

Charity registration number 1097098

Company registration number 04457125 (England and Wales)

FENLAND AREA COMMUNITY ENTERPRISE TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

FENLAND AREA COMMUNITY ENTERPRISE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J Potter W Papworth G Ashby D Bye S Burrows K Pratt P McEvoy
Secretary	J Turner
Chief Executive Officer	L Ingram
Charity number	1097098
Company number	04457125
Registered office	Marwick Centre 21 Marwick Road March Cambridgeshire United Kingdom PE15 8PH
Auditor	Azets Audit Services Ruthlyn House 90 Lincoln Road Peterborough Cambridgeshire United Kingdom PE1 2SP
Bankers	Barclays Bank PLC 12 Old Market Wisbech Cambridgeshire United Kingdom PE13 1NN
Solicitors	Hunt and Coombs Solicitors 35 Thorpe Road Peterborough United Kingdom PE3 6AG

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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FENLAND AREA COMMUNITY ENTERPRISE TRUST

CHAIRWOMAN'S STATEMENT

FOR THE YEAR ENDED 31 JULY 2022

Letter from our Chairwoman, Wendy Papworth



This is now my third year as Chairwoman of the Board of Trustees for FACET.

2021/2022 continued to present challenges as we worked through the impact of the Covid-19 pandemic. But as you will see from the detailed report under Achievements and Performance much has been achieved despite certain restrictions.

We continue to invest in our student centres, both the main site at Marwick Road and FACET in Town with our “multiFACETed” project, developing facilities to support students with increasingly complex needs but also providing a safe, pleasant and stimulating space for both students and staff.

The Board will always focus on the financial stability of the charity. Our revenue streams and investment in our shops; e-Bay selling and modern accounting systems are examples which help to drive income and reduce costs. Like many organisations we are very aware of our carbon footprint and we have some interesting projects in the pipeline to ensure our facilities are environmentally sustainable.

In June 2022 FACET celebrated its twentieth anniversary and it was lovely to see our students and staff celebrate together. As Trustees, we are incredibly thankful to the senior team who directly support the Board and to all the staff and volunteers who ensure the smooth running of the charity. The Board are always mindful that our students and their parents/carers choose to come to FACET and be part of our community and we appreciate the trust placed in the charity to deliver for each and every student.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

CHAIRWOMAN'S STATEMENT

FOR THE YEAR ENDED 31 JULY 2022

Finally, I wish to thank our CEO, Linda Ingram and our Company Secretary, Jane Turner who provide guidance and support to the Board. This year we welcomed three new Trustees to the Board which has boosted the wide range of experience and knowledge. I thank all the Trustees for their time and contribution to the Board and the charity.

Wendy Paprworth

Chairwoman

Dated: 18 April 2023

FENLAND AREA COMMUNITY ENTERPRISE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 JULY 2022

The trustees present their annual report and financial statements for the year ended 31 July 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements 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) (effective 1 January 2019)". Reference has also been made to the Charity Commission's publication on Charities and Public Benefit.

Legal Status

As a company limited by guarantee No: 4457125, the Fenland Area Community Enterprise Trust, also known as FACET, is incorporated at, and regulated by, Companies House, since 7th June 2002, and hence is subject to the Companies Act 2006 and governed by a Memorandum and Articles of Association. The liability of the members in the event of the company being wound up is in the sum of £1. Additionally, as a Registered Charity No: 1097098, registered on 17th April 2003, the Trust is also subject to charity law and is regulated by the Charity Commission. The Board of Trustees, currently consisting of seven members, have all been elected by the Members at a General Meeting. Trustees can also co-opt additional Trustees to the Board, who must subsequently be elected by Members at the General Meeting; applicable in the UK and the Republic of Ireland (FRS 102) (revised with effect from 1st January 2019). Reference has also been made to the Charity Commission's publication on Charities and Public Benefit.

The Trustees have continued to meet monthly, on a virtual basis since the start of lockdown in March 2020. Financial issues are always high on our agenda, and discussions include a review of the monthly Management Accounts, an overview of our current financial position and a formal review to confirm our position on cash reserves. Risk Management, Safeguarding and Health and Safety legislation also feature prominently, as well as issues affecting our future growth and development.

Trustees do not receive any payment in the context of being Trustees, although they are entitled to claim expenses for attending meetings and generally supporting the work of the charity, although no such claims have been submitted to date.

Trustees' responsibility statement

The Trustees have ensured that proper accounting records are kept, disclosing with reasonable accuracy the financial position of the Charity and enabling them to ensure that the financial statements are fully compliant with the Charities Act 2011. The law applicable to charities requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for the relevant period. They have also exercised responsibility for safeguarding the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities. In addition, they have also exercised responsibility for ensuring the integrity of the Charity and financial information included on the Charity's website.

Summary of the purpose of the charity as set out in our governing document

The charity's objects and principal activity as stated in our Memorandum and Articles of Constitution relate to the promotion for the public benefit of urban or rural regeneration in areas of social and economic deprivation, and in particular the Fenland District of Cambridgeshire, by means of the advancement of education, training and employment of those with learning and/or physical disabilities and unemployed people generally, plus improvement of public amenities, conservation of the environment, promotion of public safety and such other means as may be thought fit.

