

**Registered number: 05225211 (England and Wales)**  
**Charity Number: 1106618**

**STC Research Foundation**  
**(Company Limited by Guarantee)**

**Trustees' Report and Financial Statements**  
**for the year ended 31 December 2021**

# STC Research Foundation

## Contents

	Page
Charity Information .....	1
Trustees’ Report .....	2
Independent Auditor’s Report .....	7
Consolidated Statement of Financial Activities .....	11
Consolidated Balance Sheet.....	12
Charity Balance Sheet.....	13
Consolidated Statement of Cash Flows .....	14
Notes to the Financial Statements .....	15

# STC Research Foundation

## Charity Information

### Trustees

Professor J M Bainbridge OBE (resigned 6 September 2022)  
N D Bartle  
P R Branfield  
A S Burgess  
M M Evans  
Dr D George  
S G Poskitt (resigned 6 September 2022)

### Company registered number

05225211 (England and Wales)

### Charity registered number

1106618

### Registered office

Stockbridge House  
Cawood  
Selby  
YO8 3TZ

### Company Secretary

J K Langdale

### Auditor

Azets Audit Services Limited  
Triune Court  
Monks Cross Drive  
York  
YO32 9GZ

### Bankers

Yorkshire Bank plc  
46 Coney Street  
York  
YO1 9NQ

### Solicitors

Swineburne Maddison LLP  
Venture House  
Aykley Heads Business Centre  
Durham  
DH1 5TS

# **STC Research Foundation**

## **Trustees' Report for the year ended 31 December 2021**

The Trustees present their annual report together with the audited financial statements of STC Research Foundation and Stockbridge Technology Limited for the year ended 31 December 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable group comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommendation Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to UK and the Republic of Ireland (FRS 102) (effective 1 January 2019).

### **Reference and administrative details**

The charity information on page 1 forms part of this Trustees' report.

### **Objectives and Activities**

The company is a Charity and exists to promote agrarian practices through promotion of research, provision of lectures and publishing related information. The company took over, on 1 December 2004, the operations that were previously carried out by the UK Trust for Advancement of Agrarian Practices.

We carry out trials to test efficiency of agronomic practices and report these to our funders. The outcomes of publicly funded projects are reported to them and together we communicate the results to growers for them to use in their business. Similarly, with privately funded trials but these are more regularly demonstrated to farmers and growers invited to the site to discuss the technology in situ.

Another objective of our work is to transfer technical / scientific knowledge, often arising in Universities using Research Council funds, to farmers and growers to improve the efficiency and environmental performance of their business. The satisfaction of these farmers and growers determine the continuation and funding of future projects and sustainability of our Charitable aims.

Our work is assessed by our funders on an ongoing basis. With public funds, this is via an ongoing and final written report delivery against the criterion set. Our private funders measure success by the quality of presentations we make at demonstrations directly to their customers (farmers and growers).

Our field trial demonstration plots cover many arable crops. We carry out specific agronomy on smaller but more detailed trials on field vegetables, sugar beet and a range of soft fruit. Under protection (glasshouses and closed LED facility) we grow tomatoes, peppers, cucumbers and a range of herbs and flowers. This wide range of crops allows a broad educational and technology transfer audience to achieve our objectives across a multi cropping industry.

Achieving all of this over the past 12 months has been a continuing challenge, as whilst the UK grappled with the impact of the pandemic, we have also seen a changing arena for research and technology transfer as the UK has parted from the EU.

Despite these challenges, the site has continued to operate, and staff found innovative routes to continue working on transferring knowledge. There has no doubt been areas of insurmountable challenge however the work carried out is testament to the dedication of the team at Stockbridge.

### **Public benefit**

The Charity's aims and achievements are set out within this report. The activities set out in the Trustees report have been undertaken to further the Charity's charitable purpose for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission and the Trustees have paid due regard to this guidance in deciding what activities the Charity should undertake.

# **STC Research Foundation**

## **Trustees' Report for the year ended 31 December 2021 (continued)**

### **Achievements and performance**

This period saw the continuing impacts of the pandemic. This had a major effect on some activities at Stockbridge.

School visits and activities in the outdoor classroom remain suspended, as did the flow of visitors to the site.

