

EARTH BALANCE 2000

England & Wales · Charity number 1083225

Details

Status Registered

Legal form Charitable company

Company number [04088392](#)

Registered 2000-11-07

Register [View on the Charity Commission register](#)

Contact

Address Earth Balance
Bomarsund
Northumberland
NE22 7AD

Phone 01670457557

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Website www.earthbalance.org

Activities

Objects: TO PROMOTE SUSTAINABLE DEVELOPMENT BY: (A) PRESERVING, CONSERVING AND PROTECTING THE ENVIRONMENT AND USING RESOURCES PRUDENTLY; (B) RELIEVING POVERTY AND IMPROVING THE CONDITIONS OF LIFE IN SOCIALLY AND ECONOMICALLY DISADVANTAGED COMMUNITIES; (C) PROMOTING SUSTAINABLE MEANS TO ACHIEVE ECONOMIC GROWTH AND REGENERATION SUSTAINABLE DEVELOPMENT MEANS 'DEVELOPMENT WHICH MEETS THE NEEDS OF THE PRESENT WITHOUT COMPROMISING THE ABILITY OF FUTURE GENERATIONS TO MEET THEIR OWN NEEDS'. TO ADVANCE PUBLIC EDUCATION IN SUBJECTS RELATING TO SUSTAINABLE DEVELOPMENT AND THE PROTECTION, ENHANCEMENT AND REHABILITATION OF THE ENVIRONMENT AND TO PROMOTE STUDY AND RESEARCH PROVIDED THAT THE USEFUL RESULTS RESEARCH ARE PUBLICALLY DISSEMINATED. TO PROMOTE PHYSICAL AND MENTAL HEALTH AND RELIEVE SICKNESS FOR PUBLIC BENEFIT BY: (A) PROMOTING STUDIES AND RESEARCH INTO MEDICINE, PSYCHOLOGY AND RELATED DISCIPLINES PROVIDED THAT THE USEFUL RESULTS RESEARCH ARE PUBLICALLY DISSEMINATED; (B) PROVIDING EQUIPMENT, BUILDINGS, FACILITIES AND SUPPORT SERVICES; AND (C) BY OTHER MEANS TO BE DECIDED BY THE TRUSTEES AS OPPORTUNITIES MAY ALLOW. TO PROMOTE FOR THE BENEFIT OF THE INHABITANTS OF BOMARSUND AND THE SURROUNDING AREA, THE PROVISION OF FACILITIES FOR RECREATION OR OTHER LEISURE TIME OCCUPATION OF INDIVIDUALS WHO HAVE NEED OF SUCH FACILITIES BY REASON OF THEIR YOUTH, AGE, INFIRMITY OR DISABLEMENT, FINANCIAL HARDSHIP OR SOCIAL AND ECONOMIC CIRCUMSTANCES OR FOR THE PUBLIC AT LARGE IN THE INTERESTS OF SOCIAL WELFARE AND WITH THE OBJECT OF IMPROVING THE CONDITION OF LIFE OF THE SAID INHABITANTS. TO PROVIDE OR ASSIST IN THE PROVISION OF FACILITIES IN THE INTERESTS OF SOCIAL WELFARE FOR RECREATION OR OTHER LEISURE TIME OCCUPATION OF INDIVIDUALS WHO HAVE NEED OF SUCH FACILITIES BY REASON OF THEIR YOUTH, AGE INFIRMITY OR DISABILITY, FINANCIAL HARDSHIP OR SOCIAL CIRCUMSTANCES WITH THE OBJECT OF IMPROVING THEIR CONDITIONS OF LIFE. THE PROMOTION FOR THE BENEFIT OF THE PUBLIC OF URBAN OR RURAL REGENERATION IN AREAS OF SOCIAL AND ECONOMIC DEPRIVATION BY ALL OR ANY OF THE FOLLOWING MEANS: (A) THE RELIEF OF FINANCIAL HARDSHIP: (B) THE RELIEF OF UNEMPLOYMENT: (C) THE ADVANCEMENT OF EDUCATION, TRAINING OR RETRAINING, PARTICULARLY AMONG UNEMPLOYED PEOPLE, AND PROVIDING UNEMPLOYED PEOPLE WITH WORK EXPERIENCE: (D) THE PROVISION OF FINANCIAL ASSISTANCE, TECHNICAL ASSISTANCE OR BUSINESS ADVICE OR CONSULTANCY IN ORDER TO PROVIDE TRAINING AND EMPLOYMENT OPPORTUNITIES FOR UNEMPLOYED PEOPLE IN CASES OF FINANCIAL OR OTHER CHARITABLE NEED THROUGH HELP: (I) IN SETTING UP THEIR OWN BUSINESS, OR (II) TO EXISTING BUSINESSES; (E) THE CREATION OF TRAINING AND EMPLOYMENT OPPORTUNITIES BY THE PROVISION OF WORKSPACE, BUILDINGS, AND/OR LAND FOR USE ON FAVOURABLE TERMS: (F) THE PROVISION OF HOUSING FOR THOSE WHO ARE IN CONDITIONS OF NEED AND THE IMPROVEMENT OF HOUSING IN THE PUBLIC SECTOR OR IN CHARITABLE OWNERSHIP PROVIDED THAT SUCH POWER SHALL NOT EXTEND TO RELIEVING ANY LOCAL AUTHORITIES OR OTHER BODIES OF A STATUTORY DUTY TO PROVIDE OR IMPROVE HOUSING: (G) THE MAINTENANCE, IMPROVEMENT OR PROVISION OF PUBLIC AMENITIES: (H) THE PRESERVATION OF BUILDINGS OR SITES OF HISTORIC OR ARCHITECTURAL IMPORTANCE: (I) THE PROVISION OF RECREATIONAL FACILITIES FOR THE PUBLIC AT LARGE OR THOSE WHO BY REASON OF THEIR YOUTH, AGE, INFIRMITY OR DISABLEMENT, FINANCIAL HARDSHIP OR SOCIAL AND ECONOMIC CIRCUMSTANCES, HAVE NEED OF SUCH FACILITIES: (J) THE PROTECTION OR CONSERVATION OF THE ENVIRONMENT: (K) THE PROVISION OF PUBLIC HEALTH FACILITIES AND CHILDCARE: (L) SUCH OTHER MEANS AS MAY FROM TIME TO TIME BE DETERMINED SUBJECT TO THE PRIOR WRITTEN CONSENT OF THE CHARITY COMMISSIONERS FOR ENGLAND AND WALES.

Activities: The Charity aims to provide opportunities for enterprise and education working in harmony with the environment and providing a first step into the countryside for the urban community.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Advocacy/advice/information
- **What:** Environment/conservation/heritage, Economic/community Development/employment
- **Who:** The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£477,284	£1,011,271	-	-
2024-03-31	£62,249	£80,065	-	-
2023-03-31	£76,853	£86,572	-	-
2022-03-31	£717,645	£138,929	£579,358	0
2021-03-31	£39,668	£49,204	-	-

Trustees

Name	Role	Appointed
David Ledger		2019-06-01
Gerry Kemp		2014-01-10
Jayne Marie Nixon		2020-08-01
Rob Ferguson		2023-04-03
Tom Fraser		2013-12-22

EARTH BALANCE 2000

England & Wales - Charity number 1083225

Accounts

Charity registration number 1083225

Company registration number 04088392 (England and Wales)

EARTHBALANCE 2000

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

EARTHBALANCE 2000

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr T Fraser Mr G Kemp Mr D Ledger Mrs J M Nixon Mr R Ferguson
Secretary	Mr K Nicholson
Charity number	1083225
Company number	04088392
Principal address	West Sleekburn Farm Bomarsund Bedlington Northumberland NE22 7AD
Registered office	West Sleekburn Farm Bomarsund Bedlington Northumberland NE22 7AD
Independent examiner	A K Dunn BA (Hons) ACA St Matthews House Haugh Lane Hexham Northumberland NE46 3PU
Solicitors	Burnetts Solicitors (Newcastle) Milburn House Newcastle upon Tyne NE1 1LE

EARTHBALANCE 2000

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EARTHBALANCE 2000

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their report and the unaudited accounts of the charity for the year ended 31 March 2025.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charitable company provides public benefit through the promotion of urban and rural regeneration, support for enterprise, education and employment, and conservation of the environment. It also promotes physical and mental health, the relief of sickness, and sustainable development through the regeneration of the Earth Balance site.

The Trustees have sought to advance these aims primarily through the provision of premises and land to support enterprise and employment. This has proven successful, with the majority of properties occupied by tenants during the year and general upkeep of the site and buildings maintained. The site also remained open to the general public, who made regular use of its natural resources, including woodland walks, tenant businesses, and the fishing lake. Several prospective new tenants also visited during the year, expressing interest in joining the existing business community on site.

For the first time in several years, the Trustees were pleased to resume making charitable donations to local groups, in line with the governing document. Alongside this, the charity continued its engagement with Northumberland County Council, local businesses, residents, and other sections of the local community. A core part of the charity's approach remained as open dialogue, ensuring that its activities reflect the needs and aspirations of the communities it serves. The Trustees have worked to maintain and strengthen relationships with stakeholders, providing a strong foundation for the site's ongoing regeneration.

During the year, the Trustees successfully brought to a close a long-standing legal dispute with Orca DMCC, culminating in the resolution of a settlement agreement in December 2024. This litigation had significantly burdened the charity over a number of years, and its resolution was only achieved through the diligence of the Trustees and supporting stakeholders. Trustees also supported the transition of a site tenant who entered administration, working with the administrator to assist in finding a suitable new tenant and operator to move back to full occupancy on site.

Collaboration with Northumberland County Council continued, including engagement with the political and officer teams to set out the conservation and aspirations for the site. This work resulted in the surrender of the site to Northumberland County Council in December 2024, building upon the work of the charity in the community and in the completion of the Settlement Agreement. Legal support from Burnetts Solicitors ensured that the surrender met the requirements of the Charities Act. Trustees carefully considered and followed Charity Commission guidance in relation to this process, including matters relating to the Land Registry and completion of the Orca DMCC settlement.

In deciding which activities to pursue, the Trustees have paid due regard to the guidance issued by the Charity Commission on public benefit.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The Earth Balance site spans 116.3 acres (47.09 hectares), straddling the South East Northumberland railway line—soon to be reopened as the Northumberland Line—within ten minutes of Bedlington Station. Bordered by the A189 and intersected by two power lines, the site is home to the Sleekburn watercourse, which flows through to a saltmarsh estuary designated as a Nature Reserve. The nearby Northumberland Shore Site of Special Scientific Interest lies 2km south-east. The site remains ecologically significant, and our engagement with the local authority during the pre-application planning process highlighted several unique and valuable environmental features.

The site has successfully retained its organic status via the Soil Association for both land and fishery. It supports diverse wildlife through targeted habitat creation, including wetland environments that attract a wide range of water birds. The aquaculture facility on site continues to operate one of the highest-rated Soil Association-certified systems for breeding organic brown and rainbow trout, maintained to a high standard throughout the year.

The charity operates a wholly owned trading subsidiary, which enables trading activities to be carried out at arm's length. This structure mitigates risk to the charity while enabling sustainable development activities aligned with its charitable purpose. Two Trustees serve on both boards to ensure strategic alignment. During the year, the trading subsidiary made significant progress in advancing the protection of the site. The subsidiary and the charity have worked closely with professional advisors to ensure full compliance with charity law.

Key achievements during the year include:

- . Environmental stewardship: Continued maintenance and protection of the 116.3-acre site, supporting biodiversity in an urban fringe area.
- . Rights of way: Maintenance of statutory rights of way, allowing public access and enjoyment.
- . Public engagement: Ongoing response to public enquiries, providing advice and information about the site.
- . Local food production: Approximately 20,000 bags of organic fruit and vegetables were produced and delivered to the public.
- . Community support:
 - Earth Balance Shed: 50 local men and women regularly attended, engaging in community and personal projects, with significant social and mental health benefits—all funded by the charity.
 - . Textile reuse programme: Delivered 56 weekly places (totalling approximately 2,800 individual sessions) for disabled adults to develop practical, business, social, and life skills.
 - . Autism support: Provided services to up to 500 children and young people with autism through a leading local early intervention and post-diagnostic centre.
 - . Horticultural therapy: Supported 39 individuals with complex needs, including forensic and mental health issues, with 1,872 individual horticulture-based sessions delivered free of charge.
 - . Health and fitness: Delivered over 500 activity sessions to improve physical health among young people and adults.

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

The site's infrastructure was actively maintained throughout the year, including landscaping, road and path repairs, and reinstatement of bridleways. These works supported site tenants and encouraged public visitation to enjoy open spaces and interact with the tenant community.

The Men's Shed group continued to play an integral role on site. Although now an independent charity, it remains housed at Earth Balance and supported by the Trustees. Its members have contributed to the wider community and tenant support, and worked with the national Men's Shed organisation to enhance their offering.

A major milestone was the successful resolution of a long-standing litigation. The Settlement Agreement with Orca DMCC, concluded in December 2024, released the site from encumbrance and enabled its surrender to Northumberland County Council. Trustees worked tirelessly under often stressful situations and over several years to deal with this distressing and challenging matter, supported by Burnetts Solicitors and in line with Charity Commission guidance and the requirements of the Charities Act.

Following the surrender of the charity's sole asset—the site lease—Trustees concluded that the charity had fulfilled its charitable objects. Having achieved, insofar as possible, the sustainable development of the site and with no remaining assets, the Trustees unanimously agreed it was in the charity's best interests to begin winding up operations following the financial year end.

Financial review

The Charity has continued to manage its finances prudently and sustainably. Trustees have worked diligently to maintain a sufficient cash reserve during the year to meet some significant unexpected legal costs and settlement claim costs associated with the litigation matter as well as some anticipated legal and professional costs associated with the site surrender and the planned wind-up of the charity.

Trustees are pleased to report that, in line with the governing documents and Charity Commission guidance, the Charity has been able to make donations to local charitable causes during the year. Further disbursements are planned as part of the final wind-up process.

The Trustees and General Manager have worked together to manage income and expenditure efficiently, with the General Manager providing both consultancy and voluntary support. This has enabled the delivery of core responsibilities at minimal cost to the Charity, helping to protect charitable funds.