Principal staff member and members of the senior management team

The principal staff member, to whom the Trustees of the charity have devolved the day-to-day management of the Charity is Linda Ingram, Chief Executive Officer, who was responsible for setting up the Company Limited by Guarantee and Registered Charity in 2002/2003. The other members of the Senior Management Team are:

- Kris Harrold, General Manager
- Jane Turner, Assistant General Manager
- James Erbe, Health and Safety and Facilities Manager.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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

Achievements over the year

i) Meeting the needs of our students

We took the opportunity over the year to raise funds to help us improve our facility to better accommodate the needs of our students with more complex needs. We were absolutely delighted to receive a grant from Baily Thomas of £15,000 to help us with this work, which started in January 2022, having been postponed initially due to the pandemic. We also had an amazing offer from Sanctuary Housing to offer us a week's hands on work by doing some decorating, but when they saw what needed to be done, their offer suddenly mushroomed to include a brand-new kitchen and flooring, which is absolutely fantastic. Again, we are so very grateful for all the support we've received here.

Since resuming over the period from 6th July 2020, our students have worked in 'bubbles' with dedicated staff, and they usually remain in these bubbles throughout the day, although changes have been gradually introduced over the year to accommodate some work in our kitchen and also some limited opportunities for exercise, all within COVID guidelines as advised to us by Infection Control within the County Council. We've been praised for the work we have done to keep people safe.

The 7th June 2022 saw our 20th Anniversary, and we were very proud to celebrate that with all of our students. As part of those celebrations, we launched a new appeal to raise funds for an extension to our Sensory Room, to ensure it better meets the requirements of those with more complex needs. In addition, we want it to be much more interactive, and we hope to start this work during 2023.

ii) Purchasing our first ever brand new Minibus

We were also able to complete the purchase of our first ever brand-new Minibus, with our fundraising efforts kick-started by £1,780 raised by one of our Trustees and £3,220 raised by our students through their tuck shop sales. Based upon our efforts here, The Evelyn Trust offered us £10,000 providing we could raise the rest within a year, which we achieved in good time with a further £10,000 being awarded as an Unrestricted grant and The Percy Bilton Charity giving us the final £6,800 we needed. Delivery took place at the end of February 2022. This was life changing for our staff, given that at times our staff had been making four round trips daily in order to get all our students to FACET and back home again at the end of the day.

iii) Completing the first phase of our MultiFACETed project

In January 2022 we were able to start work to complete the first phase of our 'MultiFACETed' project, which was established to enable us to make improvements to our facilities to better accommodate our present and future students who have more complex needs, as this accounts for the greatest level of demand for our services at present. This stage of the project cost in the region of £40K, with a most welcome contribution of £15K being made by Baily Thomas and a balance of £2K left over from an Awards for All grant, with the remainder being met from within our own resources. The work included the creation of a new fully accessible toilet, a wet room, a new central heating boiler and in addition changing all the radiators and pipework over from steel to copper (the pipework being the element funded by FACET). In addition a brand new kitchen was installed, with new flooring and redecoration, with this part of the work done at no cost to FACET by Sanctuary Housing, for which we were exceedingly grateful.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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

FOR THE YEAR ENDED 31 JULY 2022

iv) Controlling our costs

We've continued to be highly proactive in our attempts to manage down our day-to-day operating costs. Prior to the start of the pandemic, our monthly running costs averaged £72K, whereas at the financial year-end for 31st July 2022, the figure was sitting at £67.7K. Obviously, costs were rising simultaneously over the period too, especially salary costs and utilities, but we were able to absorb these increases due to the savings we had made and the agreements we have in place. For example, through our membership of Locality, we are part of a National Buying agreement for our Electricity and Gas, and from July 2022 to 31st July 2024, we are locked into a preferential rate of 17.43p per unit for our electricity. We also managed to achieve discounts across the board on all our hire agreements, such as for office equipment and vending.

v) Boosting our trading income

Boosting trading income back to, and exceeding pre-pandemic levels was absolutely crucial for us, although we knew this work would need to span more than one financial year, due to the effects of the pandemic being longer lasting than was initially thought. Also, some completely new opportunities needed to be generated, which would take time to develop and implement. Prior to the pandemic, our trading income stood at £152K for the full year, whereas by July 2020, around £40K had been wiped off that figure, although somewhat less than the £75K the year before. By 31st July 2022, those figures were back up to £131.9K, so still some way to go to get to where we wanted to be, and further still to exceed pre-pandemic figures. This will remain a key objective for the 2022/23 financial year.

vi) Maintaining the building at our main site

The building that we currently occupy constantly needs work of some kind to be carried out, due to its age and style of construction (it's a Vic Hallam-style prefabricated building). For instance, the drains are made of pitch fibre, which can collapse at any time and have a life span of 40 years. Given that our premises were built in the early 1960s, it's easy to see why we have recurring problems. Other problems existed too, like having had steel heating pipes, some of which were underground, all of which needed to be replaced with copper and be above ground during January 2022.

We have an established Building Sub Committee, led by our Vice Chair, and two other Board members, including our Chairwoman, who meet to discuss the finer details of pending work / projects / funding and then report back to the next main Board meeting. All work needing to be done, whether at our main site, FACET in Town, or one of our shops, is all managed through a Capital Investment Plan, with Board members allocating a priority order for the work to be carried out with cost considerations being taken into account, and means of meeting those costs etc. The current lease runs until 31st March 2039, and quite a considerable amount of work needs to be done to ensure we can maintain a warm and safe facility throughout for our students and staff to enjoy. However, we are already looking ahead to ensure the future of our charity once the current lease comes to an end, and would like to be in a position to have built up a deposit which we can contribute towards the purchase new premises at that time, or before.

vii) Cloud Accounting

We were exceedingly fortunate, through our membership of Locality, to be able to apply to Power to Change, to take part in a national scheme, supporting charities such as ourselves, to move over to Cloud Accounting. Just 20 places nationally were announced initially, and we were fortunate enough to secure one, which included a small amount of funding to cover our costs and a package of training and support to see us through to the implementation stage. Our Chair and Vice Chair also took part in the webinars, as well as our firm of Accountants. With all the support provided, we were able to launch with effect from 1st August 2022, the

viii) Contracts and partnership arrangements:

Our main local authority funding in respect of student placement income during this Financial Year came from Cambridgeshire County Council, but we also draw in similar funding from Norfolk County Council, with small amounts from Peterborough and Lincolnshire too, as well as drawing in earned income from students who self-fund.