This was sad and was a marked change in activities. This meant a blanket of protection could be thrown around the staff on site. Plants don't suffer from covid, so the volume of work and the activities of crops didn't stop. Being able to protect the team from external risks was therefore vital to allow them to keep working and therefore allow the process of innovation and technology transfer to carry on.

The site in terms of growing crops continued to be busy, out on the farm broad acre trials of new varieties have continued along with investigation to test and trial tomorrow's protection products.

In the glass work has ranged from seed production, through to investigating pharmaceutical use as before.

The diversity of crops and environments grown has been diverse. The use of teams/zoom, calls for conferences and seminars has allowed vital lines of communication to continue.

The fact the team has continued growing crops to the sites capacity and transferring knowledge is of massive credit to them, and of course the founders of STC.

Memorial trees to both Graham Ward and Roger Sayer will be planted at the site this year to mark the passing of both these crucial founding executives of Stockbridge.

### **Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

### **Reserves policy**

The group currently has unrestricted reserves of £3,039,630 (2020 - £2,888,942). However, a substantial proportion of these reserves are tied up in fixed assets, which means that the free reserves available for unrestricted use is £175,907. This equates to 37 days operating costs. The Trustees plan to increase this to 100 days or £500,000 by the close of 2022. This would provide the group with the ability to undertake unfunded research projects and meet any timing delays arising through either current or future funding streams.

It is the policy of the charitable group to maintain mainly unrestricted funds at a level sufficient to promote and maintain the objectives.

Our reserve policy (and borrowing) is based around our land ownership which we have no reason to believe will fall below £3m. Our cash reserves are basically to cover short term cash flow and possible project failures. They cover 11% of our annual turnover.

### **Principal risks and uncertainties**

Our stability is based around our land value where our borrowings are limited to 40% exposure. Our functional risk is whether farmers and growers still require demonstration and / or field assessment of agronomic risks. We have explained that our private funders (suppliers of goods to farmers in the main) are continually placing forward work. Our public funders are, we regret, in continual disarray both with UK policy, and by exit from the EU. We are carrying out considerable adaptations to our business model to offset this risk to less than 20% of our work from these public funded concerns.

# STC Research Foundation

## Trustees' Report for the year ended 31 December 2021 (continued)

### Financial risk management objectives and policies

The Trustees have assessed the major risks to which the Charity and the Group is exposed, in particular those related to the operations and finances of the Charity and the Group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

### Financial review

During the period consolidated income amounted to £1,899,960 (2020 - £1,891,110) and consolidated expenditure was £1,742,456 (2020 - £1,337,647). The group held fund balances as at 31 December 2021 of £3,039,630 (2020: £2,889,845) comprising of £nil (2020 - £903) of restricted funds and £3,039,630 (2020 - £2,888,942) of unrestricted funds. Unrestricted funds includes an unrealised revaluation gain of £1,425,034 (2020 - £1,604,206).

### Organisational structure

STC Research Foundation is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 08 September 2004 and registered as a charity on 05 November 2004.

### Fundraising

Neither the Charity nor the Group actively fundraise from the public, no commercial fundraisers are engaged. Fundraising in the charity sector has been regulated by the fundraising Regulator since 2015 but the Charity is not specifically registered. The Board is not aware of any failure by the Charity to comply with this regulation and no complaints have been received in relation to any form of fundraising.

### Methods of appointment or election of Trustees

The management of the Charity and the Group is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. Under those articles, the minimum number of directors is 3. At each AGM one third of the directors must retire by rotation. They are eligible for re-appointment.

The STC Research Foundation Board of Trustees is made up of experienced persons within the agricultural/horticultural business, from academia to practical farmers/growers. They oversee that the directors of Stockbridge Technology Centre Limited (STC Ltd), our delivery facility, carry out work to satisfy the aims and objectives of the charity.

Strategic short and long-term policies are set at the AGM of STC Research Foundation. The financial and functional operations are controlled by STC Ltd board who meet frequently (at least every two months). Day to day contact with all STC Ltd directors and the staff are maintained via the Administrative Manager.

Trustees are invited by the Board of Trustees after assessing what expertise is required to strengthen the charity's activities and responsibilities.

### Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees depends on their existing experience. Where necessary, induction and training is provided on charity, legal and financial matters. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there might only be one or two new Trustees in any year, induction tends to be done informally and is tailored specifically to the individual.