For the year ended 31 March 2025, the Charity reported net expenditure over income of £533,987. This significant deficit is primarily due to legal costs incurred in resolving historic litigation and completing the Settlement Agreement with a third party. While these were largely unforeseen, the Trustees acted decisively, and supported by Burnetts legal experts to resolve the matter in the best interests of the Charity and those it serves.

At the year-end, the Charity held restricted funds of £Nil (2024: £170,734) and unrestricted funds of £17,836 (2024: £381,089). The cash position improved to £20,687 (2024: £5,355), reflecting the financial realignment following the surrender of the site lease. This cash balance enables the Charity to meet the administrative and legal costs of wind-up and to carry out some final charitable disbursements.

The financial statements have been prepared in accordance with the Charities SORP (FRS 102), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland. The statements also comply with the Charity's governing documents.

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

Financial review (Cont'd)

It remains the Charity's policy to aim for unrestricted funds equivalent to at least six months of operational costs. This reserve policy ensures that the Charity can meet its obligations and administrative costs during its wind-up period. As of year-end, the Charity has met this target due to careful oversight by the Trustees.

The Trustees have assessed the principal risks facing the Charity and its wholly owned trading subsidiary. Particular attention has been given to operational, reputational and financial risks related to the site surrender and closure process. A risk register is maintained and actively reviewed at each Trustee meeting, with mitigating actions identified and implemented as necessary.

Looking ahead, the Charity's priority is to complete an orderly and compliant wind-up process that secures the legacy of the sustainable use of the site. The Trustees continue to work with Northumberland County Council to ensure continuity of purpose and effective stewardship of the land.

The completion of the Settlement Agreement and the successful surrender of the site lease were major achievements during the year. These outcomes required significant time, energy and resolve from Trustees, supported by Burnetts solicitors. Trustees and Directors of the trading company are commended for acting consistently in the best interests of the Charity during a complex and litigious period.

Throughout the winter, further works were undertaken to maintain and enhance the site, including improvements to the pond system and shared areas. The Charity also supported Northumberland County Council and its partners in facilitating access for investigation works on the proposed upgraded railway line and station.

As the Charity concludes its activities, Trustees and the trading company remain committed to recognising and protecting the legacy of Earth Balance, ensuring the site's sustainable future in line with the Charity's founding objectives.

The trustees have assessed the major risks to which the charity and its subsidiary trading company is exposed, in particular those relating to the operations and finances of the charitable company and are satisfied that systems are in place to mitigate our exposure to the major risks. A risk register maintains the risks and mitigations and is discussed by Trustees at each meeting.

EARTHBALANCE 2000

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

Structure, governance and management

The charitable company is limited by guarantee and governed by its Memorandum and Articles of Association, originally dated 6 October 2000 and most recently amended on 16 April 2008.

Earth Balance 2000 ("the Charity") is classified as a small charity under the Charities Act 2011 and remains below the audit threshold. The Charity operates from West Sleekburn Farm in South East Northumberland.

The Board of Trustees is the governing body of the charitable company. Trustees meet at least quarterly to oversee financial, operational, and strategic matters, ensuring alignment with the charity's objectives and financial policies.

The trustees of the charity also serve as the directors for the purposes of company law. New trustees are elected by nominating bodies during General Meetings, in accordance with the procedures set out in the Articles of Association. During the reporting period and into wind up of the charity, Trustees will have due regard to Charity Commission guidance and access to legal support if required at any time. The Articles specify a minimum and maximum of five trustees, a requirement that was maintained throughout the reporting period.

The Board strives to maintain a diverse mix of professional skills and experiences relevant to the charity's aims. When vacancies arise, the trustees seek suitable replacements to maintain this balance. New trustees are provided with an appropriate induction to familiarise them with the governance and operations of the charity.

Since its inception, the Board has prioritised the maintenance of a financially viable operation, maximising income while keeping operational costs to a minimum. This approach supports the delivery of the charity's overarching aim: the sustainable development and regeneration of the Earth Balance site.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr T Fraser

Mr G Kemp

Mr D Ledger

Mrs J M Nixon

Mr R Ferguson

The trustees' report was approved by the Board of Trustees.

Mrs J M Nixon

Trustee

Dated: 14 June 2025

EARTHBALANCE 2000

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF EARTHBALANCE 2000

I report to the trustees on my examination of the financial statements of Earthbalance 2000 (the charity) for the year ended 31 March 2025.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

A K Dunn BA (Hons) ACA

St Matthews House
Haugh Lane
Hexham
Northumberland
NE46 3PU

Dated: 17 June 2025

EARTHBALANCE 2000

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
<u>Income and endowments from:</u>					
Charitable activities	3	33,464	-	33,464	62,249
Other income	4	443,820	-	443,820	-
Total income and endowments		477,284	-	477,284	62,249
<u>Expenditure on:</u>					
Charitable activities	5	1,011,271	-	1,011,271	80,065
Net outgoing resources before transfers		(533,987)	-	(533,987)	(17,816)
Gross transfers between funds		170,734	(170,734)	-	-
Net expenditure for the year/ Net movement in funds		(363,253)	(170,734)	(533,987)	(17,816)
Fund balances at 1 April 2024		381,089	170,734	551,823	569,639
Fund balances at 31 March 2025		17,836	-	17,836	551,823

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

EARTHBALANCE 2000

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Fixed assets					
Tangible assets	11		-		551,180
Investments	12		1		1
			<u>1</u>		<u>551,181</u>
Current assets					
Debtors	13	-		6,135	
Cash at bank and in hand		20,687		5,355	
		<u>20,687</u>		<u>11,490</u>	
Creditors: amounts falling due within one year	15	(2,852)		(6,351)	
		<u>(2,852)</u>		<u>(6,351)</u>	
Net current assets			17,835		5,139
Total assets less current liabilities			17,836		556,320
Creditors: amounts falling due after more than one year	16		-		(4,497)
			<u>-</u>		<u>(4,497)</u>
Net assets excluding pension liability			17,836		551,823
			<u>17,836</u>		<u>551,823</u>
Net assets			<u>17,836</u>		<u>551,823</u>
The funds of the charity					
Restricted income funds	17		-		170,734
Unrestricted funds			17,836		381,089
			<u>17,836</u>		<u>551,823</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2025.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

EARTHBALANCE 2000

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2025

The financial statements were approved by the trustees on 14 June 2025

Mrs J M Nixon

Trustee

Company registration number 04088392 (England and Wales)

1 Accounting policies

Company information

Earthbalance 2000 is a private company limited by guarantee incorporated in England and Wales. The registered office is West Sleekburn Farm, Bomarsund, Bedlington, Northumberland, NE22 7AD.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The Trustees have assessed the financial position of the charity in the context of its planned wind-up and are satisfied that the charity holds sufficient reserves to meet its remaining obligations and liabilities. Following the successful surrender of the site lease in December 2024, the charity no longer holds any substantial operational assets, and the Trustees have agreed that the charitable objectives have been delivered. As a result, the charity is in the process of winding up in a managed and responsible manner.

Accordingly, the accounts have not been prepared on a going concern basis. The Trustees have instead adopted a basis of preparation appropriate to the winding up of the charity. All known liabilities have been accounted for in the preparation of a final budget, and any remaining funds will be distributed to suitable local charities in accordance with the governing documents and Charity Commission guidance.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are held for use on specific purposes as determined by restrictions imposed by the funders.

Fixed assets - restricted funds

Earthbalance 2000, a company limited by guarantee, having its primary purpose to provide support and facilitate the creation of opportunities for enterprise and education that work in harmony with the environment through the demonstration of environmentally sustainable practices holds assets, partly financed by grants that can only be used for such expenditure.

- Expenditure incurred on fixed assets is capitalised. The fixed asset being depreciated over their useful economic life in accordance with the charitable company's policy.
- Grant and assistance received specifically to finance the expenditure is credited to a restricted fund.

1.4 Incoming resources

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Expenditure is recognised on an accrual basis as a liability is incurred.

Charitable expenditure comprises those costs incurred by the charity in the delivery of activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the examination fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. management time.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All fixed assets are initially recorded at cost.

Depreciation is calculated to write off the cost less estimated residual value, over the economic life of that asset as follows:

Leasehold property	Over remaining life of the 98 year lease
Fixtures, fittings & equipment	20% Straight line

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Sales within charitable activities	33,464	62,249

4 Other income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Net gain on disposal of tangible fixed assets	443,820	-

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

5 Charitable activities

	Running costs of Earthbalance site	Charitable expenditure 2025	Total 2025	Total 2024
	£	£	£	£
Depreciation	-	-	-	6,124
Running costs of Earthbalance site	64,039	-	36,482	39,593
	101,159	-	42,606	46,421
Grant funding of activities (see note 6)	-	30,000	30,000	-
Support costs	4,180	-	4,180	1,270
Governance costs	977,091	-	2,250	2,643
	981,271	30,000	1,011,271	80,065
Analysis by fund				
Unrestricted funds	981,271	30,000	1,011,271	
	981,271	30,000	1,011,271	
For the year ended 31 March 2024				
Unrestricted funds	78,168	-		78,168
Restricted funds	1,897	-		1,897
	80,065	-		80,065

6 Donations payable

	2025
	£
Donations to institutions (3 grants):	
Choppington Parish Council	12,500
East Bedlington Parish Council	12,500
The Tute	5,000
	30,000

-

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

7	Net movement in funds	2025	2024
		£	£
	The net movement in funds is stated after charging/(crediting):		
	Depreciation of owned tangible fixed assets	-	6,124
	Profit on disposal of tangible fixed assets	(443,820)	-
		<u> </u>	<u> </u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year. In their role as consultants in respect of formal agreements entered into by the charity in developing the site over the last ten years and following the surrender of the lease the following payments were made - T Fraser - £45,000 and G Kemp - £45,000.

In the accounts of the subsidiary, Earth Balance 2000 Trading Company Limited, payments of £1,000 were made to directors of the subsidiary, who are also Trustees of the Charity, in respect of self employed consultancy services.

9 Employees

There were no employees during the year.

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

11 Tangible fixed assets

	Leasehold property	Fixtures, fittings & equipment	Total
	£	£	£
At 1 April 2024	670,629	3,521	674,150
Disposals	(670,629)	(3,521)	(674,150)
At 31 March 2025	-	-	-
At 1 April 2024	119,450	3,520	122,970
Eliminated in respect of disposals	(119,450)	(3,520)	(122,970)
At 31 March 2025	-	-	-
Carrying amount			
At 31 March 2025	-	-	-
At 31 March 2024	551,179	1	551,180

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

12 Fixed asset investments**Other
investments****Cost or valuation**

At 1 April 2023 & 31 March 2024

1

Carrying amount

At 31 March 2025

1

At 31 March 2024

1

		2025	2024
	Notes	£	£
Other investments comprise:			
Investments in subsidiaries	22	1	1

13 Debtors

	2025	2024
	£	£
Amounts falling due within one year:		
Trade debtors	-	1,019
Amounts owed by subsidiary undertakings	-	5,116
	-	6,135

14 Loans and overdrafts

	2025	2024
	£	£
Bank loans	-	7,295
Payable within one year	-	2,798
Payable after one year	-	4,497

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

15 Creditors: amounts falling due within one year

	Notes	2025 £	2024 £
Bank loans	14	-	2,798
Other taxation and social security		(148)	553
Accruals and deferred income		3,000	3,000
		<u>2,852</u>	<u>6,351</u>

16 Creditors: amounts falling due after more than one year

	Notes	2025 £	2024 £
Bank loans	14	-	4,497
		<u>-</u>	<u>4,497</u>

17 Restricted funds

The funds of the charity include restricted funds comprising the following balances held on trust for specific purposes:

	At 1 April 2024 £	Resources expended £	Transfers £	At 31 March 2025 £
Visitor centre	170,734	-	(170,734)	-
	<u>170,734</u>	<u>-</u>	<u>(170,734)</u>	<u>-</u>
Previous year:	At 1 April 2023 £	Resources expended £	Transfers £	At 31 March 2024 £
Visitor centre	172,631	(1,897)	-	170,734
	<u>172,631</u>	<u>(1,897)</u>	<u>-</u>	<u>170,734</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2024	Incoming resources	Resources expended	Transfers	At 31 March 2025
	£	£	£	£	£
General funds	381,089	477,284	(1,011,271)	170,734	17,836
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 April 2023	Incoming resources	Resources expended	Transfers	At 31 March 2024
	£	£	£	£	£
General funds	397,008	62,249	(78,168)	-	381,089
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

19 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	2025	2025	2025
	£	£	£
At 31 March 2025:			
Investments	1	-	1
Current assets/(liabilities)	17,835	-	17,835
	<u> </u>	<u> </u>	<u> </u>
	17,836	-	17,836
	<u> </u>	<u> </u>	<u> </u>
	Unrestricted funds	Restricted funds	Total
	2024	2024	2024
	£	£	£
At 31 March 2024:			
Tangible assets	380,446	170,734	551,180
Investments	1	-	1
Current assets/(liabilities)	5,139	-	5,139
Long term liabilities	(4,497)	-	(4,497)
	<u> </u>	<u> </u>	<u> </u>
	381,089	170,734	551,823
	<u> </u>	<u> </u>	<u> </u>

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

20 Capital commitments

Amounts contracted for but not provided in the financial statements:

The charitable company had not contracted for any capital commitments as at 31 March 2025 (2024- None).

21 Related party transactions

There were no disclosable related party transactions during the year (2024 - none).

22 Subsidiaries

These financial statements are separate charity financial statements for Earthbalance 2000.