As the result of a tendering exercise undertaken in January 2018, we were awarded two Framework Agreements for Day Opportunities by Cambridgeshire County Council, each covering a five-year period, one for Standard and the other for Complex Needs. Over this period, we have been drawing in more students with complex needs. Percentage increases have been applied by both Cambridgeshire and Norfolk over time.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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

ix) Impact of COVID-19

ix (i) Day to day operational issues

There is no getting away from the fact that this has been another difficult year, but yet again due to sheer hard work and determination by one and all, we have managed to achieve most of what we set out to do, thanks to the immense amount of support we received from our staff, our funders and other bodies too, with special thanks going to Cambridgeshire County Council for funding us throughout and not forgetting our business partners. We are immensely grateful for all the support that has come our way, because without question, we'd have had a very different outcome otherwise.

We have a comprehensive COVID-19 Risk Assessment and Policy in place, and our students have been accommodated in classroom 'bubbles' throughout, which were created throughout our main site, based on a model tried and tested in Denmark, and also at our new overspill facility FACET in Town, in March town centre. All work and training areas were socially distanced, our students remained in their 'bubbles' throughout each day, with each group working with a dedicated staff member. Lunches, snacks and drinks were brought in from home, and staggered start and finish times applied, mainly due to the difficulties we faced getting our students to and from outlying areas. Social contact outside individual groups was kept to a minimum. We accept this is not ideal, but this was the only way we could see to ensure people were kept safe. A daily limit of 50 people had been set at our main site from the end of the lockdown, being a mix of staff and students; we had consulted with our parents and carers prior to making this decision. Cleaning and ventilation were of the utmost importance, and in addition we purchased a dozen Air Purifiers, following a report by Addenbrooke's Hospital in Cambridge on the success of using these in their COVID wards to remove all airborne particles of the virus. Staff were carrying out Lateral Flow tests daily and PCR tests twice weekly earlier on, with everyone wearing a mask and those undertaking personal care wore full PPE, although these requirements subsequently started to ease. Differently to situations which existed elsewhere, all our staff had been vaccinated, and we were very proud of that, and are grateful to them for adopting that approach in order to keep themselves and our students safe.

We worked very closely with Cambridgeshire County Council on Infection and Control matters and we were complimented on the lengths we went to in order to keep everyone safe. Additionally, we were complimented by the County Council on our flexible approach and responsiveness to need, in whatever form it existed, and we are very proud of the level of recognition we achieved and continue to achieve.

ix (ii) Financial impact on our Trading income

With effect from the first lockdown in March 2020, our trading income, previously worth in the region of £152K per annum, was severely depleted, which was a major blow on an organisation-wide basis. In fact, income under this heading was non-existent during times when our shops needed to close. However, since then we've worked incredibly hard to recover our position in areas where we were able to start trading again. Our kitchens, which have previously brought in £13K per annum closed at the end of March 2020, and remained so until October 2022, when they very gradually started to reopen. Almost immediately we had a food hygiene inspection by Fenland District Council and were again delighted to be awarded our coveted 5* Food Hygiene Certificate. Our Tuck Shop, run by our students, had also been closed, and vending ceased too, which between them had generated £10.8K per annum. Also, our landscaping work for people and businesses in the local community also ceased due to COVID, as our students remained in their 'bubbles' throughout the day, which meant a further loss of £12.6K. We are hoping this will gradually resume too. Things are certainly starting to pick up, although we lost the contracts we had in place, because we were not able to operate.

We've also concentrated on identifying new ways of bringing money into our Charity, starting off with Gift Aid (which we've not previously implemented due to lack of resources) together with the online sales of donated goods, with a view to launching an online shop. Having permanently closed one of our Charity shops in August 2020, we've since only had two shops trading, but with the tremendous efforts being put in by our staff team, we are striving to match the same level of income as when we had three shops trading as previously. We also offer a furniture re-use service, providing our customers with a collection and delivery service.

Our Charity shops not only place us at the heart of our local communities in March and Whittlesey, but also offer local people the opportunity to benefit from being able to purchase good quality second hand furniture, household goods and clothing etc at very favourable prices. Also, many people experience loneliness or social isolation, so for them our shops can be a lifeline in terms of social interaction. We are very grateful to our volunteers who have supported our work in our Charity shops, although this has been difficult over more recent time due to fears around the pandemic

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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

x) Funded programme - National Lottery Community Fund / European Social Fund / Building Better Opportunities

This project was launched in November 2016, initially for a 3-year period, but subsequently extended to 31st March 2023, when it will come to an end. The initial award totalled £121,500 over the 3-year period ie £40,500 per annum payable from the National Lottery Community Fund / European Social Fund, but in recent years had risen to circa £48K per annum. Our aim is to work with 15 Participants per annum, with Participants engaging with the project for one day each week. We work with them to basically become better connected with their communities, to local services and to the labour market.

The achievement of outcomes has been all important here. It is also important that all support organisations should work more closely together, being members of a partnership called Community Connections, led by TCHC. We have two excellent staff members in post, who were able to work remotely with Participants during the lockdown period and subsequently as required. As part of this project, we deliver an Enterprise qualification under our registration with Gateway, as well as providing opportunities for our participants to undertake job search, work experience or voluntary work wherever possible. The majority of participants undertake this accredited qualification and eight of the participants have been successful in finding paid employment. The partners hold regular partnership meetings in whatever format is appropriate at the time.