# **STC Research Foundation**

## **Trustees' Report for the year ended 31 December 2021 (continued)**

### **Pay policy for key management personnel**

We have a staff salary scale based around job descriptions which in turn takes into consideration qualifications both academic and experience. This scale and staff positions within it are reviewed by the STC Ltd directors at least once per year normally in the Spring. We base our scale levels on other similar achievements, Universities and personal knowledge. We are a "living wage" employer.

### **Related party relationships**

The trading subsidiary, Stockbridge Technology Centre Limited was incorporated in 2001. The company develops and transfers plant technology to growers and farmers to enable them to maximise their yields of quality crops.

The Charity is managed by the Trustees of STC Research who meet as appropriate in the year to set the strategy for the group. Day to day management is undertaken by the company secretary.

### **Financial risk management**

The Trustees have assessed the major risks to which the Group and the Charity are exposed, in particular those related to the operations and finances of the Group and the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

### **Plans for future periods**

STC looks forward to being able to re welcome educational visits to the site and to host open days to showcase work when it is safe and prudent to do so.

Due to the changing research environment, a number of trustees have taken the opportunity to step back to leave a smaller core that can focus on building a plan for the next 20 years.

This will look at how the growing environment changes to focus on the impacts of climate change, a growing population and how crops integrate with this. This will evolve and be reported on over future years.

### **Auditors**

Azets Audit Services Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Small companies exemption**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

# **STC Research Foundation**

## **Trustees' Report for the year ended 31 December 2021 (continued)**

### **Statement of Trustees' responsibilities**

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

Company Law requires the Trustees to prepare financial statements for each financial. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Approved by order of the members of the board of Trustees on 6 September 2022 and signed on their behalf by:

**Peter Branfield**

**Trustee**



# STC Research Foundation

## Independent Auditor's Report to the Members of STC Research Foundation

### Opinion

We have audited the financial statements of STC Research Foundation ('the parent charitable company') and its subsidiaries ('the group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant account policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2021 and of the Groups' income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 trustees are responsible for the other information. The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# STC Research Foundation

## Independent Auditor's Report to the Members of STC Research Foundation (continued)

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

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

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

- the parent charitable company has not kept adequate and sufficient accounting records or returns adequate for our audit have not been received from branches not visited by us;
- the parent charitable company financial statements are not in agreement with the accounting records and returns;
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require of our audit.

### Responsibilities of the trustees

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

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

### Our responsibilities for the audit of the financial statements

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

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

# STC Research Foundation

## Independent Auditor's Report to the Members of STC Research Foundation (continued)

### Extent to which the audit was capable of identifying irregularities, including fraud

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Directors and other management, and from inspection of the charitable company's regulatory and legal correspondence. We discussed with the Trustees and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance during the audit.

The charitable company and its subsidiary is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies and charities legislation), pensions legislation, taxation legislation and further laws and regulations that could indirectly affect the financial statements, comprising environmental, health and safety and employment legislation, and, in the current climate, Covid-19 regulations. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. These procedures did not identify any potentially material actual or suspected non-compliance.

To identify risks of material misstatement due to fraud we considered the opportunities and incentives and pressures that may exist within the charitable company to commit fraud. Our risk assessment procedures included: enquiry of Trustees and other management to understand the high level policies and procedures in place to prevent and detect fraud, reading Board minutes and considering performance targets and incentive schemes in place for management. We communicated identified fraud risks throughout our team and remained alert to any indications of fraud during the audit.

As a result of these procedures we identified the greatest potential for fraud in the following areas:

- income recognition and in particular the risk that income is recognised in the wrong reporting period;
- income given with restriction is not correctly recognised as such; and
- subjective accounting estimates such as the valuation of freehold properties.

Fraud risks arise due to having cash in the charitable company and due to a potential desire to present differing results to support the strategy of management and Trustees.

As required by auditing standards we also identified and addressed the risk of management override of controls.