Details of the charity's subsidiaries at 31 March 2025 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Earth Balance 2000 Trading Company Limited	England & Wales	Trading Arm of Charity	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from these accounts was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Earth Balance 2000 Trading Company Limited	5,429	1,324

EARTH BALANCE 2000

England & Wales - Charity number 1083225

Accounts

Charity registration number 1083225

Company registration number 04088392 (England and Wales)

EARTHBALANCE 2000

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

EARTHBALANCE 2000

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr T Fraser	
	Mr G Kemp	
	Mr D Ledger	
	Mrs J M Nixon	
	Mr R Ferguson	(Appointed 3 April 2023)
Secretary	Mr K Nicholson	
Charity number	1083225	
Company number	04088392	
Principal address	West Sleekburn Farm Bomarsund Bedlington Northumberland NE22 7AD	
Registered office	West Sleekburn Farm Bomarsund Bedlington Northumberland NE22 7AD	
Independent examiner	A K Dunn BA (Hons) ACA St Matthews House Haugh Lane Hexham Northumberland NE46 3PU	
Solicitors	Burnetts Solicitors (Newcastle) Milburn House Newcastle upon Tyne NE1 1LE	

EARTHBALANCE 2000

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EARTHBALANCE 2000

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their report and the unaudited accounts of the charity for the year ended 31 March 2024.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charitable company provides a public benefit through the promotion of urban or rural regeneration and support for enterprise, education and employment; conservation of the environment. It also promotes physical and mental health and the relief of sickness and the promotion of sustainable development through the regeneration of the Earth Balance site.

The trustees seek to provide important local and public support for enterprise and employment through the provision of premises and land. This has been very successful with the majority of properties being occupied by tenants. In addition, the site saw a regular number of the general public visiting the site to access the natural resources across the site.

Over the last two years, the Trustees have supported the tenants and the local community emerging from the COVID period and returning to a new state of normal. Thanks to a lot of hard work and communication, all of our tenants have survived the crisis, are still on site, and are supporting the local communities they serve. In addition, we have had a number of potential new tenants visit the site wishing to join the existing tenants.

The Trustees worked hard during this period to deliver the charitable objects and carry out activities. This included continuing discussions about the future of the site with Northumberland County Council, the local Parish Council Disabled Group, some hard to reach sections of the local community, local businesses and local residents. In particular, there continues to be an open dialogue aspect to the work of the charity which ensures that the charity develops work in line with those it serves. The Trustees have been successful in establishing positive working relationships with all these stakeholders which has provided the charity with a strong and sustainable base from which it can continue to regenerate the site.

During the year, the Trustees successfully negotiated a number of significant challenges. Firstly, a litigation matter with an old strategic partner, Orca DMCC, who succeeded in dragging the charity through an arduous court litigation and secondly with the collapse of the British Volt site. The Trustees, supported by the legal team at Burnetts and the trading company Directors, have managed to agree the terms of a settlement agreement with Orca following the year end to end the litigious court proceedings, and are working with the British Volt site owners, Northumberland County Council, to support any future development. A further challenge presented itself when one of the significant site tenants went into liquidation, and once again, the charity had to defray significant legal costs to manage that process over 2023 and 2024 as well as supporting the administrator to find a new tenant and operator.

During the year, work continued with Northumberland County Council which helped to highlight our future aspirations for the site with the planning team and the sustainable development of the site. The Health and Wellbeing Village will feature in the centre of the site, complementing the Proton Therapy Cancer Centre. We are undertaking this work sensitively with partners and at a pace suited to regenerating the site in line with our objects whilst meeting local community needs. The regeneration needed requires meeting future housing, health and social care needs and responding to the current and future needs of those accessing the site today and in the future.

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The site covers an area of 116.3 Acres (47.09 Hectares) that straddles the South East Northumberland railway line to Ashington and Lynemouth, the proposed "Northumberland Line" within ten minutes of Bedlington Station. It is bordered by the A189 and has two power lines running through the site. The 'Sleekburn' runs through the site to an estuary with a salt marsh as a designated Nature Reserve and the Northumberland Shore Site of Special Scientific Interest is located 2km south-east of the site. The site plays an important part of the ecology of the local area and our response to the pre-app demonstrated a number of unique and important site features.

The site has maintained its organic status via the Soil Association for another year for the soil and fishery and is home to a diverse mix of wildlife, with onsite habitat protection and enhancement.

The site features habitats that are created to support specific wildlife needs, wetland habitats that support a startling array of water birds. The site has also maintained one of the highest rated Soil Association aquaculture system for breeding of Organic Brown and Rainbow Trout, an area of the site which has been maintained to a high standard once again over the year.

The charity's wholly owned trading subsidiary has allowed it to carry out trading activity, managing the risk at arms length from the charity and allowing the trading company to maximise the current trading opportunities for realising the sites sustainable development. The trading company has two shared board members with the charity to maintain a high level of shared understanding at a strategic level and is supported by the charity to help achieve its charitable objects. The Trading Company made a small profit during the year but continued to make significant progress in developing out the site in accordance with the main charitable object of sustainable development. The charity and subsidiary trading company works closely with professional advisors to ensure that activities are carried out in accordance with charity law.

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During the year the charity provided:

- Protection of the environment and wild life through the maintenance and protection of 116.3 acres of land, in the heart of an urban area, that has become home to a wide range of wildlife not normally seen in the area.
- Maintenance of statutory rights of way.
- Information provided in response to enquiries from the general public for information advice and guidance about the site.
- Approximately 20,000 bags of organic vegetables and fruit were produced and delivered from the site to the general public.
- 40 men and women from the local area regularly enjoyed using the Earth Balance Shed, making projects for the community or for themselves as well as receiving the important health giving benefits of socialising. All free of charge and funded by the charity.
- 56 places per week, 2,800 interventions for disabled adults, learning practical, business, social and life skills based around the creative recycling of textiles.
- Up to 500 children and young people with autism supported by the number one Northumberland based specialist early intervention and post-diagnostic centre for autism.
- 39 individuals with forensic or mental and physical learning needs accessed horticultural activities and support free of charge which equates to 1,872 individual interventions.
-
- 500 incidences of young people and adults attended health and fitness sessions on the site, improving their health and fitness.

The existing buildings and curtilage continue to be improved and the site is gradually seeing a number of public visitors being attracted to utilise the open public spaces, visit on site tenants and be welcomed into the community. Works have been ongoing to maintain and tidy up the site, reinstate existing landscaped areas, roads, paths and bridleways, and to progress new works to enhance the site.

The Men's Shed group continues to become an increasingly important part of the centre site, with the members carrying out works to support other tenants and the local community. They are independent of the Earth Balance 2000 charity but continue to be encouraged in their work on the site and in the local community and have worked closely with the national Men's Shed organisation to grow and improve their offer. We currently provide some safe, indoor space for the group to work from and we helped them to register as an independent charity a number of years ago.

A significant achievement during the year, was the continued work with an external stakeholder on the future sustainable development of the site. We have worked as a team with the trading company and our legal advisors to ensure that the agreement reflects the best way forward for the local community, the sustainable development of the site and for the future need of the charity to deliver it's charitable purpose and exist.

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

Financial review

The Charity continues to manage its finances on a stable basis, and has maintained a level of cash during the year. The COVID crisis still continues to have a significant impact on tenants from revising hours of operation, closing down completely through to claiming government support and modifying properties to accommodate a new way of working. Some tenants have emerged from the COVID pandemic stronger and some have struggled both in terms of retaining old customers and attracting new.

The Trustees and General Manager have worked hard during the year to manage income and expenditure with the Trustees relying on 'General Manager' consultancy and voluntary support to be able to deliver existing services and responsibilities at a minimal cost to the charity.

The financial position for the period shows expenditure over income of £17,816 mainly due to continued unexpected legal costs due to the third party litigation described in the trustees report. We were compelled to incur a number of unforeseen legal costs to support our defending of a legal matter. This results in a balance of £170,734 on restricted funds (£172,631 - 2023), and unrestricted funds of £381,089 (£397,008 - 2023). The cash position of £5,355 (£12,668 in 2023) has decreased due to our legal costs and the Trustees have improved this position in 2024 following the year end, and will continue to seek to increase the cash balance into the future, which will provide further resilience for the charity.

The trustees have kept abreast of the charitable company's deficient unrestricted reserves and have taken action to continue to cut costs, increase income and redress this position and at the same time maintain and improve the site and buildings. There have been a number of improvements made to the site which has reduced the cash position, however, have been necessary to the upkeep of the site. This includes updating certifications for water, electricity, fire safety and certification and general site improvements to common areas, paths and shared area. In addition, the charity has had to maintain legal support as per the note below, which has required considerable time, effort and cost for trustees to understand and act against.

The trustees are delighted that at the year end the unrestricted reserves are once again in surplus despite a challenging year brought upon by a third party acting in bad faith against the charity and a further tranche of unexpected legal costs, and the Trustees will again set a budget for the following year to show a surplus generated through the plans in place and continue to monitor progress against budget on a monthly basis.

The financial statements, which have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS 102) and comply with the charity's governing documents

It is the policy of the charitable company to aim to achieve unrestricted funds, which are the free reserves of the charitable company, that equate to approximately six months running costs within the next few years. This will provide sufficient funds to cover management, administration and support costs. The Charity is currently not able to meet this level and so we will seek to reduce and manage our limited costs and maximise income to be able to do so in future periods. The subsidiary trading company generates a profit and has plans to generate a significant profit in future periods, and so we envisage financial support to the charity will follow in the next financial year, particularly with respect to reducing the outstanding liability.

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

The trustees have assessed the major risks to which the charity and its subsidiary trading company is exposed, in particular those relating to the operations and finances of the charitable company and are satisfied that systems are in place to mitigate our exposure to the major risks. A risk register maintains the risks and mitigations and is discussed by Trustees at each meeting.

Our main objective for future periods is to optimise the potential sustainable development on our site for the benefit of the local community and the protection and enhancement of the site. This work will continue into the next financial year with an external stakeholder to carry forward the full site development which the trading company is in advance stages of negotiating.

The settlement agreement with the third party who had taken the charity to court and into litigation was signed during the year, the trustees having had support and guidance from the solicitors throughout, and thanks are to go to the trustees and trading company directors for completing this in difficult circumstances, acting in the best interests of the charity throughout and managing a difficult and litigious time for the charity.

A significant announcement was made shortly after the year end as the gigaplant that was due to be built within 2km of the site went into a period of uncertainty and then into administration. There are further plans for the site, however, any development will greatly affect the potential future of the site and something which the trustees and trading company will work hard to integrate with throughout 2024 and into 2025. This, along with the improved and reinvigorated trainline, means that the site has huge potential to positively influence housing, health and future economic impact of the local community for the better.

The trustees would continue to engage with the local Wildlife Trust, who are seeking a northern pilot for a national scheme called 'Building With Nature' which will ensure that any development work on site will meet rigorous standards and, in time we hope, accreditation.

In any future potential partnership, we would aim to bring energy generation to the fore of the next stage of the site development and in researching and delivering new and innovative ways to produce energy. There are partners who have significant experience with the zero carbon agenda and so we look forward to future developments meeting zero carbon standards and playing our part in driving environmental innovation.

Work over the winter saw further maintenance and development of the pond system as well as winter maintenance of shared areas and working together with Northumberland County Council and their partners to provide access and support for the investigation works on the upgraded railway line and upgraded railway station.

The trustees will continue to work with wider partners, including Northumberland County Council, Northumbria NHS Trust, the local Parish councils, the local councillors and the local community nearby, to consider how the site can best deliver sustainable development for the area. The opportunity is now timely and significant for the site given the changes in the railway line, the passing of British Volt and the Local Plan changes. The trustees and trading company continue to be focussed in the coming year on this development work and in bringing sustainable development of the site to fruition to deliver the charities purpose.

EARTHBALANCE 2000

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

Structure, governance and management

The charitable company is limited by guarantee and its governing document is its Memorandum and Articles of Association, dated 6th October 2000 and last amended 16th April 2008.

Earth Balance 2000 ("The Charity") is currently a "Small Charity" (as defined in the Charity Act 2011) and below the audit threshold. It is based at West Sleekburn Farm in the heart of South East Northumberland.

The Governing body of the charitable company are the trustees who meet regularly to decide overall financial policy matters. The trustees meet at least quarterly to review finances and operational matters.

The directors of the charitable company, also act as trustees of the charitable company.

New members of the board are elected by nominating bodies during General Meetings.

The articles of association restricts members to a minimum and maximum of five which has been maintained throughout the year.

The trustees maintain a well mixed skill base of expertise and ensure that where members resign, suitable replacement candidates are sought.

Most members are already familiar with the practical work and objectives of the charitable company bringing their own relevant and unique skills and receive an induction upon joining.

Since the formation of the charitable company it has been a main priority for the board to maintain a viable business operation that maximised income and kept operational costs to a minimum whilst furthering the charitable aims and objectives of delivering sustainable development for the Earth Balance site.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr T Fraser

Mr G Kemp

Mr D Ledger

Mrs J M Nixon

Mr R Ferguson

(Appointed 3 April 2023)

The trustees' report was approved by the Board of Trustees.

.....
Mr D Ledger

Trustee

Dated:

.....
Mrs J M Nixon

Trustee

Dated:.....

EARTHBALANCE 2000

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF EARTHBALANCE 2000

I report to the trustees on my examination of the financial statements of Earthbalance 2000 (the charity) for the year ended 31 March 2024.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

A K Dunn BA (Hons) ACA

St Matthews House
Haugh Lane
Hexham
Northumberland
NE46 3PU

Dated:

EARTHBALANCE 2000**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
<u>Income from:</u>					
Donations and legacies	3	-	-	-	7,208
Charitable activities	4	62,249	-	62,249	69,645
Total income		62,249	-	62,249	76,853
<u>Expenditure on:</u>					
Charitable activities	5	78,168	1,897	80,065	86,572
Net expenditure for the year/ Net movement in funds		(15,919)	(1,897)	(17,816)	(9,719)
Fund balances at 1 April 2023		397,008	172,631	569,639	579,358
Fund balances at 31 March 2024		381,089	170,734	551,823	569,639

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

EARTHBALANCE 2000

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	10	551,180		557,304	
Investments	11	1		1	
		<u>551,181</u>		<u>557,305</u>	
Current assets					
Debtors	12	6,135		11,609	
Cash at bank and in hand		5,355		12,668	
		<u>11,490</u>		<u>24,277</u>	
Creditors: amounts falling due within one year	14	(6,351)		(4,648)	
Net current assets			5,139		19,629
Total assets less current liabilities			556,320		576,934
Creditors: amounts falling due after more than one year	15		(4,497)		(7,295)
Net assets			<u>551,823</u>		<u>569,639</u>
Income funds					
Restricted funds	16	170,734		172,631	
Unrestricted funds		381,089		397,008	
		<u>551,823</u>		<u>569,639</u>	

EARTHBALANCE 2000

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2024

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2024.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

The accounts were approved by the Trustees on

.....