This programme and the two staff members who have dedicated their time to this project over the last six years will now become part of our normal service delivery with effect from April 2023, to be known as the Pathways project. We are really incredibly proud to have had the opportunity to be involved in the Building Better Opportunities project, we have learnt so much, we felt we were really valued as a partner and we are incredibly grateful to all those who supported us.

FUNDRAISING

In the past, we have always taken great pride in the fact we were by no means grant reliant, with 97% of our income year on year having come from sustainable sources, mainly sales and trading of various types with some contract income. However, things changed quite dramatically from the onset of lockdown in 2020, and we have been working hard over the last year to recover from the impact of that. We were extremely fortunate to have gained a lot of support from various local and national funders, and also the assistance provided by the Government under the Job Retention Scheme, which helped enormously with the salary costs of 50% of our staff who were on furlough and the District Council who provided the Retail and Hospitality Grants, due to our shop being closed. Without their combined help, we definitely would have struggled. We were supported by Cambridgeshire County Council too who funded us throughout lockdown, and again we were incredibly grateful, although we did lose the remainder of student income from other sources. So the follow on period has very much been about recovery.

In the 2021/22 Financial year, which is covered in this report, it was extremely difficult too, but in a very different way. At the start of the year, we suddenly felt very much on our own, so to speak; it felt quite daunting really, given all the support we'd received in the previous year, which had now come to an end. However, we worked exceedingly hard to ensure our success, again with support, some of which was totally unexpected at the start of the year, and have come out the other end feeling so much stronger than before and having learnt so much throughout this time.

At the outset, we mainly concentrated on raising the funding we needed to purchase our first ever brand new fully-accessible Minibus. This was made possible by the Evelyn Trust, who set the ball rolling with an offer of £10K provided we could raise the balance of the £32,660 we needed within the next 12 months. Given that our staff were making up to four round trips every day in order to get our students to FACET and home again, there was no way we could allow ourselves to fail here. So, with the help of a Trustee and our students, who between them had raised £5,000, we were able to raise the rest on the form of a £10,000 unrestricted grant, with the balance needed coming from The Percy Bilton Charity and we were able to take delivery of the new vehicle at the end of February 2022.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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

The other strand of funding we received came from Cambridgeshire Council Council, in the form of Infection Control Funding, which helped significantly with covering staff salaries for those who needed time off work for a COVID-related reason, whether they were poorly themselves or they needed to self-isolate. We want to express our enormous gratitude to all those who helped us here, as the support we received made a tremendous difference.

FUTURE PLANS

We have referred to the Charity Commission's guidance on public benefit, both when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees are keen to:

- i. Continue to expand the services provided by the charity to a much wider range of potential users and also to extend our geographic coverage, ensuring that those who take up places at our facility come through as wide a range of income streams as possible, such as being funded by a number of local authorities or who indeed are privately funded. We currently have seven different income streams relating to student income, including four local authorities, plus a separate education strand. We've worked hard to secure these and we want to build upon our position
- ii. Continue with our efforts to improve facilities to better accommodate the requirements of adults with complex needs. A key element of this work is to extend our Sensory Room and modernise the facilities available, to make them more interactive.
- iii. Boost our levels of trading income back to, or preferably exceeding, pre-pandemic levels. Our main focus for the year will be on boosting income through our charity shops via the implementation of Gift Aid, helped by the fact we have brought in new computerised tills, and building up our online sales.
- iv. We plan to relaunch our Woodwork shop, which closed at the time of the first lockdown in March 2020. However, since that time, material costs have spiralled, supply chains were compromised and operational costs associated with our workshop in its existing format also needed significant investment. So, we've decided in future to just concentrate on producing products using a new CNC machine, and we are hoping to secure funding to help us bring our aims to fruition. The products made will generate exciting projects for our students to work on, which can be sold to members of the public through our various outlets.
- v. The Horticultural side of our work also needs investment in the form of a large new polytunnel, which we can use as an outdoor classroom, as well as for growing plants, and we hope to complete the rainwater harvesting programme, which is currently underway.
- vi. We plan to resume working with our various partners to extend the range work experience opportunities etc to enable adults with learning and other disabilities to gain the skills they require to progress towards voluntary work or paid employment, for those who wish to take this path. This has to be their choice, as in everything. This work is presently undertaken within our BBO project, but with some modifications will become part of our main service delivery when the project ends on 31st March 2023. It will in future be known as the Pathways Project.
- vii. Last, but by no means least, we will be building upon our commitment to environmental sustainability. We've been incredibly fortunate in securing a grant and programme of support valued at £20,000 from Power to Change, and we will be working hard to build upon our work to date, partly in order to control our energy costs, but also to ensure we set an example to others on these important issues.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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

HOW THIS CHARITY SATISFIES THE PUBLIC BENEFIT REQUIREMENT

We have a duty to report on how our organisation satisfies the public benefit requirement under section 4 of the Charities Act 2011 and the Charity Commission's Public Benefit: Rules for Charities. We are confident that we meet those requirements, by providing services for those most in need in terms of their levels of disability, financial hardship and social isolation. Through our work we address the needs of adults with learning and other disabilities living in this socially, economically and environmentally deprived area, known as the Fenland area of Cambridgeshire. The latest Health and Well-being strategy issued by Fenland District Council shows that of the 16 areas of deprivation within the county, 12 of these are in Fenland and are in the highest level of deprivation nationally, with 4 of these being in the top 10%. Furthermore, recorded data shows that there is a higher incidence of adults with learning disabilities in the area, with the GP prevalence rates for Fenland being recorded as significantly high in comparison to the average figures for England in the latest Joint Strategic Needs Assessment for Cambridgeshire and Peterborough Core Data Set. Hence the demonstrable need for our services, which has led to significant growth in student numbers over time, particularly in terms of those with more complex needs, to the extent that we are now by far the largest provider of its kind in the county, currently catering for the needs of 123 students every week, for 50 weeks a year.

