

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 2024

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 Westpoint Lynch Wood Peterborough Cambridgeshire United Kingdom PE2 6FZ
Accountants	Whiting's LLP Fenland House 15B Hostmoor Avenue March PE15 0AX
Bankers	Lloyds Bank 27-31 Westgate Peterborough PE1 1YH
Solicitors	Hunt and Coombs Solicitors Westpoint Lynch Wood Peterborough United Kingdom PE2 6FZ

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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FENLAND AREA COMMUNITY ENTERPRISE TRUST

CHAIRWOMAN'S STATEMENT

FOR THE YEAR ENDED 31 JULY 2024

Letter from our Chairwoman, Wendy Papworth



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

In 2023/2024 the charity continued to thrive with student levels maintained and the provision of a wide range of educational, developmental and work experience activities for all that choose to use our facilities at FACET. The increased cost of living continues to present challenges to all, individuals and organisations alike, but I'm pleased the Board has maintained a close scrutiny of all costs and expenditure whilst at the same time seeking new opportunities such as our focus on sustainability and new offerings for our service users. Full details of which can be found under the Achievements Over the Year section of this report.

We continue to invest in our student centres, both the main site at Marwick Road and FACET in Town, in part through grant funding. We were delighted to receive a significant donation from The People's Postcode Lottery in July 2024 and this has enabled us to progress our plans to revitalise our Workshop and Sensory Room for the benefit of our students. Other funding received in 2023/2024 has enabled us to continue to enhance the green credentials of our main site which will in years to come reduce our carbon footprint and utility costs. We are extremely grateful for all the support we have received from our grant funders, national and local donors, local businesses and Cambridgeshire County Council.

It was wonderful to see a long-held ambition for students to gain work experience in our High Street charity shop come to fruition with the opportunity to work towards a recognised qualification. The launch of the FACET in Town pop-up shop enables even more of our students to interact with the local community, gaining confidence and skills.

As Trustees, we are incredibly thankful to the senior management 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 the personal, tailored outcomes for each and every student.

Finally, I wish to thank our CEO, Linda Ingram and our Company Secretary, Jane Turner who provide guidance and support to the Board. I thank all the Trustees for their time, expertise and contribution to the Board and the charity.

Wendy Papworth

Chairwoman

Dated: 11 April 2025

FENLAND AREA COMMUNITY ENTERPRISE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 JULY 2024

The trustees present their annual report and financial statements for the year ended 31 July 2024.

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 and Jane Turner, Assistant General Manager and 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 2024

Achievements over the year

Managing our finances

i) Student income

A huge amount of effort has been ploughed into resolving some of the aged debtors and negative balances that were showing up on our accounting system, due to differences between invoicing and payments, which we've been unable to get resolved over time. These issues were particularly concerning where Cambridgeshire County Council was concerned. However, things have changed significantly and we're now able to get issues resolved, which has made a massive difference. As a positive outcome from this work, we now receive purchase orders for new placements, so we can be very clear that the right rates are being applied and if not, we can challenge, which has made a huge difference. Also, in relation to the uplifts we were awarded by Cambridgeshire County Council this year, we were given the opportunity to even out the rates, so we now have three tiers for students on our standard rate (largely depending on when they started with us) plus a higher level for our students with complex needs, which simplifies our monthly invoicing; reconciling payments has also been simplified. We've been able to work very closely with the Council where there was some disparity, so that our accounts are now starting to reflect the true position, although there is still some work to do.

ii) Staff salaries

We are delighted to report that all our Care and Support staff are now in receipt of the Real Living Wage (RLW), which currently stands at £12 per hour, but which will increase to £12.60 per hour with effect from 1st April 2025. For us, this has been made possible by two factors firstly in the previous year we awarded an 11% pay rise, making it more manageable to transition to the RLW the following year, and secondly when Cambridgeshire offered an uplift of 8% to student income in 2023, they included a term that Care providers should make every effort to move their staff to the RLW which accounted for the higher than normal rate of uplift. We were very grateful for that support, because it had been a long-held ambition of ours to get our Care and Support staff on to the RLW.

iii) Controlling our costs

A purge to reduce our bottom-line operating costs began even before lockdown back in 2020, but that year it went up a gear. It has now become a way of life today, and it is clear we still benefit from the work we did in the early days. We ended up taking £100K off our bottom-line, which we have to say gave us a fair degree of satisfaction. We achieved that partly by examining every single line of spend, especially when lockdown started, and we renegotiated every agreement we had in place for the supply of equipment and services. Our suppliers were all really willing to support us. We buy our electricity and gas through a national buying agreement, and were locked into a 3-year contract, so we paid well below the rates being paid by others throughout the energy crisis. We have our membership of Locality to thank for this.