Mr D Ledger

Trustee

.....

Mrs J M Nixon

Trustee

Company Registration No. 04088392

1 Accounting policies

Company information

Earthbalance 2000 is a private company limited by guarantee incorporated in England and Wales. The registered office is West Sleekburn Farm, Bomarsund, Bedlington, Northumberland, NE22 7AD.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees' continue to adopt the going concern basis of accounting in preparing the accounts. The validity of the going concern basis is dependent upon current and future sources of funding or support being sufficient for the charitable company to continue its operations.

The trustees continue to keep the business model under careful review to ensure careful management of resources while maintaining a capacity to benefit from new opportunities. This strategy will allow the company to return to surplus and the trustees are confident in the longer term the company will generate funds to repay creditors.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are held for use on specific purposes as determined by restrictions imposed by the funders.

Fixed assets - restricted funds

Earthbalance 2000, a company limited by guarantee, having its primary purpose to provide support and facilitate the creation of opportunities for enterprise and education that work in harmony with the environment through the demonstration of environmentally sustainable practices holds assets, partly financed by grants that can only be used for such expenditure.

- Expenditure incurred on fixed assets is capitalised. The fixed asset being depreciated over their useful economic life in accordance with the charitable company's policy.
- Grant and assistance received specifically to finance the expenditure is credited to a restricted fund.

1.4 Incoming resources

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Expenditure is recognised on an accrual basis as a liability is incurred.

Charitable expenditure comprises those costs incurred by the charity in the delivery of activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the examination fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. management time.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All fixed assets are initially recorded at cost.

Depreciation is calculated to write off the cost less estimated residual value, over the economic life of that asset as follows:

Leasehold property	Over remaining life of the 98 year lease
Fixtures, fittings & equipment	20% Straight line

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Total
	2024	2023
	£	£
Donations and gifts	-	7,208
	<u> </u>	<u> </u>
Donations and gifts		
Gift aid from Subsidiary	-	7,208
	<u> </u>	<u> </u>
	-	7,208
	<u> </u>	<u> </u>

4 Income from charitable activities

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Sales within charitable activities	62,249	69,645
	<u> </u>	<u> </u>

EARTHBALANCE 2000**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****5 Charitable activities**

	2024	2023
	£	£
Depreciation	6,124	6,124
Running costs of Earthbalance site	36,482	39,593
	<u>42,606</u>	<u>46,421</u>
Support costs	4,853	1,270
Governance costs	2,250	2,643
	<u>80,065</u>	<u>86,572</u>
Analysis by fund		
Unrestricted funds	78,168	
Restricted funds	1,897	
	<u>80,065</u>	
For the year ended 31 March 2023		
Unrestricted funds		84,675
Restricted funds		1,897
		<u>86,572</u>

6 Net movement in funds

	2024	2023
	£	£
The net movement in funds is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	6,124	6,124
	<u>6,124</u>	<u>6,124</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year.

In the accounts of the subsidiary, Earth Balance 2000 Trading Company Limited, payments of £14,000 were made to directors of the subsidiary, who are also Trustees of the Charity, in respect of self employed consultancy services.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

8 Employees

There were no employees during the year.

9 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

10 Tangible fixed assets

	Leasehold property	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2023	670,629	3,521	674,150
At 31 March 2024	670,629	3,521	674,150
Depreciation and impairment			
At 1 April 2023	113,326	3,520	116,846
Depreciation charged in the year	6,124	-	6,124
At 31 March 2024	119,450	3,520	122,970
Carrying amount			
At 31 March 2024	551,179	1	551,180
At 31 March 2023	557,303	1	557,304

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

11 Fixed asset investments

	Other investments
Cost or valuation	
At 1 April 2022 & 31 March 2023	1
Carrying amount	
At 31 March 2024	1
At 31 March 2023	1

	Notes	2024 £	2023 £
Other investments comprise:			
Investments in subsidiaries	21	1	1

12 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	1,019	4,634
Amounts owed by subsidiary undertakings	5,116	5,116
Other debtors	-	1,859
	6,135	11,609

13 Loans and overdrafts

	2024 £	2023 £
Bank loans	7,295	10,093
Payable within one year	2,798	2,798
Payable after one year	4,497	7,295

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

14 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Bank loans	13	2,798	2,798
Other taxation and social security		553	-
Accruals and deferred income		3,000	1,850
		<u>6,351</u>	<u>4,648</u>

15 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Bank loans	13	4,497	7,295
		<u>4,497</u>	<u>7,295</u>

16 Restricted funds

The funds of the charity include restricted funds comprising the following balances held on trust for specific purposes:

	At 1 April 2023 £	Resources expended £	At 31 March 2024 £
Visitor centre	172,631	(1,897)	170,734
	<u>172,631</u>	<u>(1,897)</u>	<u>170,734</u>
Previous year:	At 1 April 2022 £	Resources expended £	At 31 March 2023 £
Visitor centre	174,528	(1,897)	172,631
	<u>174,528</u>	<u>(1,897)</u>	<u>172,631</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

17 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2023	Incoming resources	Resources expended	At 31 March 2024
	£	£	£	£
General funds	397,008	62,249	(78,168)	381,089
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Previous year:	At 1 April 2022	Incoming resources	Resources expended	At 31 March 2023
	£	£	£	£
General funds	404,830	76,853	(84,675)	397,008
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

18 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	2024	2024	2024
	£	£	£
At 31 March 2024:			
Tangible assets	380,446	170,734	551,180
Investments	1	-	1
Current assets/(liabilities)	5,139	-	5,139
Long term liabilities	(4,497)	-	(4,497)
	<u> </u>	<u> </u>	<u> </u>
	381,089	170,734	551,823
	<u> </u>	<u> </u>	<u> </u>

	Unrestricted funds	Restricted funds	Total
	2023	2023	2023
	£	£	£
At 31 March 2023:			
Tangible assets	384,673	172,631	557,304
Investments	1	-	1
Current assets/(liabilities)	19,629	-	19,629
Long term liabilities	(7,295)	-	(7,295)
	<u> </u>	<u> </u>	<u> </u>
	397,008	172,631	569,639
	<u> </u>	<u> </u>	<u> </u>

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

19 Capital commitments

Amounts contracted for but not provided in the financial statements:

The charitable company had not contracted for any capital commitments as at 31 March 2024 (2023 - None).

20 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

21 Subsidiaries

These financial statements are separate charity financial statements for Earthbalance 2000.

Details of the charity's subsidiaries at 31 March 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Earth Balance 2000 Trading Company Limited	England & Wales	Trading Arm of Charity	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from these accounts was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Earth Balance 2000 Trading Company Limited	(1,266)	(4,105)

EARTH BALANCE 2000

England & Wales - Charity number 1083225

Accounts

Charity Registration No. 1083225

Company Registration No. 04088392 (England and Wales)

EARTHBALANCE 2000
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

EARTHBALANCE 2000

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr T Fraser Mr G Kemp Mr D Ledger Mrs J M Nixon Mr R Ferguson	(Appointed 3 April 2023)
Secretary	Mr K Nicholson	
Charity number	1083225	
Company number	04088392	
Principal address	West Sleekburn Farm Bomarsund Bedlington Northumberland NE22 7AD	
Registered office	West Sleekburn Farm Bomarsund Bedlington Northumberland NE22 7AD	
Independent examiner	A K Dunn BA (Hons) ACA St Matthews House Haugh Lane Hexham Northumberland NE46 3PU	
Bankers	HSBC Bank PLC 110 Grey Street Newcastle upon Tyne NE1 6JG	
Solicitors	Burnetts Solicitors (Newcastle) Milburn House Newcastle upon Tyne NE1 1LE	

EARTHBALANCE 2000

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EARTHBALANCE 2000

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their report and the unaudited accounts of the charity for the year ended 31 March 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charitable company provides a public benefit through the promotion of urban or rural regeneration and support for enterprise, education and employment; conservation of the environment. It also promotes physical and mental health and the relief of sickness and the promotion of sustainable development through the regeneration of the Earth Balance site.

The trustees seek to provide important local and public support for enterprise and employment through the provision of premises and land. This has been very successful with the majority of properties being occupied by tenants. In addition, the site saw a regular number of the general public visiting the site to access the natural resources across the site.

Over the last year, the Trustees have supported the tenants and the local community emerging from the COVID period and returning to a new state of normal. Thanks to a lot of hard work and communication, all of our tenants have survived the crisis, are still on site, and are supporting the local communities they serve.

The Trustees worked hard during this period to deliver the charitable objects and carry out activities. This included continuing discussions about the future of the site with Northumberland County Council, the local Parish Council Disabled Group, some hard to reach sections of the local community, local businesses and local residents. In particular, there continues to be an open dialogue aspect to the work of the charity which ensures that the charity develops work in line with those it serves. The Trustees have been successful in establishing positive working relationships with all these stakeholders which has provided the charity with a strong and sustainable base from which it can continue to regenerate the site.

During the year, the Trustees were presented with a number of significant challenges. Firstly, a litigation matter with an old strategic partner, Orca DMCC, who succeeded in dragging the charity through an arduous court litigation and secondly with the collapse of the British Volt site. The Trustees, supported by the legal team at Burnetts and the trading company Directors, have managed to agree the terms of a settlement agreement with Orca following the year end to end the litigious court proceedings, and are working with the British Volt site owners, Northumberland County Council, to support any future development. A further challenge presented itself when one of the significant site tenants went into liquidation, and once again, the charity had to defray significant legal costs to manage that process.

During the year, work continued on the planning consultation process around the Health and Wellbeing Village and housing by engaging positively with the local planning consultation and with Northumberland County Council which helped to highlight our future aspirations for the site with the planning team. The Health and Wellbeing Village will feature in the centre of the site, complementing the Proton Therapy Cancer Centre. We are undertaking this work sensitively with partners and at a pace suited to regenerating the site in line with our objects whilst meeting local community needs. The regeneration needed requires meeting future housing, health and social care needs and responding to the current and future needs of those accessing the site today and in the future.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

EARTHBALANCE 2000

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

The site covers an area of 116.3 Acres (47.09 Hectares) that straddles the South East Northumberland railway line to Ashington and Lynemouth, the proposed "Northumberland Line" within ten minutes of Bedlington Station . It is bordered by the A189 and has two power lines running through the site. The 'Sleekburn' runs through the site to an estuary with a salt marsh as a designated Nature Reserve and the Northumberland Shore Site of Special Scientific Interest is located 2km south-east of the site. The site plays an important part of the ecology of the local area and our response to the pre-app demonstrated a number of unique and important site features.

The site has maintained it's organic status via the Soil Association for another year for the soil and fishery and is home to a diverse mix of wildlife, with onsite habitat protection and enhancement.

The site features habitats that are created to support specific wildlife needs, wetland habitats that support a startling array of water birds. The site has also maintained one of the highest rated Soil Association aquaculture system for breeding of Organic Brown and Rainbow Trout, an area of the site which has been maintained to a high standard once again over the year.

The charity's wholly owned trading subsidiary has allowed it to carry out trading activity, managing the risk at arms length from the charity and allowing the trading company to maximise the current trading opportunities for the sites development. The trading company has two shared board members with the charity to maintain a high level of shared understanding at a strategic level and is supported by the charity to help achieve its charitable objects. The Trading Company made a small profit during the year but continued to make significant progress in developing out the site in accordance with the main charitable object of sustainable development. The charity works closely with professional advisors to ensure that activities are carried out in accordance with charity law.

During the year the charity provided:

- Protection of the environment and wild life through the maintenance and protection of 116.3 acres of land, in the heart of an urban area, that has become home to a wide range of wildlife not normally seen in the area.
- Maintenance of statutory rights of way.
- Information provided in response to enquiries from the general public for information advice and guidance about the site.
- Approximately 20,000 bags of organic vegetables and fruit were produced and delivered from the site to the general public.
- 30 men and women from the local area regularly enjoyed using the Earth Balance Shed, making projects for the community or for themselves as well as receiving the important health giving benefits of socialising. All free of charge and funded by the charity.
- 56 places per week, 2,800 interventions for disabled adults, learning practical, business, social and life skills based around the creative recycling of textiles.
- Up to 500 children and young people with autism supported by the number one Northumberland based specialist early intervention and post-diagnostic centre for autism.
- 39 individuals with forensic or mental and physical learning needs accessed horticultural activities and support free of charge which equates to 1,872 individual interventions.
- 500 young people and adults attended dance and fitness sessions on the site, improving their health and fitness.

EARTHBALANCE 2000

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

The existing buildings and curtilage continue to be improved and the site is gradually seeing a larger number of public visitors being attracted to utilise the open public spaces, visit on site tenants and be welcomed into the community. Works have been ongoing to maintain and tidy up the site, reinstate existing landscaped areas, roads, paths and bridleways, and to progress new works to enhance the site.

The Men's Shed group continues to become an increasingly important part of the centre site, with the members carrying out works to support other tenants and the local community. They are independent of the Earth Balance 2000 charity but continue to be encouraged in their work on the site and in the local community and have worked closely with the national Men's Shed organisation to grow and improve their offer. We currently provide some safe, indoor space for the group to work from and we helped them to register as an independent charity a number of years ago.

A significant achievement during the year, was the continued work with an external stakeholder on the future sustainable development of the site. We have worked as a team with the trading company and our legal advisors to ensure that the agreement reflects the best way forward for the local community and for the charity.

EARTHBALANCE 2000

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

Financial review

The Charity continues to manage its finances on a stable basis, and has maintained a level of cash during the year. The COVID crisis still continues to have a significant impact on tenants from revising hours of operation, closing down completely through to claiming government support and modifying properties to accommodate a new way of working. Some tenants have emerged from the COVID pandemic stronger and some have struggled both in terms of retaining old customers and attracting new.

The Trustees and General Manager have worked hard during the year to manage income and expenditure with the Trustees relying on 'General Manager' consultancy and voluntary support to be able to deliver existing services and responsibilities at a minimal cost and long-term liability to the charity.

The financial position for the period shows expenditure over income of £9,719 mainly due to a set of unexpected legal costs due to the third party litigation described in the trustees report. We were compelled to incur a number of legal costs to support our defending of a legal matter. This results in a balance of £172,631 on restricted funds (£174,528 in 2022), and unrestricted funds of £397,008 (£404,830 in 2022). The cash position of £12,668 (£26,737 in 2021) has decreased due to our legal costs and the Trustees will seek to increase the cash balance into the future, which will provide further resilience for the charity.