We have a significant role to play here through our work, as we are committed to improving the health and well-being of all our students, and in fact we do much to reduce the level of hospital admissions amongst those we work with. Cambridgeshire County Council has emphasised the important role played by day service providers generally in terms of improving mental health, especially during, and as a result of the pandemic.

Whilst the Fenland area of Cambridgeshire is the main area in which we work, we do in fact draw people in from other areas too, such as from other parts of Cambridgeshire, Norfolk, South Lincolnshire and Peterborough.

When it comes to price, although we naturally have to charge for people to use our services, we keep the costs as low as possible, as we want to offer the maximum benefit to our parents and carers, many of whom face financial hardship. Some of our students are funded directly by local authorities, whilst others are funded via Personal Budgets, with the support package in each case being scrutinised and agreed by the relevant local authority. In addition, some are funded privately. We have never declined to accept anyone for any reason, least of all because they can't afford to pay. If they do not already have a Personal Budget in place and we feel they might qualify, then we would support the family to gain the help they need to make the relevant referral. We regard it as part of our role to provide this type of support. We also provide considerable support to those families who, for whatever reason, lose their benefit entitlement, or if, for some reason, the level of benefit is reduced. Furthermore, our Building Better Opportunities programme, funded by the National Lottery Community Fund / European Social Fund, means we have been able to offer fully funded places for one day a week to anyone who does not qualify for statutory funding, or whose package has been limited due to lack of funding. Overall, we actually strive to offer the best quality of service at the lowest possible price.

Therefore, we feel justified in targeting our service provision to address the needs of this extremely disadvantaged group, especially as there is no-one else in the local area providing the same types of services as we are able to offer. We focus on the provision of skills for work and independent living skills training in order to give our beneficiaries access to the same opportunities in life as other members of the local community, especially in relation to independent or supported living, education, training and work, whether paid or voluntary. In addition to the support we provide for our students, we also provide valuable support for all our parents and carers, who have access to much needed respite through the services we provide, which in turn enables them to work and have access to leisure opportunities etc, which otherwise might be denied them. Support is also provided for our parents and carers at times of family illness, bereavement or help with for instance completing benefit forms etc. This work of course also helps to reduce the levels of strain on the rest of the family.

In addition, other members of the local community are able to benefit from our services in a variety of ways. For instance, we offer placements to college and university students needing to undertake work experience as part of their college course eg in Health and Social Care and Nursing; we also offer work experience placements to young people from local schools, six during recent time. Local residents are also able to obtain our products and services at beneficial rates, such as good quality furniture and other donated goods through our charity shops, plants and landscaping services through our Horticultural Dept.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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

FOR THE YEAR ENDED 31 JULY 2022

KEY PARTNERSHIPS / FUNDERS / SUPPORTERS

We are delighted to have been able to continue working in partnership with Tesco, The Original Factory Shop and to have again received support during the year from Sanctuary Housing. Working with a range of business partners is crucial to our success, and we are keen to make these relationships work as much for the benefit of our partners, as for our charity, although this has been a little more difficult during the pandemic.

The Trustees wish to extend their gratitude for the financial and other forms of support that the charity has received from our various partner organisations during the year

POLICIES IN PLACE

As a registered charity providing Health and Social Care and Training for adults with learning and other disabilities it is essential that we have a range of policies in place to support our work. These include Safe Recruitment, Data Protection, Safeguarding, Prevent, Equality and Diversity, Lone Worker, Medication, Code of Conduct, Skills for Care Code of Conduct, Confidentiality, Quality Assurance etc. In addition, we have the full range of Employment Law and Health & Safety policies in place, through our relationship with Peninsula. We also have a Financial Controls procedure, which takes account of the requirements in the Charity Commission leaflet CC8 Internal Financial Controls for Charities.

FINANCIAL REVIEW

As a Board of Trustees, we have continued to maximise benefits in the form of cost savings and improved quality of service levels following due to the fact we have outsourced our day to day accounts management in terms of bank reconciliations, production of monthly Management Accounts, VAT Returns and provision of Payroll Services to local accountancy firm Whittings LLP. However, financial control remains firmly in the hands of the charity and its Trustees, with services such as cash handling, banking of cash, payment of wages, expenses and purchase and sales invoices etc undertaken by staff members directly employed by the charity. Also, our Employment Law and Health & Safety advice is outsourced to Peninsula Business Services, who also provide an Employee Assistance Programme (including counselling etc) through Health Assured, as well as their Face2face service through which we can bring in specialist consultants to handle any difficult situations we may have to deal with. We are confident these solutions enable us to access the best possible advice in terms of quality and cost, offering the best possible protection to the charity by professionalizing the services provided and helping to reduce risk and hence liability.

Our Management Accounts are produced and circulated to all Trustees on a monthly basis. Separate reports are available for each department within the charity, in addition to the corporate version, with a clear picture being provided on a monthly basis to all Trustees based on departmental performance against budget and showing associated variations etc. KPIs are also produced monthly and circulated to members by the CEO and are fully discussed at our Board meetings. The Charity works in line with the recommendations contained within the Charity Commission's publication CC8 Internal Financial Controls for Charities and has a Financial Controls procedure in place.