However, like everyone else, we've been hit by the rate of salary increases and more recently the ER NI increases, but we've certainly been helped here due to all the good work we did earlier on.

We managed to maintain our level of savings for about 12 months, basically until the April 2023 pay award hit, when we decided to implement an increase of 11% to help make our staff feel really valued, at a time when workers in the Care Sector generally were feeling acutely under-valued, and staff were leaving the care sector in vast numbers. That pay award cost us around £50,000 over the year. As it stands at the moment, the April 2025 pay award will cost a similar amount. It has to be said that the help and support we've received from all sides, especially during lockdown, helped us then and continues to help us now. Hence we remain very grateful to Cambridgeshire County Council and numerous funders, the two key ones being Power to Change and The National Lottery Community Fund, who supported us when we needed it most, enabling us to open our overspill facility in March Town Centre, known as FACET in Town. Not forgetting those of our own staff too, who worked tirelessly throughout. We owe an immense debt of gratitude to them all.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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

FOR THE YEAR ENDED 31 JULY 2024

Social Value

As part of our discussions with Cambridgeshire County Council concerning the uplift process, we were asked about our commitment to Social Value. Since this is an area in which we are very active, we took the opportunity to reel off some of the work we had done over the year, including:

- Ensuring community wellbeing through our day to day work and involvement with our local community group, where we all find ways of working together to deliver positive benefit for our community
- Achieving wellbeing for the benefit of our students through our various Business Partnerships
- Furthering the wellbeing of our staff via our programme of support, including counselling, our commitment to training and continuous personal development
- Enhancing the Social Value delivered by our Charity during our recovery from COVID – 19, from our own Social Value perspective and the social investment we bring into the area through successful funding bids to help us through this difficult time
- Working hard to improve our Environmental Sustainability which impacts on the wellbeing of us all
- Tackling Social Economic Inequality, for example through our Charity Shops

We followed on with a written summary and we were subsequently invited to take part in the development and launch of the Council's 'Match my Project' programme, which will help community groups from across the county to access free support from skilled suppliers, who also have signed up to the programme.

Our commitment to improving the environment

We were part of the Powering Up programme run by Power to Change, under which we received a grant of £8K with access to a further £12K of support in addition, with £3K of that being staff-related (from a well-being perspective), taking the total value of the support to £20K. The £8K was used towards the purchase of a Voltage Optimiser, which will enable us to return unused electricity back to the grid. However, before we could have this installed, we needed to have a Smart Meter installed, which took an inordinate amount of time to achieve, not helped by the fact we unexpectedly needed to have a new electricity circuit installed before that could happen, with the work here being led by UK Power Networks. We were very grateful for their input.

Our plans to install some solar panels have also gone into delay, because we needed the Smart Meter to have been installed first, which as already stated was affected by the need for a new circuit. We needed to approach Cambridgeshire County Council to obtain their permission to install the solar panels, as owners of our site, which was forthcoming. However, when we approached Fenland District Council for advice re: the planning aspect, they have said we will need full planning consent, which will lead to further delay. The proposal is for 3 rows of 12 in Landscape at the rear of our premises, with the panels being concreted into tubs and surrounded by two metre-high metal fencing for security reasons. The cost of this work will be £20,039.63 plus VAT, which we plan to fund ourselves. The company handling the installation will also handle the Planning aspect.