The trustees have kept abreast of the charitable company's deficient unrestricted reserves and have taken action to continue to cut costs, increase income and redress this position and at the same time maintain and improve the site and buildings. There have been a number of improvements made to the site which has reduced the cash position, however, have been necessary to the upkeep of the site. This includes updating certifications for water, electricity, fire safety and certification and general site improvements to common areas, paths and shared area. In addition, the charity has had to maintain legal support as per the note below, which has required considerable time, effort and cost for trustees to understand and act against.

The trustees are delighted that at the year end the unrestricted reserves are once again in surplus despite a challenging year brought upon by a third party acting in bad faith against the charity and the Trustees will again set a budget for the following year to show a surplus generated through the plans in place and continue to monitor progress against budget on a monthly basis.

The financial statements, which have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS 102) and comply with the charity's governing documents

It is the policy of the charitable company to aim to achieve unrestricted funds, which are the free reserves of the charitable company, that equate to approximately six months running costs within the next few years. This will provide sufficient funds to cover management, administration and support costs. The Charity is currently not able to meet this level and so we will seek to reduce and manage our limited costs and maximise income to be able to do so in future periods. The subsidiary trading company generates a profit and has plans to generate a significant profit in future periods, and so we envisage financial support to the charity will follow in the next financial year, particularly with respect to reducing the outstanding liability.

The trustees have assessed the major risks to which the charity and its subsidiary trading company is exposed, in particular those relating to the operations and finances of the charitable company and are satisfied that systems are in place to mitigate our exposure to the major risks. A risk register maintains the risks and mitigations and is discussed by Trustees at each meeting.

EARTHBALANCE 2000

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

Our main objective for future periods is to optimise the potential sustainable development on our site for the benefit of the local community and the protection and enhancement of the site. This work will continue into the next financial year with a new tenant joining us in the kitchen buildings and to complete the work to find and engage with an external stakeholder to carry forward the full site development which the trading company is in advance stages of doing.

The settlement agreement with the third party who had taken the charity to court and into litigation was signed after the end of the year, the trustees having had support and guidance from the solicitors throughout, and thanks are to go to the trustees and trading company directors for completing this in difficult circumstances, acting in the best interests of the charity throughout.

A significant announcement was made shortly after the year end that a gigaplant was to be built within 2km of the site. Despite some setbacks, should the project go ahead, this will greatly affect the potential future of the site and something which the trustees and trading company will work hard to integrate with throughout 2021 and into 2022 as they begin construction of this site. To give a sense of perspective, there will be 3,000 jobs delivered by the site as well as an estimated further 5,000 in the area. This, along with the improved and reinvigorated trainline, means that the site has huge potential to positively influence housing, health and future economic impact of the local community for the better.

The trustees would continue to engage with the local Wildlife Trust, who are seeking a northern pilot for a national scheme called 'Building With Nature' which will ensure that any development work on site will meet rigorous standards and, in time we hope, accreditation.

In any future potential partnership, we would aim to bring energy generation to the fore of the next stage of the site development and in researching and delivering new and innovative ways to produce energy. There are partners who have significant experience with the zero carbon agenda and so we look forward to future developments meeting zero carbon standards and playing our part in driving environmental innovation.

Work over the winter saw further maintenance and development of the pond system as well as winter maintenance of shared areas and working together with Northumberland County Council and their partners Aecom to provide access and support for the investigation works on the railway line.

The trustees will continue to work with wider partners, including Northumberland County Council, Northumbria NHS Trust, the local Parish councils, the local councillors and the local community nearby, to consider how the site can best deliver sustainable development for the area. The opportunity is now timely and significant for the site, with the creation of 300 high quality jobs, investment of over £50 million and a number of other benefits to follow. The trustees and trading company continue to be focussed in the coming year on this development work and in bringing sustainable development of the site to fruition.

EARTHBALANCE 2000

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management

The charitable company is limited by guarantee and its governing document is its Memorandum and Articles of Association, dated 6th October 2000 and last amended 16th April 2008.

Earth Balance 2000 ("The Charity") is currently a "Small Charity" (as defined in the Charity Act 2011) and below the audit threshold. It is based at West Sleekburn Farm in the heart of South East Northumberland.

The Governing body of the charitable company are the trustees who meet regularly to decide overall financial policy matters. The trustees meet at least quarterly to review finances and operational matters.

The directors of the charitable company, also act as trustees of the charitable company.

New members of the board are elected by nominating bodies during General Meetings.

The articles of association restricts members to a minimum and maximum of five which has been maintained throughout the year.

The trustees maintain a well mixed skill base of expertise and ensure that where members resign, suitable replacement candidates are sought.

Most members are already familiar with the practical work and objectives of the charitable company bringing their own relevant and unique skills and receive an induction upon joining.

Since the formation of the charitable company it has been a main priority for the board to maintain a viable business operation that maximised income and kept operational costs to a minimum whilst furthering the charitable aims and objectives of delivering sustainable development for the Earth Balance site.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr T Fraser

Mr G Kemp

Mr D Ledger

Mrs J M Nixon

Mr P C Hardisty

Mr R Ferguson

(Resigned 16 December 2022)

(Appointed 3 April 2023)

The trustees' report was approved by the Board of Trustees.



David Ledger (Dec.20.2023.10:44 GMT)

Mr D Ledger

Trustee

Dated: 20/12/2023.



Jayne Nixon (Dec.20.2023.11:37 GMT)

Mrs J M Nixon

Trustee

Dated: 20/12/2023.

EARTHBALANCE 2000

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EARTHBALANCE 2000

I report to the trustees on my examination of the financial statements of Earthbalance 2000 (the charity) for the year ended 31 March 2023.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

A K Dunn BA (Hons) ACA

St Matthews House
Haugh Lane
Hexham
Northumberland
NE46 3PU

Dated:

EARTHBALANCE 2000

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
<u>Income from:</u>					
Donations and legacies	3	7,208	-	7,208	1,418
Charitable activities	4	69,645	-	69,645	116,227
Exceptional item	5	-	-	-	600,000
Total income		<u>76,853</u>	<u>-</u>	<u>76,853</u>	<u>717,645</u>
<u>Expenditure on:</u>					
Charitable activities	6	<u>84,675</u>	<u>1,897</u>	<u>86,572</u>	<u>138,929</u>
Net (expenditure)/income for the year/ Net movement in funds		<u>(7,822)</u>	<u>(1,897)</u>	<u>(9,719)</u>	<u>578,716</u>
Fund balances at 1 April 2022		<u>404,830</u>	<u>174,528</u>	<u>579,358</u>	<u>642</u>
Fund balances at 31 March 2023		<u><u>397,008</u></u>	<u><u>172,631</u></u>	<u><u>569,639</u></u>	<u><u>579,358</u></u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

EARTHBALANCE 2000

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	9		557,304		563,428
Investments	10		1		1
			<u>557,305</u>		<u>563,429</u>
Current assets					
Debtors	11	11,609		5,889	
Cash at bank and in hand		12,668		26,737	
		<u>24,277</u>		<u>32,626</u>	
Creditors: amounts falling due within one year	13	(4,648)		(6,665)	
Net current assets			<u>19,629</u>		<u>25,961</u>
Total assets less current liabilities			<u>576,934</u>		<u>589,390</u>
Creditors: amounts falling due after more than one year	14		(7,295)		(10,032)
Net assets			<u><u>569,639</u></u>		<u><u>579,358</u></u>
Income funds					
Restricted funds	15		172,631		174,528
Unrestricted funds			397,008		404,830
			<u><u>569,639</u></u>		<u><u>579,358</u></u>

EARTHBALANCE 2000

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2023

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

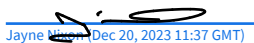
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 20/12/2023..



David Ledger (Dec 20, 2023 10:44 GMT)

Mr D Ledger
Trustee



Mrs J M Nixon
Trustee

Company registration number 04088392

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Earthbalance 2000 is a private company limited by guarantee incorporated in England and Wales. The registered office is West Sleekburn Farm, Bomarsund, Bedlington, Northumberland, NE22 7AD.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees' continue to adopt the going concern basis of accounting in preparing the accounts. The validity of the going concern basis is dependent upon current and future sources of funding or support being sufficient for the charitable company to continue its operations.

The trustees continue to keep the business model under careful review to ensure careful management of resources while maintaining a capacity to benefit from new opportunities. This strategy will allow the company to return to surplus and the trustees are confident in the longer term the company will generate funds to repay creditors.

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are held for use on specific purposes as determined by restrictions imposed by the funders.

Fixed assets - restricted funds

Earthbalance 2000, a company limited by guarantee, having its primary purpose to provide support and facilitate the creation of opportunities for enterprise and education that work in harmony with the environment through the demonstration of environmentally sustainable practices holds assets, partly financed by grants that can only be used for such expenditure.

- Expenditure incurred on fixed assets is capitalised. The fixed asset being depreciated over their useful economic life in accordance with the charitable company's policy.
- Grant and assistance received specifically to finance the expenditure is credited to a restricted fund.

1.4 Incoming resources

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is recognised on an accrual basis as a liability is incurred.

Charitable expenditure comprises those costs incurred by the charity in the delivery of activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the examination fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. management time.

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All fixed assets are initially recorded at cost.

Depreciation is calculated to write off the cost less estimated residual value, over the economic life of that asset as follows:

Leasehold property	Over remaining life of the 98 year lease
Fixtures, fittings & equipment	20% Straight line

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Total
	2023	2022
	£	£
Donations and gifts	7,208	1,418
	<u>7,208</u>	<u>1,418</u>
Donations and gifts		
Gift aid from Subsidiary	7,208	1,418
	<u>7,208</u>	<u>1,418</u>

4 Charitable activities

	Rent receivable 2023 £	Rent receivable 2022 £
Sales within charitable activities	69,645	116,227
	<u>69,645</u>	<u>116,227</u>

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5 Exceptional item

The balance owing to Orca DMCC for work done on the site originated from negotiations between one of the trustees of Earth Balance and a representative from Orca DMCC. The level of work done was always difficult to substantiate. However after the 2021 year end the trustees appointed a firm of solicitors to review evidence of work done and any accompanying documentation. After the review it was decided Orca DMCC had no adequate evidence to support their claim that monies were owed. Following the year end Orca DMCC legal team have demanded various payments. These amounts all differ to such a degree that it is not possible to quantify the amount owed. Hence it is considered that a contingent liability note in the accounts is more suitable. The amount previously included as a liability has been decided to be written off and treated as an exceptional item.

6 Charitable activities

	2023 £	2022 £
Depreciation	6,124	6,124
Running costs of Earthbalance site	36,482	39,593
	<u>42,606</u>	<u>46,421</u>
Support costs	4,193	1,270
Governance costs	2,250	2,643
	<u>86,572</u>	<u>138,929</u>
Analysis by fund		
Unrestricted funds	84,675	
Restricted funds	1,897	
	<u>86,572</u>	
For the year ended 31 March 2022		
Unrestricted funds		137,032
Restricted funds		1,897
		<u>138,929</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year.

In the accounts of the subsidiary, Earth Balance 2000 Trading Company Limited, payments of £14,000 were made to directors of the subsidiary, who are also Trustees of the Charity, in respect of self employed consultancy services.

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

8 Employees

There were no employees during the year.

9 Tangible fixed assets

	Leasehold property	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2022	670,629	3,521	674,150
At 31 March 2023	670,629	3,521	674,150
Depreciation and impairment			
At 1 April 2022	107,202	3,520	110,722
Depreciation charged in the year	6,124	-	6,124
At 31 March 2023	113,326	3,520	116,846
Carrying amount			
At 31 March 2023	557,303	1	557,304
At 31 March 2022	563,427	1	563,428

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

10 Fixed asset investments

		Other investments
Cost or valuation		
At 1 April 2021 & 31 March 2022		1
Carrying amount		
At 31 March 2023		1
At 31 March 2022		1

	Notes	2023 £	2022 £
Other investments comprise:			
Investments in subsidiaries	19	1	1

11 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	4,634	2,578
Amounts owed by subsidiary undertakings	5,116	-
Other debtors	1,859	3,311
	11,609	5,889

12 Loans and overdrafts

	2023 £	2022 £
Bank loans	10,093	12,830
Loans from subsidiary undertakings	-	2,092
	10,093	14,922
Payable within one year	2,798	4,890
Payable after one year	7,295	10,032

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

13 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	12	2,798	2,798
Other borrowings		-	2,092
Accruals and deferred income		1,850	1,775
		<u>4,648</u>	<u>6,665</u>

14 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	12	<u>7,295</u>	<u>10,032</u>

15 Restricted funds

The funds of the charity include restricted funds comprising the following balances held on trust for specific purposes:

	Balance at 1 April 2021 £	Resources expended £	Balance at 1 April 2022 £	Resources expended 31 March 2023 £	Balance at 31 March 2023 £
Visitor centre	<u>176,425</u>	<u>(1,897)</u>	<u>174,528</u>	<u>(1,897)</u>	<u>172,631</u>

16 Analysis of net assets between funds

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:						
Tangible assets	384,673	172,631	557,304	388,900	174,528	563,428
Investments	1	-	1	1	-	1
Current assets/(liabilities)	19,629	-	19,629	25,961	-	25,961
Long term liabilities	(7,295)	-	(7,295)	(10,032)	-	(10,032)
	<u>397,008</u>	<u>172,631</u>	<u>569,639</u>	<u>404,830</u>	<u>174,528</u>	<u>579,358</u>

17 Capital commitments

The charitable company had not contracted for any capital commitments as at 31 March 2023 (2022 - None).

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

18 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

19 Subsidiaries

These financial statements are separate charity financial statements for Earthbalance 2000.