RISK MANAGEMENT

Our risk management process is based on the Charity Commission's own publication Charities and Risk Management CC26. The key risk areas have been identified as Governance, Financial, Operational, Health and Safety, Compliance and Environmental all of which have been incorporated into our Risk Management Strategy, a rolling programme of which is kept under regular review. We also have a Business Interruption Policy in place.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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

RESERVES POLICY

We have exercised a high degree of prudence over the last few years to help us build up much needed cash reserves in order to protect the charity from the impact of cutbacks in health and social care budgets which would otherwise have a damaging impact of the charity's ability to flourish. Our work has become even more important, of course, given the impact of the Coronavirus pandemic, which has obviously gone on for much longer than any of us anticipated at the outset. However, up to 31st July 2022, the charity has been able to sustain our growth and position in the Fenland area, with demand for our services now more from those with higher support needs. Coronavirus inevitably impacted negatively on our trading income during the 2020/21 financial year. Prior to that the trading figure stood at £152K per annum, and much hard work has gone on during the year to regain our position here, and where possible achieve an improvement. However, as at 31st July 2022, we were still £23K below that figure.

We are exceedingly grateful for the support we have received from our funders, both local and national, and Cambridgeshire County Council too, since the start of the pandemic, and moving forward. Without this combined level of support, we may not have been able to continue with our work in the same way. However, we still perceive the need to strive forward, with an emphasis on protecting and indeed building upon our cash reserves. It is essential that we work together to ensure our future prosperity for the benefit of the client group we are here to serve; the future without our presence in the community to support our client group is unthinkable.

Board members are currently committed to holding reserves equating to a minimum of 6 months' running costs, although based on an Unrestricted Reserves figure of ££280,720 and an average monthly running cost of £66,537, this only gives us 4.2 months' as at the end of the 2021/22 financial year. It is unthinkable that our Charity could cease to exist at some future point, thus cutting off all access to the range of services we offer to our parents and carers, as well as our students.

However, a major issue we face is the drain on our resources due to the condition of the building we occupy under the terms of a 25-year full-repairing lease from Cambridgeshire County Council, as owners of the premises. The lease is due to come to an end on 31st March 2039, and we have already been made aware that there will be no possibility of renewing the lease at that time. Therefore, our Trustees have decided we needed to start now to set funds aside for our future, and indeed to grow those funds over time insofar as we are able. On that basis, a decision has been made to designate the sum of £56,289 towards funding the cost of new premise for our charity when we move, either in terms of a deposit or refurbishment costs, which has obviously impacted on our Unrestricted Reserves figure. Our needs may be very different in 16 years' time, but given our work with adults with complex needs and others, we will undoubtedly need a base of some kind, maybe several smaller sites?

A number of issues have arisen at our main site over the last year which has led to us needing to fund the cost of various capital and remedial works, and further work has been identified as still to be done, some of which is essential, so will need to be carried out in the very near future. We have a Capital Investment Strategy in place, and three Board members have formed a Building Sub Committee, in order to ensure our priorities are identified and the best means of rectifying these issues is established. Work will also be put in hand over the next year to build up our reserves by doing everything possible to reduce our bottom-line operating costs whilst at the same time driving up levels of earned income.

VOLUNTEERS

Our volunteers play a very important role in the day to day running of our charity shops, although the pandemic has led to a decrease in the numbers. We have traditionally been keen to support volunteers with learning difficulties, mental health problems, or to help those who have undergone a traumatic experience of some kind, to help them regain control of their lives, but in fact all are welcome and we would certainly find it very difficult to run our charity shops without the support provided by our volunteers. Over time, several of our volunteers have gone on to obtain employment with us or externally, which serves to underline the value of volunteering.

The Trustees wish to express their very grateful thanks to all our staff and volunteers for their dedication and hard work during the past year and for making this charity the success story it has undoubtedly become.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

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

W Papworth

Chairwoman

Dated: 18 April 2023

FENLAND AREA COMMUNITY ENTERPRISE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2022

The trustees, who are also the directors of Fenland Area Community Enterprise Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

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

FENLAND AREA COMMUNITY ENTERPRISE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF FENLAND AREA COMMUNITY ENTERPRISE TRUST

Opinion

We have audited the financial statements of Fenland Area Community Enterprise Trust (the 'charity') for the year ended 31 July 2022 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF FENLAND AREA COMMUNITY ENTERPRISE TRUST

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF FENLAND AREA COMMUNITY ENTERPRISE TRUST

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

20 April 2023

Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
United Kingdom
PE1 2SP

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2022

		Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes								
<u>Income from:</u>									
Fundraising	3	9,436	-	201	9,637	8,499	-	-	8,499
Charitable activities	4	677,558	-	84,071	761,629	652,173	-	180,691	832,864
Other trading activities	5	131,398	-	-	131,398	76,308	-	-	76,308
Investments	6	948	-	-	948	1,112	-	-	1,112
Total income		819,340	-	84,272	903,612	738,092	-	180,691	918,783
<u>Expenditure on:</u>									
Raising funds	7	24,058	-	-	24,058	28,412	-	-	28,412
Charitable activities	8	654,038	45,674	74,678	774,390	649,192	37,271	120,153	806,616
Total resources expended		678,096	45,674	74,678	798,448	677,604	37,271	120,153	835,028
Net incoming resources before transfers		141,244	(45,674)	9,594	105,164	60,488	(37,271)	60,538	83,755

FENLAND AREA COMMUNITY ENTERPRISE TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2022

Net incoming resources before transfers	141,244	(45,674)	9,594	105,164	60,488	(37,271)	60,538	83,755
Gross transfers between funds	(93,396)	119,806	(26,410)	-	(30,999)	71,735	(40,736)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net income/(expenditure) for the year/ Net movement in funds	47,848	74,132	(16,816)	105,164	29,489	34,464	19,802	83,755
Fund balances at 1 August 2021	232,872	187,816	25,747	446,435	203,383	153,352	5,945	362,680
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balances at 31 July 2022	<u>280,720</u>	<u>261,948</u>	<u>8,931</u>	<u>551,599</u>	<u>232,872</u>	<u>187,816</u>	<u>25,747</u>	<u>446,435</u>

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

All income and expenditure derive from continuing activities.