We performed the following procedures to address the risks of fraud identified:

- identifying and testing high risk journal entries through vouching the entries to supporting documentation; and
- assessing significant accounting estimates for bias; and
- testing the recognition of income and in particular that it was appropriately recognised, classified as restricted as necessary or deferred; and
- review of minutes of Trustee meetings.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

# **STC Research Foundation**

## **Independent Auditor's Report to the Members of STC Research Foundation (continued)**

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Use of our report**

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

**Laura Masheder FCA DChA**  
**Senior Statutory Auditor**

7 September 2022

**Azets Audit Services Limited**  
**Statutory Auditor**

Triune Court  
Monks Cross Drive  
York  
YO32 9GZ

# STC Research Foundation

## Consolidated Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 December 2021

		Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	As restated Total Funds 2020 £
	Notes				
<b>Income from:</b>					
Charitable activities	4	1,717,170	-	1,717,170	1,572,343
Other trading activities	5	70,257	-	70,257	115,253
Investments	6	112,533	-	112,533	131,514
<b>Total income</b>		1,899,960	-	1,899,960	1,891,110
<b>Expenditure on:</b>					
Charitable activities	7	1,742,456		1,742,456	1,337,647
<b>Total expenditure</b>		1,742,456	-	1,742,456	1,337,647
<b>Net income before taxation</b>					
		157,504	-	157,504	481,643
Taxation	12	(7,719)	-	(7,719)	(10,440)
<b>Net movement in funds</b>					
		149,785	-	149,785	471,023
Transfers between funds		903	(903)	-	-
<b>Net movement in funds</b>		150,688	(903)	149,785	471,023
<b>Reconciliation of funds:</b>					
Total funds brought forward		2,888,942	903	2,889,845	2,418,822
Net movement in funds		150,688	(903)	149,785	471,023
<b>Total funds carried forward</b>	23	3,039,630	-	3,039,630	2,889,845

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

The notes on pages 15 to 37 form part of these financial statements.

A fully detailed comparative Statement of Financial Activities for the period ending 31 December 2020 is shown at note 30.

# STC Research Foundation

## Consolidated Balance Sheet as at 31 December 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	<b>13</b>		3,134,575		3,142,251
Investments	<b>14</b>		8,109		4,560
			3,142,684		3,146,811
<b>Current assets</b>					
Stocks	<b>15</b>	73,739		61,457	
Debtors	<b>16</b>	729,658		725,390	
Cash at bank and in hand	<b>27</b>	223,164		300,238	
			1,026,561		1,087,085
<b>Creditors:</b> Amounts falling due within one year	<b>17</b>	(850,654)		(466,135)	
<b>Net current assets</b>			175,907		620,950
<b>Total assets less current liabilities</b>			3,318,591		3,767,761
<b>Creditors:</b> amounts falling due after more than one year	<b>18</b>		(6,911)		(672,383)
Provisions for liabilities	<b>22</b>		(272,050)		(205,533)
<b>Net assets</b>			3,039,630		2,889,845
<b>Total net assets</b>			3,039,630		2,889,845
<b>Charity funds</b>					
Restricted funds	<b>23</b>		-		903
<i>Unrestricted funds:</i>					
General funds	<b>23</b>	1,614,596		1,284,736	
Revaluation reserve		1,425,034		1,604,206	
Total unrestricted funds	<b>23</b>		3,039,630		2,888,942
<b>Total funds</b>	<b>25</b>		3,039,630		2,889,845

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

The financial statements were approved by the board on 6 September 2022 and signed on its behalf by:

**Peter Branfield**

**Trustee**

The notes on pages 15 to 37 form part of these financial statements.

**Company registration number: 05225211**

# STC Research Foundation

## Charity Balance Sheet as at 31 December 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Investments	<b>14</b>		5		5
			5		5
<b>Current assets</b>					
Debtors	<b>16</b>	30,510		66,469	
Cash at bank and in hand		119,870		76,500	
		150,380		142,969	
<b>Creditors:</b> Amounts falling due within one year	<b>17</b>	(44,495)		(50,225)	
<b>Net current assets</b>			105,885		92,744
<b>Total assets less current liabilities</b>			105,890		92,749
<b>Net assets</b>			105,890		92,749
<b>Total net assets</b>			105,890		92,749
<b>Charity funds</b>					
Restricted funds	<b>24</b>		-		903
Unrestricted funds	<b>24</b>		105,890		91,846
<b>Total funds</b>			105,890		92,749

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

The financial statements were approved by the board on ..... and signed on its behalf by:

**Peter Branfield.**

**Trustee**

The notes on pages 15 to 37 form part of these financial statements.