Details of the charity's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Earth Balance 2000 Trading Company Limited	England & Wales	Trading Arm of Charity	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from these accounts was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Earth Balance 2000 Trading Company Limited	(3,491)	(2,839)

EARTH BALANCE 2000

England & Wales - Charity number 1083225

Accounts

Charity Registration No. 1083225

Company Registration No. 04088392 (England and Wales)

EARTHBALANCE 2000
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

EARTHBALANCE 2000

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr T Fraser Mr G Kemp Mr D Ledger Mrs J M Nixon Mr P C Hardisty	(Appointed 18 March 2022)
Secretary	Mr K Nicholson	
Charity number	1083225	
Company number	04088392	
Principal address	West Sleekburn Farm Bomarsund Bedlington Northumberland NE22 7AD	
Registered office	West Sleekburn Farm Bomarsund Bedlington Northumberland NE22 7AD	
Independent examiner	A K Dunn BA (Hons) ACA St Matthews House Haugh Lane Hexham Northumberland NE46 3PU	
Bankers	HSBC Bank PLC 110 Grey Street Newcastle upon Tyne NE1 6JG	
Solicitors	Burnetts Solicitors (Newcastle) Milburn House Newcastle upon Tyne NE1 1LE	

EARTHBALANCE 2000

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Statement of financial activities	8
Balance sheet	9 - 10
Notes to the financial statements	11 - 19

EARTHBALANCE 2000

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their report and the unaudited accounts of the charity for the year ended 31 March 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charitable company provides a public benefit through the promotion of urban or rural regeneration and support for enterprise, education and employment; conservation of the environment. It also promotes physical and mental health and the relief of sickness and the promotion of sustainable development through the regeneration of the Earth Balance site.

The trustees seek to provide important local and public support for enterprise and employment through the provision of premises and land. This has been very successful with the majority of properties being occupied by tenants. In addition, the site saw an increased number of the general public visiting the site to access the natural resources available there during lockdown.

Over the last year, the Trustees have supported the tenants and the local community through a very difficult period where the COVID pandemic spread throughout the world. This had a profound impact on the site and the tenants, however, thanks to a lot of hard work and communication, all of our tenants have survived the crisis, are still on site, and are supporting the local communities they serve.

The Trustees worked hard during this period to deliver the charitable objects and carry out activities. This included continuing discussions about the future of the site with Northumberland County Council, the local Parish Council Disabled Group, some hard to reach sections of the local community, local businesses, the incoming British Volt development nearby and local residents. In particular, there continues to be an open dialogue aspect to the work of the charity which ensures that the charity develops work in line with those it serves. The Trustees have been successful in establishing positive working relationships with all these stakeholders which has provided the charity with a strong and sustainable base from which it can continue to regenerate the site.

During the year, work continued on the planning consultation process around the Health and Wellbeing Village and housing by engaging positively with the local planning consultation and review. This resulted in the charity defraying expenditure as part of a formal planning 'Pre App' process with Northumberland County Council which helped to highlight our future aspirations for the site with the planning team. The Health and Wellbeing Village will feature in the centre of the site, complementing the Proton Therapy Cancer Centre. We are undertaking this work sensitively with partners and at a pace suited to regenerating the site in line with our objects whilst meeting local community needs. The regeneration needed requires meeting future housing, health and social care needs and responding to the current and future needs of those accessing the site today and in the future.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

EARTHBALANCE 2000

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance

The site covers an area of 116.3 Acres (47.09 Hectares) that straddles the South East Northumberland railway line to Ashington and Lynemouth, the proposed "Northumberland Line" within ten minutes of Bedlington Station . It is bordered by the A189 and has two power lines running through the site. The 'Sleekburn' runs through the site to an estuary with a salt marsh as a designated Nature Reserve and the Northumberland Shore Site of Special Scientific Interest is located 2km south-east of the site. The site plays an important part of the ecology of the local area and our response to the pre-app demonstrated a number of unique and important site features.

The site has maintained it's organic status via the Soil Association for another year for the soil and fishery and is home to a diverse mix of wildlife, with onsite habitat protection and enhancement.

The site features habitats that are created to support specific wildlife needs, wetland habitats that support a startling array of water birds. The site has also maintained one of the highest rated Soil Association aquaculture system for breeding of Organic Brown and Rainbow Trout, an area of the site which has been maintained to a high standard once again over the year.

The charity's wholly owned trading subsidiary has allowed it to carry out trading activity, managing the risk at arms length from the charity and allowing the trading company to maximise the current trading opportunities for the sites development. The trading company has two shared board members with the charity to maintain a high level of shared understanding at a strategic level and is supported by the charity to help achieve its charitable objects. The Trading Company made a small profit during the year but continued to make significant progress in developing out the site in accordance with the main charitable object of sustainable development. The charity works closely with professional advisors to ensure that activities are carried out in accordance with charity law.

During the year the charity provided:

- Protection of the environment and wild life through the maintenance and protection of 116.3 acres of land, in the heart of an urban area, that has become home to a wide range of wildlife not normally seen in the area.
- Maintenance of statutory rights of way.
- Provision on site of one of only three proton therapy cancer centres in England, providing new and cutting edge treatment to cancer patients, bringing over £30M of capital investment to the site, adding significant and unique value to the regions healthcare offer.
- Information provided in response to enquiries from the general public for information advice and guidance about the site.
- Approximately 20,000 bags of organic vegetables and fruit were produced and delivered from the site to the general public.
- 20 men and women from the local area regularly enjoyed using the Earth Balance Shed, making projects for the community or for themselves as well as receiving the important health giving benefits of socialising. All free of charge and funded by the charity.
- 56 places per week, 2,800 interventions for disabled adults, learning practical, business, social and life skills based around the creative recycling of textiles.
- Up to 500 children and young people with autism supported by the number one Northumberland based specialist early intervention and post-diagnostic centre for autism.
- 39 individuals with forensic or mental and physical learning needs accessed horticultural activities and support free of charge which equates to 1,872 individual interventions.
- 500 young people and adults attended dance and fitness sessions on the site, improving their health and fitness.

EARTHBALANCE 2000

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

The existing buildings and curtilage continue to be improved and the site is gradually seeing a larger number of public visitors being attracted to utilise the open public spaces, visit on site tenants and be welcomed into the community. Works have been ongoing to maintain and tidy up the site, reinstate existing landscaped areas, roads, paths and bridleways, and to progress new works to enhance the site.

The Men's Shed group continues to become an increasingly important part of the centre site, with the members carrying out works to support other tenants and the local community. They are independent of the Earth Balance 2000 charity but continue to be encouraged in their work on the site and in the local community and have worked closely with the national Men's Shed organisation to grow and improve their offer. We currently provide some safe, indoor space for the group to work from and we helped them to register as an independent charity a number of years ago.

A significant achievement during the year, was the continued work with an external stakeholder on the future sustainable development of the site. We have worked as a team with the trading company and our legal advisors to ensure that the agreement reflects the best way forward for the local community and for the charity.

EARTHBALANCE 2000

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

Financial review

The Charity continues to manage its finances on a stable basis, and has maintained a level of cash during the year. The COVID crisis had a significant impact on tenants from revising hours of operation, closing down completely through to claiming government support and modifying properties to accommodate a new way of working. Some tenants have emerged from the COVID pandemic stronger and some have struggled both in terms of retaining old customers and attracting new. The Earth Balance Charity and subsidiary Trading Company did not access any government COVID grants during the period but did access a CBILS loan to support future development costs.

The Trustees and General Manager have worked hard during the year to manage income and expenditure with the Trustees relying on 'General Manager' consultancy support to be able to deliver existing services and responsibilities at a minimal cost and long-term liability to the charity.

The financial position for the period shows income over expenditure of £578,716 mainly due to an exceptional item (an improvement on a £9,536 deficit in 2021). During the year, we have had to incur a number of legal costs to support our defending of a legal matter. This results in a balance of £174,528 on restricted funds (£176,425 in 2021), and unrestricted funds of £404,830 (a deficit of £175,783 in 2021). The cash position of £26,737 (£18,741 in 2020) has increased thanks to a small CBILS loan of £13,688, which is being paid back in accordance with loan terms, and the Trustees will seek to increase the cash balance into the future, which will provide further resilience for the charity.

The trustees have kept abreast of the charitable company's deficient unrestricted reserves and have taken action to continue to cut costs, increase income and redress this position and at the same time maintain and improve the site and buildings. There have been a number of improvements made to the site which has reduced the cash position, however, have been necessary to the upkeep of the site. This includes updating certifications for water, electricity, fire safety and certification and general site improvements to common areas, paths and shared area. In addition, the charity has had to maintain legal support as per the note below, which has required considerable time, effort and cost for trustees to understand and act against.

The financial statements show an exceptional income item which is a previous liability which has now become not a liability, following considerable support from our legal advisors .

The balance owing to Orca DMCC for work done on the site originated from negotiations between one of the trustees of Earth Balance and a representative from Orca DMCC. The level of work done was always difficult to substantiate

After the 2021 year end the trustees appointed a firm of solicitors to review evidence of work done and any accompanying documentation. After the review it was decided Orca DMCC had no adequate evidence to support their claim that monies were owed. Following the year end Orca DMCC legal team have demanded various payments . These amounts all differ to such a degree that it is not possible to quantify the amount owed . Hence it is considered that a contingent liability note in the accounts is more suitable . The amount previously included as a liability has been decided to be written off and treated as an exceptional item.

The trustees are delighted that at the year end the unrestricted reserves are once again in surplus and the Trustees will again set a budget for the following year to show a surplus generated through the plans in place and continue to monitor progress against budget on a monthly basis.

The financial statements, which have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS 102) and comply with the charity's governing documents

EARTHBALANCE 2000

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

It is the policy of the charitable company to aim to achieve unrestricted funds, which are the free reserves of the charitable company, that equate to approximately six months running costs within the next few years. This will provide sufficient funds to cover management, administration and support costs. The Charity is currently not able to meet this level and so we will seek to reduce and manage our limited costs and maximise income to be able to do so in future periods. The subsidiary trading company generates a profit and has plans to generate a significant profit in future periods, and so we envisage financial support to the charity will follow in the next financial year, particularly with respect to reducing the outstanding liability.

The trustees have assessed the major risks to which the charity and its subsidiary trading company is exposed, in particular those relating to the operations and finances of the charitable company and are satisfied that systems are in place to mitigate our exposure to the major risks. A risk register maintains the risks and mitigations and is discussed by Trustees at each meeting.

Our main objective for future periods is to optimise the potential sustainable development on our site for the benefit of the local community and the protection and enhancement of the site. This work will continue into the next financial year with a new tenant joining us in the kitchen buildings and to complete the work to find and engage with an external stakeholder to carry forward the full site development. Any future development will have to carefully consider the national changes brought about by COVID.

A significant announcement was made shortly after the year end that a gigaplant was to be built within 2km of the site. This will greatly affect the potential future of the site and something which the trustees and trading company will work hard to integrate with throughout 2021 and into 2022 as they begin construction of this site. To give a sense of perspective, there will be 3,000 jobs delivered by the site as well as an estimated further 5,000 in the area. This, along with the improved and reinvigorated trainline, means that the site has huge potential to positively influence housing, health and future economic impact of the local community for the better.

The trustees would continue to engage with the local Wildlife Trust, who are seeking a northern pilot for a national scheme called 'Building With Nature' which will ensure that any development work on site will meet rigorous standards and, in time we hope, accreditation.

In any future potential partnership, we would aim to bring energy generation to the fore of the next stage of the site development and in researching and delivering new and innovative ways to produce energy. There are partners who have significant experience with the zero carbon agenda and so we look forward to future developments meeting zero carbon standards and playing our part in driving environmental innovation.

Work over the winter saw further maintenance and development of the pond system as well as winter maintenance of shared areas and working together with Northumberland County Council and their partners Aecom to provide access and support for the investigation works on the railway line.

The trustees will continue to work with wider partners, including Northumberland County Council, Northumbria NHS Trust, the local Parish councils, the local councillors and the local community nearby, to consider how the site can best deliver sustainable development for the area. The opportunity is now timely and significant for the site, with the creation of 300 high quality jobs, investment of over £50 million and a number of other benefits to follow. The trustees and trading company continue to be focussed in the coming year on this development work and in bringing sustainable development of the site to fruition.

EARTHBALANCE 2000

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management

The charitable company is limited by guarantee and its governing document is its Memorandum and Articles of Association, dated 6th October 2000 and last amended 16th April 2008.

Earth Balance 2000 ("The Charity") is currently a "Small Charity" (as defined in the Charity Act 2011) and below the audit threshold. It is based at West Sleekburn Farm in the heart of South East Northumberland.

The Governing body of the charitable company are the trustees who meet regularly to decide overall financial policy matters. The trustees meet at least quarterly to review finances and operational matters.

The directors of the charitable company, also act as trustees of the charitable company.

New members of the board are elected by nominating bodies during General Meetings.

The articles of association restricts members to a minimum and maximum of five which has been maintained throughout the year.

The trustees maintain a well mixed skill base of expertise and ensure that where members resign, suitable replacement candidates are sought.

Most members are already familiar with the practical work and objectives of the charitable company bringing their own relevant and unique skills and receive an induction upon joining.

Since the formation of the charitable company it has been a main priority for the board to maintain a viable business operation that maximised income and kept operational costs to a minimum whilst furthering the charitable aims and objectives of delivering sustainable development for the Earth Balance site.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr D P Wilkinson FCA (Resigned 18 March 2022)

Mr T Fraser

Mr G Kemp

Mr D Ledger

Mrs J M Nixon

Mr P C Hardisty (Appointed 18 March 2022)

The trustees' report was approved by the Board of Trustees.