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

FENLAND AREA COMMUNITY ENTERPRISE TRUST

BALANCE SHEET

AS AT 31 JULY 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12		205,659		172,816
Current assets					
Stocks	13	2,000		2,000	
Debtors	14	119,188		87,755	
Cash at bank and in hand		392,934		357,775	
		<u>514,122</u>		<u>447,530</u>	
Creditors: amounts falling due within one year	16	<u>(138,182)</u>		<u>(140,911)</u>	
Net current assets			375,940		306,619
Total assets less current liabilities			581,599		479,435
Creditors: amounts falling due after more than one year	17		(30,000)		(33,000)
Net assets			<u>551,599</u>		<u>446,435</u>
Income funds					
Restricted funds	18		8,931		25,747
<u>Unrestricted funds</u>					
Designated funds	19	261,948		187,816	
General unrestricted funds		<u>280,720</u>		<u>232,872</u>	
			542,668		420,688
			<u>551,599</u>		<u>446,435</u>

FENLAND AREA COMMUNITY ENTERPRISE TRUST

BALANCE SHEET (CONTINUED)

AS AT 31 JULY 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 July 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

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 under the requirements of the Companies Act 2006, 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 18 April 2023

W Papworth
Trustee

Company Registration No. 04457125

FENLAND AREA COMMUNITY ENTERPRISE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

Charity information

Fenland Area Community Enterprise Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Marwick Centre, 21 Marwick Road, March, Cambridgeshire, PE15 8PH, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). 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 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, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, 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 financial statements.

1.3 Charitable funds

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

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from grants is recognised at fair value when the Charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

(Continued)

Donated assets are recognised as income and an asset within the charity when control over the asset and its economic benefits have passed to the charity and the fair value of the asset can be measured reliably.

1.5 Expenditure

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.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10% straight line
Plant and equipment	5%, 20% and 50% straight line
Fixtures and fittings	20% straight line
Computers	33% straight line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 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).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

1 Accounting policies

(Continued)

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 has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

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.

1.12 Retirement benefits

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

FENLAND AREA COMMUNITY ENTERPRISE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

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 Fundraising

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2022 £	2022 £	2022 £	2021 £
Donations and gifts	9,436	201	9,637	8,499

4 Charitable activities

	2022 £	2021 £
Services provided under contract	677,558	570,428
Performance related grants	84,071	180,691
Coronavirus related grants	-	81,245
Other income	-	500
	<u>761,629</u>	<u>832,864</u>
Analysis by fund		
Unrestricted funds	677,558	652,173
Restricted funds	84,071	180,691
	<u>761,629</u>	<u>832,864</u>

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Shop income	114,128	72,021
Letting and licensing arrangements	-	(120)
Trading activity income: other	17,270	4,407
	<u>131,398</u>	<u>76,308</u>
Other trading activities	<u>131,398</u>	<u>76,308</u>

6 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	948	1,112
	<u>948</u>	<u>1,112</u>

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs	-	1,667
	<u>-</u>	<u>1,667</u>
<u>Trading costs</u>		
Operating charity shops	1,158	1,709
Other trading activities	22,900	25,036
	<u>24,058</u>	<u>26,745</u>
Trading costs	<u>24,058</u>	<u>26,745</u>
	<u>24,058</u>	<u>28,412</u>

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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

8 Charitable activities

	2022 £	2021 £
Staff costs	506,763	536,375
Depreciation and impairment	45,674	37,271
Other costs	11,904	26,537
	<u>564,341</u>	<u>600,183</u>
Share of support costs (see note 9)	204,649	201,589
Share of governance costs (see note 9)	5,400	4,844
	<u>774,390</u>	<u>806,616</u>
Analysis by fund		
Unrestricted funds	654,038	649,192
Endowment funds - designated	45,674	37,271
Restricted funds	74,678	120,153
	<u>774,390</u>	<u>806,616</u>

FENLAND AREA COMMUNITY ENTERPRISE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

9 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Rent	30,596	-	30,596	29,950	29,950
Rates	7,169	-	7,169	2,052	2,052
Premises insurance	2,484	-	2,484	2,642	2,642
Light and heat	25,091	-	25,091	19,641	19,641
Repairs and maintenance of premises	16,686	-	16,686	17,323	17,323
Travel expenses	21,158	-	21,158	20,232	20,232
Printing, postage and stationery	1,306	-	1,306	2,794	2,794
Telephone expenses	3,154	-	3,154	3,092	3,092
Computer expenses	4,136	-	4,136	2,907	2,907
Office equipment hire	8,474	-	8,474	9,140	9,140
Equipment maintenance	3,082	-	3,082	1,831	1,831
Cleaning	36,247	-	36,247	32,438	32,438
Insurance - non premises	7,897	-	7,897	8,916	8,916
Sundry expenses	2,933	-	2,933	6,526	6,526
Bank charges	2,409	-	2,409	2,076	2,076
Subscriptions	1,611	-	1,611	554	554
Training costs	3,863	-	3,863	1,931	1,931
Irrecoverable VAT	792	-	792	153	153
Accountancy fees	18,324	-	18,324	24,307	24,307
Legal and professional fees	8,954	-	8,954	12,572	12,572
Bad debts written off	(1,717)	-	(1,717)	512	512
Audit fees	-	5,400	5,400	-	4,844
	<u>204,649</u>	<u>5,400</u>	<u>210,049</u>	<u>201,589</u>	<u>206,433</u>
Analysed between					
Charitable activities	<u>204,649</u>	<u>5,400</u>	<u>210,049</u>	<u>201,589</u>	<u>206,433</u>

Governance costs includes payments to the auditors of £4,300 (2021- £4,524) for audit fees.