Grant income

We had an unexpected windfall of £60K awarded by the People's Postcode Lottery, due to the fact that our March-based Charity Shop was situated very close to the home of one of their prize winners. They researched our Charity and found we were very much the type of local group they would wish to support, and so we became the beneficiary of this huge sum, which landed in our bank account on the last but one day of our financial year. Given that this is a vast sum, we wanted to cover here how we plan to use this funding, especially with some of the work being in progress already. The £60K will be split equally in two, and used towards the cost of the new equipment we need as part of the relaunch of our Woodwork Shop plus the extension and refurbishment of our Sensory Room, both of which are covered in more detail below (see points i) and ii). FACET will make up the difference in each case from our own funds as required.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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

FOR THE YEAR ENDED 31 JULY 2024

i) Progress towards relaunching our Woodwork Shop

We are in the process of purchasing a new CNC Machine, which will cost £25.2K and we will be keeping three of our existing machines, namely the Band Saw, Chop Saw and Planer Thicknesser, the latter having been kindly donated some years ago by the Eric Drummond Mercer Memorial Trust. Although we have a Dust Extractor this no longer meets the current Health and Safety Regulations, so we have managed to get a replacement, which will be located outside. Airducts of Hampton Lovett in Worcestershire are in the process of producing the technical drawings for the overhead ductwork, and the price for this work, together with the replacement Dust Extractor, is £16.5K. There will be some electrical work in addition. This will lead to a new enterprise being established, which will provide work-related practical and creative activities for our students, with Woodwork being very popular.

ii) Extension to our Sensory Room

Progress has much slower than anticipated, largely due to our requirements having changed somewhat. Our Sensory Room leads off a Hall, which is used daily for activities that tend to generate a fair amount of noise, so we've decided the Sensory Room needed to be soundproofed and that a lobby should be created for wheelchairs. Also, the ceiling will be plaster boarded, with new lighting, a new fire door fitted, plus some electrical work. We estimate that the new equipment and special flooring will cost around £22K, but we will be retaining all of our existing equipment apart from one item, which was not very popular and could not be used by everyone. In addition to the £30K from the People's Postcode Lottery Fund we have £6.5Ks worth of designated funding, donated by the NFU (our vehicle insurance company). If we go over the sum total here once all the quotes are in, then again we will make up the difference from our own funds.

Contracts in place for the delivery of Day Opportunities (Cambridgeshire County Council) and Skills and Employment (Norfolk County Council)

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 student placement income from Norfolk County Council, with small amounts from Peterborough and Lincolnshire too, as well as receiving earned income from students who self-fund.

We have two Framework Agreements in place for Day Opportunities with Cambridgeshire County Council, each covering a five-year period (but extendable up to 10 years, taking us to 2028); one is for Standard and the other for Complex Needs. Over this financial year we have been drawing in more students with complex needs. We also hold a contract for Norfolk's Skills and Employment Pathway. Percentage increases have been applied by both Cambridgeshire and Norfolk, but future prospects in this respect, where Norfolk is concerned, are not looking positive at this point in time.

We have built up an excellent reputation with both of the two main local authorities we work with, especially Cambridgeshire, and we are very proud of this fact. They recently conducted a commissioning audit, which we sailed through, and we are incredibly proud of that too.

Over the last year we have been very proud of the fact that we now have twelve students each week taking part in the running of our March-based Charity Shop, with three of them undertaking a Gateway qualification in Retail.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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

FOR THE YEAR ENDED 31 JULY 2024

Our key Partners, Funders and Supporters

We have a range of long-term business partners supporting our work, including Tesco, Specsavers and The Original Factory Shop, who between them will provide a range of opportunities for students to gain an insight into the world of work. For instance, a high proportion of our students have had the opportunity of a work experience day at Tesco, which includes working on the tills. We also assist with their Food Bank and received a lovely thank you for the work we did over the Christmas period, enabling 500 food parcels to go out to local people in need. Tesco also supports every event we hold in terms of staff time and food donations, as do some of our other partners, for which we are very grateful. Tesco also supports our charity shops by collecting donations in their foyer. A more recently established partner is the Octavius Group, who were appointed to deliver the regeneration scheme in March Town Centre. They developed a very close relationship with the staff and students at our FACET in Town facility, with one of the outcomes being work experience placements for our students. However, this relationship sadly came to an end in October 2024 when the refurbishment programme was completed. Other local partners and funders include a local Funeral Director, George James and Son and the Central Coop Chatteris, by way of funding and luxury transport for our students when they attend special events, Aria Court, a local Care Home, providing work placements for our students and other opportunities, plus funding to support our work too.