Mr D Ledger

Trustee

Dated: 28 November 2022

EARTHBALANCE 2000

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EARTHBALANCE 2000

I report to the trustees on my examination of the financial statements of Earthbalance 2000 (the charity) for the year ended 31 March 2022.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of , which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

A K Dunn BA (Hons) ACA

St Matthews House
Haugh Lane
Hexham
Northumberland
NE46 3PU

Dated: 28 November 2022

EARTHBALANCE 2000

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<u>Income from:</u>					
Donations and legacies	3	1,418	-	1,418	5,000
Charitable activities	4	116,227	-	116,227	34,668
Exceptional item	5	600,000	-	600,000	-
Total income		<u>717,645</u>	<u>-</u>	<u>717,645</u>	<u>39,668</u>
<u>Expenditure on:</u>					
Charitable activities	6	<u>137,032</u>	<u>1,897</u>	<u>138,929</u>	<u>49,204</u>
Net income/(expenditure) for the year/ Net movement in funds		580,613	(1,897)	578,716	(9,536)
Fund balances at 1 April 2021		<u>(175,783)</u>	<u>176,425</u>	<u>642</u>	<u>10,178</u>
Fund balances at 31 March 2022		<u><u>404,830</u></u>	<u><u>174,528</u></u>	<u><u>579,358</u></u>	<u><u>642</u></u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

EARTHBALANCE 2000

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	9		563,428		569,552
Investments	10		1		1
			<u>563,429</u>		<u>569,553</u>
Current assets					
Debtors	11	5,889		32,247	
Cash at bank and in hand		26,737		18,741	
		<u>32,626</u>		<u>50,988</u>	
Creditors: amounts falling due within one year	13	(6,665)		(7,351)	
Net current assets			<u>25,961</u>		<u>43,637</u>
Total assets less current liabilities			589,390		613,190
Creditors: amounts falling due after more than one year	14		(10,032)		(612,548)
Net assets			<u>579,358</u>		<u>642</u>
Income funds					
Restricted funds	15		174,528		176,425
Unrestricted funds			404,830		(175,783)
			<u>579,358</u>		<u>642</u>

EARTHBALANCE 2000

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 by the Trustees on 28 November 2022

Mr D Ledger
Trustee

Company registration number 04088392

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Earthbalance 2000 is a private company limited by guarantee incorporated in England and Wales. The registered office is West Sleekburn Farm, Bomarsund, Bedlington, Northumberland, NE22 7AD.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees' continue to adopt the going concern basis of accounting in preparing the accounts. The validity of the going concern basis is dependent upon current and future sources of funding or support being sufficient for the charitable company to continue its operations.

The trustees continue to keep the business model under careful review to ensure careful management of resources while maintaining a capacity to benefit from new opportunities. This strategy will allow the company to return to surplus and the trustees are confident in the longer term the company will generate funds to repay creditors.

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are held for use on specific purposes as determined by restrictions imposed by the funders.

Fixed assets - restricted funds

Earthbalance 2000, a company limited by guarantee, having its primary purpose to provide support and facilitate the creation of opportunities for enterprise and education that work in harmony with the environment through the demonstration of environmentally sustainable practices holds assets, partly financed by grants that can only be used for such expenditure.

- Expenditure incurred on fixed assets is capitalised. The fixed asset being depreciated over their useful economic life in accordance with the charitable company's policy.
- Grant and assistance received specifically to finance the expenditure is credited to a restricted fund.

1.4 Incoming resources

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is recognised on an accrual basis as a liability is incurred.

Charitable expenditure comprises those costs incurred by the charity in the delivery of activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the examination fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. management time.

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All fixed assets are initially recorded at cost.

Depreciation is calculated to write off the cost less estimated residual value, over the economic life of that asset as follows:

Leasehold property	Over remaining life of the 98 year lease
Fixtures, fittings & equipment	20% Straight line

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Total
	2022	2021
	£	£
Donations and gifts	1,418	5,000
	<u>1,418</u>	<u>5,000</u>
Donations and gifts		
NHS Winter Resilience Grant	-	5,000
Gift aid from Subsidiary	1,418	-
	<u>1,418</u>	<u>5,000</u>

4 Charitable activities

	Rent receivable 2022	Rent receivable 2021
	£	£
Sales within charitable activities	116,227	34,668
	<u>116,227</u>	<u>34,668</u>

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

5 Exceptional item

The balance owing to Orca DMCC for work done on the site originated from negotiations between one of the trustees of Earth Balance and a representative from Orca DMCC. The level of work done was always difficult to substantiate. However after the 2021 year end the trustees appointed a firm of solicitors to review evidence of work done and any accompanying documentation. After the review it was decided Orca DMCC had no adequate evidence to support their claim that monies were owed. Following the year end Orca DMCC legal team have demanded various payments. These amounts all differ to such a degree that it is not possible to quantify the amount owed. Hence it is considered that a contingent liability note in the accounts is more suitable. The amount previously included as a liability has been decided to be written off and treated as an exceptional item.

6 Charitable activities

	2022 £	2021 £
Depreciation	6,124	6,124
Running costs of Earthbalance site	36,482	39,593
	<u>42,606</u>	<u>46,421</u>
Support costs	95,869	1,270
Governance costs	2,250	2,643
	<u>138,929</u>	<u>49,204</u>
Analysis by fund		
Unrestricted funds	137,032	
Restricted funds	1,897	
	<u>138,929</u>	
For the year ended 31 March 2021		
Unrestricted funds		47,307
Restricted funds		1,897
		<u>49,204</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year.

In the accounts of the subsidiary, Earth Balance 2000 Trading Company Limited, payments of £14,000 were made to directors of the subsidiary, who are also Trustees of the Charity, in respect of self employed consultancy services.

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

8 Employees

There were no employees during the year.

9 Tangible fixed assets

	Leasehold property	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2021	670,629	3,521	674,150
At 31 March 2022	670,629	3,521	674,150
Depreciation and impairment			
At 1 April 2021	101,078	3,520	104,598
Depreciation charged in the year	6,124	-	6,124
At 31 March 2022	107,202	3,520	110,722
Carrying amount			
At 31 March 2022	563,427	1	563,428
At 31 March 2021	569,551	1	569,552

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

10 Fixed asset investments

		Other investments
Cost or valuation		
At 1 April 2020 & 31 March 2021		1
Carrying amount		
At 31 March 2022		1
At 31 March 2021		1

	Notes	2022 £	2021 £
Other investments comprise:			
Investments in subsidiaries	19	1	1

11 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	2,578	22,940
Other debtors	3,311	9,307
	5,889	32,247

12 Loans and overdrafts

	2022 £	2021 £
Bank loans	12,830	13,688
Loans from subsidiary undertakings	2,092	3,510
	14,922	17,198
Payable within one year	4,890	4,650
Payable after one year	10,032	12,548

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

13 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	12	2,798	1,140
Other borrowings		2,092	3,510
Other taxation and social security		-	501
Accruals and deferred income		1,775	2,200
		<u>6,665</u>	<u>7,351</u>

14 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	12	10,032	12,548
Other creditors		-	600,000
		<u>10,032</u>	<u>612,548</u>

15 Restricted funds

The funds of the charity include restricted funds comprising the following balances held on trust for specific purposes:

	Balance at 1 April 2020 £	Resources expended £	Balance at 1 April 2021 £	Resources expended £	Balance at 31 March 2022 £
Visitor centre	<u>178,322</u>	<u>(1,897)</u>	<u>176,425</u>	<u>(1,897)</u>	<u>174,528</u>

16 Analysis of net assets between funds

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	388,900	174,528	563,428	393,127	176,425	569,552
Investments	1	-	1	1	-	1
Current assets/(liabilities)	25,961	-	25,961	43,637	-	43,637
Long term liabilities	(10,032)	-	(10,032)	(612,548)	-	(612,548)
	<u>404,830</u>	<u>174,528</u>	<u>579,358</u>	<u>(175,783)</u>	<u>176,425</u>	<u>642</u>

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

17 Capital commitments

The charitable company had not contracted for any capital commitments as at 31 March 2022 (2021 - None).

18 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

19 Subsidiaries

These financial statements are separate charity financial statements for Earthbalance 2000.

Details of the charity's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Earth Balance 2000 Trading Company Limited	England & Wales	Trading Arm of Charity	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from these accounts was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Earth Balance 2000 Trading Company Limited	6,991	7,860

EARTH BALANCE 2000

England & Wales - Charity number 1083225

Accounts

Charity Registration No. 1083225

Company Registration No. 04088392 (England and Wales)

EARTHBALANCE 2000
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

EARTHBALANCE 2000

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr D P Wilkinson FCA Mr T Fraser Mr G Kemp Mr D Ledger Mrs J M Nixon	(Appointed 1 August 2020)
Secretary	Mr K Nicholson	
Charity number	1083225	
Company number	04088392	
Principal address	West Sleekburn Farm Bomarsund Bedlington Northumberland NE22 7AD	
Registered office	West Sleekburn Farm Bomarsund Bedlington Northumberland NE22 7AD	
Independent examiner	A K Dunn BA (Hons) ACA St Matthews House Haugh Lane Hexham Northumberland NE46 3PU	
Bankers	HSBC Bank PLC 110 Grey Street Newcastle upon Tyne NE1 6JG	
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF	

EARTHBALANCE 2000

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EARTHBALANCE 2000

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and the unaudited accounts of the charity for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charitable company provides a public benefit through the promotion of urban or rural regeneration and support for enterprise, education and employment; conservation of the environment. It also promotes physical and mental health and the relief of sickness and the promotion of sustainable development through the regeneration of the Earth Balance site.

The trustees seek to provide important local and public support for enterprise and employment through the provision of premises and land. This has been very successful with the majority of properties being occupied by tenants. In addition, the site saw an increased number of the general public visiting the site to access the natural resources available there during lockdown.

Over the last year, the Trustees have supported the tenants and the local community through a very difficult period where the COVID pandemic spread throughout the world. This had a profound impact on the site and the tenants, however, thanks to a lot of hard work and communication, all of our tenants have survived the crisis, are still on site, and are supporting the local communities they serve.

The Trustees worked hard during this period to deliver the charitable objects and carry out activities. This included continuing discussions about the future of the site with Northumberland County Council, the local Parish Council Disabled Group, some hard to reach sections of the local community, local businesses, the incoming British Volt development nearby and local residents. In particular, there continues to be an open dialogue aspect to the work of the charity which ensures that the charity develops work in line with those it serves. The Trustees have been successful in establishing positive working relationships with all these stakeholders which has provided the charity with a strong and sustainable base from which it can continue to regenerate the site.

During the year, work continued on the planning consultation process around the Health and Wellbeing Village and housing by engaging positively with the local planning consultation and review. This resulted in the charity defraying expenditure as part of a formal planning 'Pre App' process with Northumberland County Council which helped to highlight our future aspirations for the site with the planning team. The Health and Wellbeing Village will feature in the centre of the site, complementing the Proton Therapy Cancer Centre. We are undertaking this work sensitively with partners and at a pace suited to regenerating the site in line with our objects whilst meeting local community needs. The regeneration needed requires meeting future housing, health and social care needs and responding to the current and future needs of those accessing the site today and in the future.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

EARTHBALANCE 2000

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance

The site covers an area of 116.3 Acres (47.09 Hectares) that straddles the South East Northumberland railway line to Ashington and Lynemouth, the proposed "Northumberland Line" within ten minutes of Bedlington Station. It is bordered by the A189 and has two power lines running through the site. The 'Sleekburn' runs through the site to an estuary with a salt marsh as a designated Nature Reserve and the Northumberland Shore Site of Special Scientific Interest is located 2km south-east of the site. The site plays an important part of the ecology of the local area and our response to the pre-app demonstrated a number of unique and important site features.

The site has maintained its organic status via the Soil Association for another year for the soil and fishery and is home to a diverse mix of wildlife, with onsite habitat protection and enhancement.

The site features habitats that are created to support specific wildlife needs, wetland habitats that support a startling array of water birds. The site has also maintained one of the highest rated Soil Association aquaculture system for breeding of Organic Brown and Rainbow Trout, an area of the site which has been maintained to a high standard once again over the year.

The charity's wholly owned trading subsidiary has allowed it to carry out trading activity, managing the risk at arms length from the charity and allowing the trading company to maximise the current trading opportunities for the site's development. The trading company has two shared board members with the charity to maintain a high level of shared understanding at a strategic level and is supported by the charity to help achieve its charitable objects. The Trading Company made a small profit during the year but continued to make significant progress in developing out the site in accordance with the main charitable object of sustainable development. The charity works closely with professional advisors to ensure that activities are carried out in accordance with charity law.

During the year the charity provided:

- Protection of the environment and wild life through the maintenance and protection of 116.3 acres of land, in the heart of an urban area, that has become home to a wide range of wildlife not normally seen in the area.
- Maintenance of statutory rights of way.
- Provision on site of one of only three proton therapy cancer centres in England, providing new and cutting edge treatment to cancer patients, bringing over £30M of capital investment to the site, adding significant and unique value to the region's healthcare offer.
- Information provided in response to enquiries from the general public for information advice and guidance about the site.
- Approximately 20,000 bags of organic vegetables and fruit were produced and delivered from the site to the general public.
- 20 men and women from the local area regularly enjoyed using the Earth Balance Shed, making projects for the community or for themselves as well as receiving the important health giving benefits of socialising. All free of charge and funded by the charity.
- 56 places per week, 2,800 interventions for disabled adults, learning practical, business, social and life skills based around the creative recycling of textiles.
- Up to 500 children and young people with autism supported by the number one Northumberland based specialist early intervention and post-diagnostic centre for autism.
- 39 individuals with forensic or mental and physical learning needs accessed horticultural activities and support free of charge which equates to 1,872 individual interventions.
- 500 young people and adults attended dance and fitness sessions on the site, improving their health and fitness.

EARTHBALANCE 2000

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

The existing buildings and curtilage continue to be improved and the site is gradually seeing a larger number of public visitors being attracted to utilise the open public spaces, visit on site tenants and be welcomed into the community. Works have been ongoing to maintain and tidy up the site, reinstate existing landscaped areas, roads, paths and bridleways, and to progress new works to enhance the site, albeit this slowed down over the COVID lockdown period due to difficulties in the availability of trades able to work on the site.

The Men's Shed group continues to become an increasingly important part of the centre site, with the members carrying out works to support other tenants and the local community. They are independent of the Earth Balance 2000 charity but continue to be encouraged in their work on the site and in the local community and have worked closely with the national Men's Shed organisation to grow and improve their offer. We currently provide some safe, indoor space for the group to work from.

A significant achievement during the year, was the continued work with an external stakeholder on the future sustainable development of the site. We have worked as a team with the trading company and our legal advisors to ensure that the agreement reflects the best way forward for the local community and for the charity.

EARTHBALANCE 2000

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

Financial review

The Charity continues to manage its finances on a stable basis, and has maintained a level of cash during the year. The COVID crisis had a significant impact on tenants from revising hours of operation, closing down completely through to claiming government support and modifying properties to accommodate a new way of working. Some tenants have emerged from the COVID pandemic stronger and some have struggled both in terms of retaining old customers and attracting new. The Earth Balance Charity and subsidiary Trading Company did not access any government COVID grants during the period. A grant in support of developing the charity over the next period was received during the year and has already had an impact on our ability to sustainably deliver the site for the future, especially during and after the COVID pandemic.

