small Grant Schemes going forward. At the year end an amount of £28,930 (2019: £nil) was held within other creditors.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

### 11 Summary of funds

|                                          | General<br>fund<br>£ | Designated<br>Fund<br>£ | Total<br>unrestricted<br>fund<br>£ |
|------------------------------------------|----------------------|-------------------------|------------------------------------|
| <b>Fund balances at 31 December 2020</b> |                      |                         |                                    |
| <b>Represented by:</b>                   |                      |                         |                                    |
| Current assets                           | 2,555,780            | 150,000                 | 2,705,780                          |
| Current liabilities                      | (1,587,680)          | -                       | (1,587,680)                        |
|                                          | 968,100              | 150,000                 | 1,118,100                          |
| <b>Movements in funds</b>                |                      |                         |                                    |
| Balance brought forward                  | 892,761              | 150,000                 | 1,042,761                          |
| Net incoming funds                       | 75,339               | -                       | 75,339                             |
| <b>Balance carried forward</b>           | <b>968,100</b>       | <b>150,000</b>          | <b>1,118,100</b>                   |
|                                          |                      |                         |                                    |
|                                          | General<br>fund<br>£ | Designated<br>Fund<br>£ | Total<br>unrestricted<br>fund<br>£ |
| <b>Fund balances at 31 December 2019</b> |                      |                         |                                    |
| <b>Represented by:</b>                   |                      |                         |                                    |
| Current assets                           | 2,456,719            | 150,000                 | 2,606,719                          |
| Current liabilities                      | (1,563,958)          | -                       | (1,563,958)                        |
|                                          | 892,761              | 150,000                 | 1,042,761                          |
| <b>Movements in funds</b>                |                      |                         |                                    |
| Balance brought forward                  | 1,158,557            | 150,000                 | 1,308,557                          |
| Net outgoing funds                       | (265,796)            | -                       | (265,796)                          |
| <b>Balance carried forward</b>           | <b>892,761</b>       | <b>150,000</b>          | <b>1,042,761</b>                   |

The general fund relates to surplus funds from landfill tax credit receipts not yet paid out as grants.

A designated fund of £150,000 has been set up by the Trustees to provide for future transitional expenses in the event that landfill operations cease.

# LANCASHIRE ENVIRONMENTAL FUND LIMITED (BY GUARANTEE)

## NOTES TO THE ACCOUNTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

### 12 Reconciliation of net income/(expenditure) to net cash flow from operating activities

|                                       | 2020<br>£ | 2019<br>£ |
|---------------------------------------|-----------|-----------|
| Net income/(expenditure) for the year | 75,339    | (265,796) |
| Interest receivable                   | (13,574)  | (26,493)  |
| (Increase)/decrease in debtors        | 12,809    | (3,918)   |
| Increase/(decrease) in creditors      | 23,722    | (408,922) |
|                                       | <hr/>     | <hr/>     |
|                                       | 98,296    | (705,129) |

### 13 Related party transactions

SUEZ Recycling & Recovery UK Limited ('SUEZ') is a member of the charitable company with the power to appoint one trustee to the board. A J Hughes is a Director of Suez and a trustee of the charitable company. During the year landfill tax monies payable to the charitable company from SUEZ amounted to £1,170,152 (2019: £1,050,207).

Lancashire Wildlife Trust ('LWT') is a member of the charitable company with the power to appoint one trustee to the board. J Drury was a trustee of LWT until October 2019 and remains a trustee of LEF. During the year LWT provided management, organisational, administrative and supervision services to the charitable company for which £63,710 (2019: £64,075) was charged in the income and expenditure account. A balance of £139,162 (2019: £142,670) was due to LWT at 31 December 2020. This comprised outstanding grants of £139,162 (2019: £131,650) and service charges of £nil (2019: £11,020). Grants totalling £47,330 (2019: £84,900) were awarded to LWT during the year. Grants of £3,084 (2019: £10,661) previously awarded to LWT have been written back during the year.

Lancashire County Council ('LCC') is a member of the charitable company with the power to appoint one trustee to the board. A Atkinson was the Chairman of the charitable company and a member of LCC. A balance of £30,000 (2019: £30,000) was due to LCC as at 31<sup>st</sup> December 2020. This comprised outstanding grants of £30,000 (2019: £30,000). Grants totalling £nil (2019: £30,000) were awarded to LCC during the year.

It is the company policy that trustees must inform the board of their interests in grant applications at the start of board meetings. The interested trustee will not participate during the consideration of these applications. In the case of the Chairman having an interest in an application, the chair is taken by the Vice-Chairman.