Our business partners represent a crucial part of the work we do here, as they are incredibly supportive. We are immensely grateful for all the support we receive. For us, it is important that these relationships work both ways, so we do everything we can to help our business partners to meet their own individual Corporate Social Responsibility objectives.

Working with, and supporting the needs of the local community

We've always engaged with the wider community in really positive ways, such as doing gardening work, running our Charity shops, providing entertainment, helping with the Food Bank - anything and everything really. You name it, we'll most likely have done it at some point. In addition, we've always engaged with other businesses, some of whom have become strong partners.

We're key players in our local community group, which has an ever-growing membership. We all work together, support and engage with each other and the list is growing of the things we can do together. Everyone has a very positive approach. Lots of work-based opportunities have come out of this for us, such as work experience placements at Aria Court, with roles dependent on the skill level of the individual student, but anything is a possibility with the exception of providing personal care. We're also going to create a sensory garden area for their residents with dementia.

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 large, single storey, Vic Hallam-style prefabricated building with a lifespan of about 50 years). 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, especially in that context. Other problems exist too, such as the heating, which is provided by two oil-fired boilers for the main part, with a gas boiler in a newer extension. However, the system we have heats the fabric rather than the space, so we have been looking at ways of bringing about improvements, which has included the refurbishment and updating of two large industrial-type heaters, which have now been modernized and brought back to life. We are in consultation with our Plumbing and Electrical Contractors re: the installation of a more modern eco-friendly system to cover the larger open spaces in our building.

We have an established Building Sub Committee, led by our Vice Chair, with two other Board members, including our Chair, who meet to discuss the finer details of pending work / projects / funding and then reports 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. The current lease runs until 31st March 2039, and quite a considerable amount of work needs to be done to ensure we can continue to 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 sizeable deposit which we can contribute towards the purchase of new premises at that time, or before.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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

FOR THE YEAR ENDED 31 JULY 2024

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, direct payments or who indeed are privately funded. We currently have eight different income streams relating to student income, including four local authorities, plus a separate education strand, Direct Payments and those who self-fund, of course. We've worked hard to secure these over time and we want to build upon our position.
- ii) Continue with our efforts to improve our facilities to better accommodate the requirements of adults with complex needs. A key element of this work is to refurbish and extend our Sensory Room. The room itself will be soundproofed, a lobby for wheelchairs created, the ceiling will be boarded and
- iii) Continue to work with our various partners to extend the range work experience opportunities available to our students so they can boost their confidence levels, learn new skills and progress towards undertaking voluntary work or paid employment, for those who wish to take this path. This has to be their choice, as in everything.
- iv) Continue to boost our levels of trading income, our main focus for the year being to boost income through our charity shops via the wider use of Gift Aid, helped by the fact we now have computerised tills in place, and building up our online sales. We have a huge commitment to our shops. They are our face on the high street and provide much-needed support for local families in need, helping them to buy household goods, furniture and clothes at affordable prices; we can also offer a furniture collection and delivery service.
- v) Relaunch our Woodwork Shop, which closed at the time of the first lockdown in March 2020. Our plans moving forward will be to simply focus on a new CNC machine, with a replacement Dust Extractor, retaining 3 of our existing machines and disposing of the rest. We will then be able to develop an entirely new enterprise which will provide work-based opportunities for our students in terms of assembling and finishing the various items produced, which can then be sold to members of the public through our various outlets, and online.
- vi) The Horticultural side of our work also needs investment in the form of a new large polytunnel, which we can use as an outdoor classroom, as well as for growing plants.
- vii) We hope to complete our rainwater harvesting programme, which has commenced, but we feel we really need to bring in professional advice to help us complete this work. Our plan is to produce all our own water for irrigation purposes and also our toilets.
- viii) A key focus of our effort will be on carrying out further improvements in our Environmental Sustainability firstly by installing the Voltage Optimisation equipment and then, subsequent to planning consent being granted, to install an array of 36 ground-mounted solar panels, arranged in a 3 x 12 display. The solar panels will be concreted into tubs for security purposes and surrounded by a 2 metre-high metal fence.