The Trustees and General Manager have worked hard during the year to manage income and expenditure with the Trustees relying on 'General Manager' consultancy support to be able to deliver existing services and responsibilities at a minimal cost and long-term liability to the charity.

The financial position for the period shows a deficit of income over expenditure of £9,536 (an improvement on £19,269 in 2020). During the year, we had predicted support towards the cost of conducting a pre-app planning exercise at circa £10,000 which would have meant a break-even position at the year end. This results in a balance of £176,425 on restricted funds (£178,322 in 2020), and a net deficit in respect of unrestricted funds of £175,783 (£168,144 in 2020). The cash position of £18,741 (£6,665 in 2020) has increased thanks to a small CBILS loan of £13,688 and the Trustees will seek to increase the cash balance into the future, which will provide further resilience for the charity.

The trustees have kept abreast of the charitable company's deficient unrestricted reserves and have taken action to continue to cut costs, increase income and redress this position and at the same time maintain and improve the site and buildings. There have been a number of improvements made to the site which has reduced the cash position, these have been necessary to the upkeep of the site. This includes updating certifications for water, electricity, fire safety and certification and general site improvements to common areas, paths and shared area.

The financial statements show a large creditor, which includes an interest-free, long term loan which has been taken in accordance with Charity law as best value for the charity following a considered approach, supported by our solicitors Muckle LLP, guidance. The long-term loan appears as part of the Creditors amount falling due after more than one year. In addition, the Trustees have continued a further year without the need for any staffing costs, utilising consultants to meet operational need without the need for any external funding.

The trustees recognise that at the year end the unrestricted reserves are deficient and the Trustees will again set a budget for the following year to show a surplus generated through the plans in place and continue to monitor progress against budget on a monthly basis.

The financial statements, which have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS 102) and comply with the charity's governing documents

It is the policy of the charitable company to aim to achieve unrestricted funds, which are the free reserves of the charitable company, that equate to approximately six months running costs within the next few years. This will provide sufficient funds to cover management, administration and support costs. The Charity is currently not able to meet this level and so we will seek to reduce and manage our limited costs and maximise income to be able to do so in future periods. The subsidiary trading company generates a profit and has plans to generate a significant profit in future periods, and so we envisage financial support to the charity will follow in 2021/22, particularly with respect to reducing the outstanding liability.

The trustees have assessed the major risks to which the charity and its subsidiary trading company is exposed, in particular those relating to the operations and finances of the charitable company and are satisfied that systems are in place to mitigate our exposure to the major risks. A risk register maintains the risks and mitigations and is discussed by Trustees at each meeting.

EARTHBALANCE 2000

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

Our main objective for future periods is to optimise the potential sustainable development on our site for the benefit of the local community and the protection and enhancement of the site. This work will continue into the next financial year with a new tenant joining us in the kitchen buildings and to complete the work to find and engage with an external stakeholder to carry forward the full site development. Any future development will have to carefully consider the national changes brought about by COVID.

A significant announcement was made shortly after the year end that a gigaplant was to be built within 2km of the site. This will greatly affect the potential future of the site and something which the trustees and trading company will work hard to integrate with throughout 2021 and into 2022 as they began construction of this site. To give a sense of perspective, there will be 3,000 jobs delivered by the site as well as an estimated further 5,000 in the area. This, along with the improved and reinvigorated trainline, means that the site has huge potential to positively influence housing, health and future economic impact of the local community for the better.

The trustees will continue to engage with the local Wildlife Trust, who are seeking a northern pilot for a national scheme called 'Building With Nature' which will ensure that any development work on site will meet rigorous standards and, in time we hope, accreditation.

In any future potential partnership, we would aim to bring energy generation to the fore of the next stage of the site development and in researching and delivering new and innovative ways to produce energy. There are partners who have significant experience with the zero carbon agenda and so we look forward to future developments meeting zero carbon standards and playing our part in driving environmental innovation.

Work over the winter saw further maintenance and development of the pond system as well as winter maintenance of shared areas and working together with Northumberland County Council and their partners Aecom to provide access and support for the investigation works on the railway line.

The trustees will continue to work with wider partners, including Northumberland County Council, Northumbria NHS Trust, the local Parish councils, the local councillors and the local community nearby, to consider how the site can best deliver sustainable development for the area. The opportunity is now timely and significant for the site, with the creation of 300 high quality jobs, investment of over £50 million and a number of other benefits to follow. The trustees and trading company continue to be focussed in the coming year on this development work and in bringing sustainable development of the site to fruition.

EARTHBALANCE 2000

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management

The charitable company is limited by guarantee and its governing document is its Memorandum and Articles of Association, dated 6th October 2000 and last amended 16th April 2008. Earth Balance 2000 ("The Charity") is currently a "Small Charity" (as defined in the Charity Act 2011) and below the audit threshold. It is based at West Sleekburn Farm in the heart of South East Northumberland.

The Governing body of the charitable company are the trustees who meet regularly to decide overall financial policy matters. The trustees meet at least quarterly to review finances and operational matters.

The directors of the charitable company, also act as trustees of the charitable company.

New members of the board are elected by nominating bodies during General Meetings.

The articles of association restricts members to a minimum and maximum of five which has been maintained throughout the year.

The trustees maintain a well mixed skill base of expertise and ensure that where members resign, suitable replacement candidates are sought.

Most members are already familiar with the practical work and objectives of the charitable company bringing their own relevant and unique skills and receive an induction upon joining.

Since the formation of the charitable company it has been a main priority for the board to maintain a viable business operation that maximised income and kept operational costs to a minimum whilst furthering the charitable aims and objectives of delivering sustainable development for the Earth Balance site.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr D P Wilkinson FCA

Mr T Fraser

Dr D R Kell (Resigned 1 August 2020)

Mr G Kemp

Mr D Ledger

Mrs J M Nixon (Appointed 1 August 2020)

The trustees' report was approved by the Board of Trustees.

.....
Mr D P Wilkinson FCA

Trustee

Dated:

.....
Mr D Ledger

Trustee

Dated:.....

EARTHBALANCE 2000

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EARTHBALANCE 2000

I report to the trustees on my examination of the financial statements of Earthbalance 2000 (the charity) for the year ended 31 March 2021.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

A K Dunn BA (Hons) ACA

St Matthews House
Haugh Lane
Hexham
Northumberland
NE46 3PU

Dated:

EARTHBALANCE 2000

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<u>Income from:</u>					
Donations and legacies	3	5,000	-	5,000	1,543
Charitable activities	4	34,668	-	34,668	29,522
Total income		<u>39,668</u>	<u>-</u>	<u>39,668</u>	<u>31,065</u>
<u>Expenditure on:</u>					
Charitable activities	5	<u>47,307</u>	<u>1,897</u>	<u>49,204</u>	<u>50,334</u>
Net expenditure for the year/ Net movement in funds		<u>(7,639)</u>	<u>(1,897)</u>	<u>(9,536)</u>	<u>(19,269)</u>
Fund balances at 1 April 2020		<u>(168,144)</u>	<u>178,322</u>	<u>10,178</u>	<u>29,447</u>
Fund balances at 31 March 2021		<u><u>(175,783)</u></u>	<u><u>176,425</u></u>	<u><u>642</u></u>	<u><u>10,178</u></u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

EARTHBALANCE 2000

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	8	569,552		575,676	
Investments	9	1		1	
		<u>569,553</u>		<u>575,677</u>	
Current assets					
Debtors	10	32,247		32,635	
Cash at bank and in hand		18,741		6,665	
		<u>50,988</u>		<u>39,300</u>	
Creditors: amounts falling due within one year	12	<u>(7,351)</u>		<u>(4,799)</u>	
Net current assets			43,637		34,501
Total assets less current liabilities			613,190		610,178
Creditors: amounts falling due after more than one year	13		(612,548)		(600,000)
Net assets			<u>642</u>		<u>10,178</u>
Income funds					
Restricted funds	14	176,425		178,322	
Unrestricted funds		(175,783)		(168,144)	
		<u>642</u>		<u>10,178</u>	

EARTHBALANCE 2000

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 by the Trustees on

.....
Mr D P Wilkinson FCA
Trustee

.....
Mr D Ledger
Trustee

Company Registration No. 04088392

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Earthbalance 2000 is a private company limited by guarantee incorporated in England and Wales. The registered office is West Sleekburn Farm, Bomarsund, Bedlington, Northumberland, NE22 7AD.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees' continue to adopt the going concern basis of accounting in preparing the accounts. The validity of the going concern basis is dependent upon current and future sources of funding or support being sufficient for the charitable company to continue its operations.

The trustees continue to keep the business model under careful review to ensure careful management of resources while maintaining a capacity to benefit from new opportunities. This strategy will allow the company to return to surplus and the trustees are confident in the longer term the company will generate funds to repay creditors.

ORCA Steel DMCC have confirmed that any loan made will not be demanded for repayment within at least another 12 months.

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are held for use on specific purposes as determined by restrictions imposed by the funders.

Fixed assets - restricted funds

Earthbalance 2000, a company limited by guarantee, having its primary purpose to provide support and facilitate the creation of opportunities for enterprise and education that work in harmony with the environment through the demonstration of environmentally sustainable practices holds assets, partly financed by grants that can only be used for such expenditure.

- Expenditure incurred on fixed assets is capitalised. The fixed asset being depreciated over their useful economic life in accordance with the charitable company's policy.
- Grant and assistance received specifically to finance the expenditure is credited to a restricted fund.

1.4 Incoming resources

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

1.5 Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred.

Charitable expenditure comprises those costs incurred by the charity in the delivery of activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the examination fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. management time.

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All fixed assets are initially recorded at cost.

Depreciation is calculated to write off the cost less estimated residual value, over the economic life of that asset as follows:

Leasehold property	Over remaining life of the 98 year lease
Fixtures, fittings & equipment	20% Straight line

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Total
	2021 £	2020 £
Donations and gifts	5,000	1,543
	<u>5,000</u>	<u>1,543</u>
Donations and gifts		
NHS Winter Resilience Grant	5,000	-
Gift aid from Subsidiary	-	1,543
	<u>5,000</u>	<u>1,543</u>
	<u>5,000</u>	<u>1,543</u>

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

	Rent receivable 2021 £	Rent receivable 2020 £
Sales within charitable activities	34,668	29,522

5 Charitable activities

	2021 £	2020 £
Depreciation and impairment	6,124	6,828
Running costs of Earthbalance site	36,482	39,593
	<u>42,606</u>	<u>46,421</u>
Support costs	4,348	1,270
Governance costs	2,250	2,643
	<u>49,204</u>	<u>50,334</u>
Analysis by fund		
Unrestricted funds	47,307	
Restricted funds	1,897	
	<u>49,204</u>	
For the year ended 31 March 2020		
Unrestricted funds		48,437
Restricted funds		1,897
		<u>50,334</u>

6 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year.

In the accounts of the subsidiary, Earth Balance 2000 Trading Company Limited, payments of £12,000 were made to directors of the subsidiary, who are also Trustees of the Charity, in respect of self employed consultancy services.

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

7 Employees

There were no employees during the year.

8 Tangible fixed assets

	Leasehold property	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2020	670,629	3,521	674,150
At 31 March 2021	670,629	3,521	674,150
Depreciation and impairment			
At 1 April 2020	94,954	3,520	98,474
Depreciation charged in the year	6,124	-	6,124
At 31 March 2021	101,078	3,520	104,598
Carrying amount			
At 31 March 2021	569,551	1	569,552
At 31 March 2020	575,675	1	575,676

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

9 Fixed asset investments

	Other investments
Cost or valuation	
At 1 April 2019 & 31 March 2020	1
Carrying amount	
At 31 March 2021	1
At 31 March 2020	1

	2021 £	2020 £
Other investments comprise:	Notes	
Investments in subsidiaries	19	1

10 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	22,940	20,838
Amounts owed by subsidiary undertakings	-	2,490
Other debtors	9,307	9,307
	32,247	32,635

11 Loans and overdrafts

	2021 £	2020 £
Bank loans	13,688	-
Loans from subsidiary undertakings	3,510	-
	17,198	-
Payable within one year	4,650	-
Payable after one year	12,548	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

12 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	11	1,140	-
Other borrowings		3,510	-
Other taxation and social security		501	194
Accruals and deferred income		2,200	4,605
		<u>7,351</u>	<u>4,799</u>

13 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	11	12,548	-
Other creditors		600,000	600,000
		<u>612,548</u>	<u>600,000</u>

14 Restricted funds

The funds of the charity include restricted funds comprising the following balances held on trust for specific purposes:

	Balance at 1 April 2019 £	Resources expended £	Balance at 1 April 2020 £	Resources expended 31 March 2021 £	Balance at 31 March 2021 £
Visitor centre	180,219	(1,897)	178,322	(1,897)	176,425

15 Analysis of net assets between funds

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:						
Tangible assets	393,127	176,425	569,552	397,354	178,322	575,676
Investments	1	-	1	1	-	1
Current assets/ (liabilities)	43,637	-	43,637	34,501	-	34,501
Long term liabilities	(612,548)	-	(612,548)	(600,000)	-	(600,000)
	<u>(175,783)</u>	<u>176,425</u>	<u>642</u>	<u>(168,144)</u>	<u>178,322</u>	<u>10,178</u>

EARTHBALANCE 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

16 Financial commitments, guarantees and contingent liabilities

Over the past few years Orca DMCC have supported the Charity in a number of ways, including the general maintenance and improvements to buildings on site and the wider site itself. This has helped make ready the site for our planned future developments in line with our Charitable objectives. Through negotiations for the site improvement work previously mentioned in last years accounts the uplift has been agreed and has taken the liability provided in these accounts to £600,000. There are further ongoing discussions regarding the value of any additional site improvement works but the trustees do not believe these amounts are significant.

17 Capital commitments

The charitable company had not contracted for any capital commitments as at 31 March 2020 (2019 - None).

18 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

19 Subsidiaries

These financial statements are separate charity financial statements for Earthbalance 2000.

Details of the charity's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Earth Balance 2000 Trading Company Limited	England & Wales	Trading Arm of Charity	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from these accounts was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Earth Balance 2000 Trading Company Limited	2,227	2,287