10 Trustees

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

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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

11 Employees

The average monthly number of employees during the year was:

2022 Number	2021 Number
32	34
<u> </u>	<u> </u>

Employment costs

	2022 £	2021 £
Wages and salaries	475,193	501,305
Social security costs	24,796	27,985
Other pension costs	6,774	7,085
	<u>506,763</u>	<u>536,375</u>

There were no employees whose annual remuneration was more than £60,000.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

12 Tangible fixed assets

	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost						
At 1 August 2021	84,211	132,175	114,841	16,907	26,714	374,848
Additions	40,562	-	4,653	641	32,660	78,516
At 31 July 2022	124,773	132,175	119,494	17,548	59,374	453,364
Depreciation and impairment						
At 1 August 2021	27,920	67,150	74,798	11,319	20,844	202,031
Depreciation charged in the year	15,896	5,092	16,002	3,814	4,870	45,674
At 31 July 2022	43,816	72,242	90,800	15,133	25,714	247,705
Carrying amount						
At 31 July 2022	80,957	59,933	28,694	2,415	33,660	205,659
At 31 July 2021	56,291	65,025	40,042	5,588	5,870	172,816

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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

13 Stocks

	2022 £	2021 £
Finished goods and goods for resale	2,000	2,000

14 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	96,711	53,873
Other debtors	3,348	3,366
Prepayments and accrued income	19,129	30,516
	119,188	87,755

15 Loans and overdrafts

	2022 £	2021 £
Other loans	33,000	36,000
Payable within one year	3,000	3,000
Payable after one year	30,000	33,000

Some funds received in a previous year were, with the agreement of the funder, reallocated as a loan to facilitate an urgent project. This loan is unsecured, interest free and is repayable at a rate of £3,000 per annum.

16 Creditors: amounts falling due within one year

	2022 £	2021 £
Borrowings	3,000	3,000
Other taxation and social security	6,269	7,551
Trade creditors	11,643	21,578
Other creditors	96,040	70,321
Accruals and deferred income	21,230	38,461
	138,182	140,911

17 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Borrowings	30,000	33,000

FENLAND AREA COMMUNITY ENTERPRISE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

18 Restricted funds

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

	Movement in funds					Movement in funds			
	Balance at 1 August 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 August 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 July 2022 £
Big Lottery/ESF/Building Better Opportunities	-	44,354	(45,713)	1,359	-	48,188	(49,269)	1,081	-
Awards for All	5,945	-	(3,928)	-	2,017	-	(2,017)	-	-
Groundwork	-	500	(500)	-	-	-	-	-	-
Power to change	-	25,000	-	(25,000)	-	-	-	-	-
National lottery community fund	-	36,507	(16,517)	(19,990)	-	-	-	-	-
Cambridgeshire community fund	-	17,359	(17,359)	-	-	-	-	-	-
Baily Thomas	-	15,000	-	-	15,000	-	(4,309)	(10,691)	-
Infection control grant	-	33,241	(36,136)	2,895	-	19,083	(19,083)	-	-
NFU Mutual agency giving grant	-	6,452	-	-	6,452	-	-	-	6,452
Restricted donations	-	398	-	-	398	201	-	-	599
Yorkshire Building Society	-	1,880	-	-	1,880	-	-	-	1,880
Percy Bilton	-	-	-	-	-	6,800	-	(6,800)	-
Evelyn Trust	-	-	-	-	-	10,000	-	(10,000)	-
	5,945	180,691	(120,153)	(40,736)	25,747	84,272	(74,678)	(26,410)	8,931

Building Better Opportunities is funded by the National Lottery Community Fund and European Social Fund. The objective of the project is to support people who are disadvantaged economically, educationally and socially to move forward with their lives, to discover new opportunities and skills which increase independence and self-confidence and to learn work-related skills that enhance their lives adding to their sense of wellbeing. Every participant follows their own individual pathway tailored to their needs, interests and ambitions. Learners choose what skills they wish to focus on.

The transfers out of restricted funds relate to funds spent on fixed assets and therefore transferred to the fixed asset designated fund. The transfer in to restricted funds relates to an overspend, covered by unrestricted funds

FENLAND AREA COMMUNITY ENTERPRISE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 August 2021 £	Resources expended £	Transfers £	Balance at 1 August 2022 £	Resources expended £	Transfers £	Balance at 31 July 2022 £
Fixed asset fund	153,352	(37,271)	56,735	172,816	(45,674)	78,517	205,659
Minibus fund	-	-	15,000	15,000	-	(15,000)	-
Future property development fund	-	-	-	-	-	56,289	56,289
	<u>153,352</u>	<u>(37,271)</u>	<u>71,735</u>	<u>187,816</u>	<u>(45,674)</u>	<u>119,806</u>	<u>261,948</u>

The fixed asset fund represents the book value of assets held by the charity.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

20 Analysis of net assets between funds

	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 July 2022 are represented by:								
Tangible assets	-	205,659	-	205,659	-	172,816	-	172,816
Current assets/(liabilities)	310,720	56,289	8,931	375,940	265,872	15,000	25,747	306,619
Long term liabilities	(30,000)	-	-	(30,000)	(33,000)	-	-	(33,000)
	<u>280,720</u>	<u>261,948</u>	<u>8,931</u>	<u>551,599</u>	<u>232,872</u>	<u>187,816</u>	<u>25,747</u>	<u>446,435</u>

FENLAND AREA COMMUNITY ENTERPRISE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

21 Operating lease commitments

The charity operates from premises that are leased from Cambridgeshire County Council at a peppercorn rent. The lease ends in March 2039.

22 Related party transactions

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

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022	2021
	£	£
Aggregate compensation	105,648	104,172