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. Figures published by Fenland District Council in their Health and Well-being strategy show 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 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 125 students every week, for 50 weeks a year.

We have a significant role to play here through our work, and 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 an ongoing 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.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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

FOR THE YEAR ENDED 31 JULY 2024

When it comes to price, although we naturally have to charge for people to use our services, we strive to 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 Direct Payments, 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 funding package 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. Overall, we actually strive to offer the best quality of service at the lowest possible price; that has always been our aim.

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; this 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. 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 and landscaping services through our Horticultural Dept.

POLICIES IN PLACE

As a registered charity providing Social Care and Accredited and Vocational 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, Business Continuity 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 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 Whiting's 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 professionalising the services provided and helping to reduce risk and hence liability.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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

FOR THE YEAR ENDED 31 JULY 2024

Our Management Accounts are due to be produced and circulated to all Trustees on a monthly basis. Separate reports are available for each department within the charity, of which there are currently two, our Towards Independence Programme and our Shops, in addition to the corporate version. This should provide a clear picture on a monthly basis to all Trustees based on departmental performance against budget and showing associated variations etc. However, unfortunately our accountancy firm is running a couple of months behind at the moment, which we hope will be quickly brought up to date. 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.

In June 2023, we decided to embark on an in depth review of our student invoicing and payment arrangements, as in many cases we have a significant disparity between what we are due to receive and what is actually paid. This can take the form of apparent over and underpayments, but mostly there is a different solution to the problem. Overpayments have commonly turned out to be that a new contract has been awarded, where previously that wouldn't have been the norm, so the online records are easy to rectify. Cambridgeshire County Council then embarked on a similar exercise themselves, so it's been quite helpful to work along side them in a way, resolving issues as we proceeded.

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 Business Interruption and Business Continuity policies in place.

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 is still felt today and following on from there, which has prolonged the difficulties faced. However, up to 31st July 2024, 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 figure stood at £152K per annum, and much hard work has gone on since then to regain our position here, and where possible achieve an improvement. We still not quite reached that figure, but some of our activities no longer take place. However, we have now introduced Gift Aid through our Charity Shops and have engaged in online sales of donated goods, so we are confident these will boost our trading income in the year ahead.

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, but due to the current economic situation which exists and funds designated for future projects, we are some way under that figure at the moment, unrestricted funds at the year end were £272,203 which represents 3.4 months' worth of 'free' funds. 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.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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

FOR THE YEAR ENDED 31 JULY 2024

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, a couple of years ago, our Trustees decided that we needed to start to set funds aside to protect 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 a further £100K to add to the sum of £156,289 currently invested, towards funding the cost of new premises for our charity when we move, either in terms of a deposit or refurbishment costs. Our needs may be very different in 14 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 Plan 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 achieve reductions in our bottom-line operating costs whilst at the same time continuing to drive up levels of earned income.

VOLUNTEERS

Our volunteers play a very important role in the day to day running of our Whittlesey Charity Shop, 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 this Charity Shop 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.

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.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

W Papworth

Chairwoman

Dated: 11 April 2025

FENLAND AREA COMMUNITY ENTERPRISE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2024

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; 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 2024 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 2024 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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

14 April 2025

Chartered Accountants
Statutory Auditor

Westpoint
Lynch Wood
Peterborough
Cambridgeshire
United Kingdom
PE2 6FZ

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 2024

	Notes	Unrestricted funds 2024 £	Designated funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total 2023 £
<u>Income from:</u>									
Fundraising	3	18,464	-	67,081	85,545	18,160	-	4,444	22,604
Charitable activities	4	916,100	-	-	916,100	832,197	-	36,973	869,170
Other trading activities	5	144,665	-	-	144,665	142,622	-	-	142,622
Investments	6	3,490	-	-	3,490	2,691	-	-	2,691
Other income	7	(650)	-	-	(650)	544	-	-	544
Total income		1,082,069	-	67,081	1,149,150	996,214	-	41,417	1,037,631
<u>Expenditure on:</u>									
Raising funds	8	23,939	-	-	23,939	18,602	-	-	18,602
Charitable activities	9	926,413	49,174	1,281	976,868	800,011	48,271	40,213	888,495
Total resources expended		950,352	49,174	1,281	1,000,807	818,613	48,271	40,213	907,097
Net incoming resources before transfers		131,717	(49,174)	65,800	148,343	177,601	(48,271)	1,204	130,534

FENLAND AREA COMMUNITY ENTERPRISE TRUST

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

FOR THE YEAR ENDED 31 JULY 2024

	Unrestricted funds	Designated funds	Restricted funds	Total	Unrestricted funds	Designated funds	Restricted funds	Total
	2024 £	2024 £	2024 £	2024 £	2023 £	2023 £	2023 £	2023 £
Net incoming resources before transfers								
Gross transfers between funds	131,717	(49,174)	65,800	148,343	177,601	(48,271)	1,204	130,534
	(124,041)	129,921	(5,880)	-	(193,794)	194,998	(1,204)	-
Net income for the year/ Net movement in funds	7,676	80,747	59,920	148,343	(16,193)	146,727	-	130,534
Fund balances at 1 August 2023	264,527	408,675	8,931	682,133	280,720	261,948	8,931	551,599
Fund balances at 31 July 2024	272,203	489,422	68,851	830,476	264,527	408,675	8,931	682,133

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 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	14		206,633		220,886
Current assets					
Stocks	15	2,000		2,000	
Debtors	16	120,350		143,274	
Cash at bank and in hand		697,639		490,067	
		819,989		635,341	
Creditors: amounts falling due within one year	18	(172,146)		(147,094)	
Net current assets			647,843		488,247
Total assets less current liabilities			854,476		709,133
Creditors: amounts falling due after more than one year	19		(24,000)		(27,000)
Net assets			830,476		682,133
Income funds					
Restricted funds	20		68,851		8,931
<u>Unrestricted funds</u>					
Designated funds	21	489,422		408,675	
General unrestricted funds		272,203		264,527	
			761,625		673,202
			830,476		682,133

FENLAND AREA COMMUNITY ENTERPRISE TRUST

BALANCE SHEET (CONTINUED)

AS AT 31 JULY 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 July 2024, 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 11 April 2025

W Papworth
Trustee

Company Registration No. 04457125

FENLAND AREA COMMUNITY ENTERPRISE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2024

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. 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 2024

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 2024

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 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.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

3 Fundraising	Unrestricted funds		Restricted funds		Total		Unrestricted funds		Restricted funds		Total	
	2024	2024	2024	2024	2024	2024	2023	2023	2023	2023	2023	2023
	£	£	£	£	£	£	£	£	£	£	£	£
Donations and gifts	18,464		67,081		85,545		18,160		4,444		22,604	

FENLAND AREA COMMUNITY ENTERPRISE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

4 Charitable activities

	2024 £	2023 £
Services provided under contract	916,100	832,197
Performance related grants	-	36,973
	<u>916,100</u>	<u>869,170</u>
Analysis by fund		
Unrestricted funds	916,100	832,197
Restricted funds	-	36,973
	<u>916,100</u>	<u>869,170</u>

5 Other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Shop income	119,519	119,393
Trading activity income: other	25,146	23,229
	<u>144,665</u>	<u>142,622</u>
Other trading activities		
	<u>144,665</u>	<u>142,622</u>

6 Investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Interest receivable	3,490	2,691
	<u>3,490</u>	<u>2,691</u>

FENLAND AREA COMMUNITY ENTERPRISE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

7 Other income

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Net gain on disposal of tangible fixed assets	(650)	544

8 Raising funds

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
<u>Trading costs</u>		
Operating charity shops	3,157	2,110
Other trading activities	20,782	16,492
Trading costs	23,939	18,602
	23,939	18,602

9 Charitable activities

	2024	2023
	£	£
Staff costs	644,588	554,321
Depreciation and impairment	49,174	48,271
Other costs	10,532	17,322
	704,294	619,914
Share of support costs (see note 10)	266,249	262,731
Share of governance costs (see note 10)	6,325	5,850
	976,868	888,495
Analysis by fund		
Unrestricted funds	926,413	800,011
Unrestricted funds - designated	49,174	48,271
Restricted funds	1,281	40,213
	976,868	888,495

FENLAND AREA COMMUNITY ENTERPRISE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

10 Support costs

	Support costs £	Governance costs £	2024 Support costs £	Governance costs £	2023 £
Rent	32,700	-	32,700	-	31,900
Rates	3,895	-	3,895	-	4,260
Premises insurance	2,509	-	2,509	-	1,403
Light and heat	26,059	-	26,059	-	20,714
Repairs and maintenance of premises	32,014	-	32,014	-	51,207
Travel expenses	19,807	-	19,807	-	28,905
Printing, postage and stationery	10,470	-	10,470	-	3,477
Telephone expenses	7,464	-	7,464	-	5,277
Computer expenses	9,679	-	9,679	-	5,596
Office equipment hire	7,371	-	7,371	-	7,271
Equipment maintenance	1,585	-	1,585	-	2,069
Cleaning	45,801	-	45,801	-	39,791
Insurance - non premises	9,995	-	9,995	-	8,726
Sundry expenses	3,528	-	3,528	-	3,261
Bank charges	2,753	-	2,753	-	3,146
Subscriptions	2,190	-	2,190	-	991
Training costs	13,636	-	13,636	-	12,076
Irrecoverable VAT	(749)	-	(749)	-	4,737
Accountancy fees	27,483	-	27,483	-	21,267
Legal and professional fees	8,059	-	8,059	-	6,567
Bad debts written off	-	-	-	-	90
Audit fees	-	6,325	6,325	-	5,850
	<u>266,249</u>	<u>6,325</u>	<u>272,574</u>	<u>5,850</u>	<u>268,581</u>
Analysed between					
Charitable activities	<u>266,249</u>	<u>6,325</u>	<u>272,574</u>	<u>5,850</u>	<u>268,581</u>

Governance costs includes payments to the auditors of £5,125 (2023- £4,750) for audit fees and £1,200 (2023- £1,100) for non-audit fees.

11 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 2024

12 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
	34	34
	<hr/>	<hr/>

Employment costs

	2024 £	2023 £
Wages and salaries	592,360	518,239
Social security costs	42,790	28,555
Other pension costs	9,438	7,527
	<hr/>	<hr/>
	644,588	554,321
	<hr/>	<hr/>

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

13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

14	Tangible fixed assets								
		Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Computers	Motor vehicles	Total		
	Cost				£	£	£		
	At 1 August 2023	124,773	120,054	151,715	32,223	65,078	493,843		
	Additions	3,907	199	14,913	4,021	13,024	36,064		
	Disposals	-	-	-	-	(11,419)	(11,419)		
	At 31 July 2024	128,680	120,253	166,628	36,244	66,683	518,488		
	Depreciation and impairment								
	At 1 August 2023	56,161	64,706	106,881	18,752	26,457	272,957		
	Depreciation charged in the year	12,405	4,905	14,989	6,567	10,308	49,174		
	Eliminated in respect of disposals	-	-	-	-	(10,276)	(10,276)		
	At 31 July 2024	68,566	69,611	121,870	25,319	26,489	311,855		
	Carrying amount								
	At 31 July 2024	60,114	50,642	44,758	10,925	40,194	206,633		
	At 31 July 2023	68,612	55,348	44,834	13,471	38,621	220,886		

FENLAND AREA COMMUNITY ENTERPRISE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

15 Stocks

	2024 £	2023 £
Finished goods and goods for resale	2,000	2,000

16 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	100,857	127,782
Other debtors	1,637	-
Prepayments and accrued income	17,856	15,492
	120,350	143,274

17 Loans and overdrafts

	2024 £	2023 £
Other loans	27,000	30,000
Payable within one year	3,000	3,000
Payable after one year	24,000	27,000

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.

18 Creditors: amounts falling due within one year

	2024 £	2023 £
Borrowings	3,000	3,000
Other taxation and social security	14,513	10,908
Trade creditors	10,507	20,303
Other creditors	119,770	94,562
Accruals and deferred income	24,356	18,321
	172,146	147,094

19 Creditors: amounts falling due after more than one year

	2024 £	2023 £
Borrowings	24,000	27,000

FENLAND AREA COMMUNITY ENTERPRISE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

20 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:

	Balance at 1 August 2022 £	Movement in funds			Transfers £	Balance at 1 August 2023 £	Movement in funds			Transfers £	Balance at 31 July 2024 £
		Incoming resources £	Resources expended £				Incoming resources £	Resources expended £			
Big Lottery/ESF/Building Better Opportunities	-	36,973	(36,973)		-	-	-	-		-	-
Living Sport	-	3,240	(3,240)		-	-	-	-		-	-
Co-op	-	1,204	-	(1,204)		-	-	-		-	-
NFU Mutual agency giving grant	6,452	-	-	-	-	6,452	-	-		-	6,452
Restricted donations	599	-	-	-	-	599	1,281	(1,281)		-	599
Yorkshire Building Society	1,880	-	-	-	-	1,880	-	-	(1,880)	-	-
People's Postcode Lottery	-	-	-	-	-	-	60,000	-	-	-	60,000
Power to Change	-	-	-	-	-	-	4,000	-	(4,000)	-	-
Octavious Football	-	-	-	-	-	-	1,800	-	-	-	1,800
	8,931	41,417	(40,213)	(1,204)		8,931	67,081	(1,281)	(5,880)		68,851

FENLAND AREA COMMUNITY ENTERPRISE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

20 Restricted funds

(Continued)

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 NFU Mutual and other restricted donations are anticipated to be spent on upgrading the sensory room.

The People's Postcode Lottery funding is anticipated to be spent on either upgrading the sensory room, purchasing CNC machinery, or on Photovoltaic Equipment.

The Power to Change funding received was used in the year to purchase voltage optimisation equipment.

Transfers out of restricted funds relate to funds spent on fixed assets and therefore transferred to the fixed asset designated fund.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

21 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 2022 £	Resources expended £	Transfers £	Balance at 1 August 2023 £	Resources expended £	Transfers £	Balance at 31 July 2024 £
Fixed asset fund	205,659	(48,271)	63,498	220,886	(49,174)	34,921	206,633
Future property development fund	56,289	-	100,000	156,289	-	100,000	256,289
Voltage optimisation equipment	-	-	5,000	5,000	-	(5,000)	-
Solar panels	-	-	26,500	26,500	-	-	26,500
	<u>261,948</u>	<u>(48,271)</u>	<u>194,998</u>	<u>408,675</u>	<u>(49,174)</u>	<u>129,921</u>	<u>489,422</u>

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

The future property development fund represents funds set aside by the Trustees to use towards the cost of new premises when the charity moves.

FENLAND AREA COMMUNITY ENTERPRISE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

22 Analysis of net assets between funds	Unrestricted funds		Designated funds		Restricted funds		Total		Unrestricted funds		Designated funds		Restricted funds		Total	
	2024	£	2024	£	2024	£	2024	£	2023	£	2023	£	2023	£	2023	£
Fund balances at 31 July 2024 are represented by:																
Tangible assets	-		206,633		-		206,633		-		220,886		-		220,886	
Current assets/(liabilities)	296,203		282,789		68,851		647,843		291,527		187,789		8,931		488,247	
Long term liabilities	(24,000)		-		-		(24,000)		(27,000)		-		-		(27,000)	
	272,203		489,422		68,851		830,476		264,527		408,675		8,931		682,133	

FENLAND AREA COMMUNITY ENTERPRISE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

23 Operating lease commitments

	2024 £	2023 £
Within one year	4,333	4,333
Between two and five years	10,862	15,207
	<u>15,195</u>	<u>19,540</u>

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

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2024 £	2023 £
Aggregate compensation	<u>113,105</u>	<u>111,318</u>

Transactions with related parties

During the year the charity received a donation of £250 from March Lions Club (2023: £nil), an entity in which one of the Trustees has an interest.