**Company registration number: 05225211**

# STC Research Foundation

## Consolidated Statement of Cash Flows for the year ended 31 December 2021

	Notes	2021 £	As restated 2020 £
<b>Cash flows from operating activities</b>			
Cash from operations	23	(37,785)	357,339
Taxation		59,121	(32,099)
<b>Net cash provided by operating activities</b>		<b>21,336</b>	<b>325,240</b>
<b>Cash flows from investing activities</b>			
Investment income		108,984	127,054
Proceeds from the sale of tangible fixed assets		5,675	649
Purchase of tangible fixed assets		(52,736)	(53,818)
Interest paid		(41,018)	(36,075)
<b>Net cash used in investing activities</b>		<b>20,905</b>	<b>37,810</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowing		(96,076)	(75,961)
Hire purchase payments in the year		(35,239)	(6,278)
Hire purchase advances in the year		12,000	-
<b>Net cash used in financing activities</b>		<b>(119,315)</b>	<b>(82,239)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(77,074)</b>	<b>280,811</b>
Cash and cash equivalents at the beginning of the year		300,238	19,427
<b>Cash and cash equivalents at the end of the year</b>	24	<b>223,164</b>	<b>300,238</b>



# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021

### 1. General Information

The Charity is a company limited by guarantee. The members of the company are the Trustees as named on page 1. In the event of the charity being wound up, the liability of the guarantee is limited to £10 per member of the Charity.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) – 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 Financial Reporting Standard applicable in the UK and Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £1.

STC Research Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the parent charitable company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

On the grounds that the charitable company's results are consolidated into the charitable company's group accounts the charitable company has taken advantage of certain exemptions conferred by section 1.11 of FRS 102 as follows:

Exemption from presenting a charitable company statement of cash flows as a primary statement to the financial statements.

As permitted by s408 Companies Act 2006. The charitable company has not presented its own profit and loss account and related notes. The charitable company's profit for the year was £13,141 (2020 – £53,530).

#### 2.2 Going concern

The trustees are constantly monitoring the financial position of the charitable group and recognise the reliance the charity has on the profitability of the trading activities of its subsidiary, especially in the post pandemic environment and the uncertainties that continues to bring.

As disclosed in note 19 to these financial statements the group, via its subsidiary, does benefit from the support of its bank in the form of two secured loan facilities. Both of these are due for renewal within 12 months of the year end. We have negotiated a renewal of the largest facility post year end and the second smaller facility does not expire until October 2022, however we have entered into discussions with bank and give the financial position of the company and the security it can offer for the loans the bank has indicated that they do not foresee any problems in renewing the facility.

At the time of approving the financial statements, the trustees therefore believe that it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 2.3 Income

All income is recognised once the charity has entitlement to the funds, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Investment income, gains and losses are allocated to the appropriate fund.

# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021 (continued)

### 2.4 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 allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Trading costs represent costs incurred by the trading subsidiary, recognised on transfer of economic risk and reward.

All expenditure is inclusive of irrecoverable VAT.

### 2.5 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	2% straight line
Plant and machinery	25%, 20% and 10% reducing balance
Motor vehicles	25% reducing balance
Fixtures and fittings	25% reducing balance
Computer equipment	25% reducing balance

All assets are initially recorded at cost.

Depreciation is not provided on freehold land.

Tangible assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition.

The Charity has adopted the revaluation model to revalue freehold land and property whose fair value can be reliably measured. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market based evidence by appraisal that is normally undertaken by professional qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity funds.

# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021 (continued)

### 2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investment in subsidiaries are valued at cost less provision for impairment.

### 2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

### 2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### 2.9 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### 2.10 Liabilities

Liabilities and provisions are recognised where there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments of the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risk specific to the liability. The unwinding of the discount is recognised in the consolidated statement of financial activities as a finance cost.

### 2.11 Taxation

STC Research Foundation is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, it is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

The tax expense represents the sum of the tax currently payable and deferred tax in the subsidiary undertaking, which, as a trading entity, is not afforded such tax exemptions.

### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Where the calculation of current tax includes significant uncertainties, the directors apply a point estimate in the calculation of the tax charge and associated asset or liability. This is calculated based on agreement with tax authorities over accepted estimates and adjustments to the company's taxable profits, with the directors considering it probable that a similar outcome will be obtained in the current year by adopting the same estimation methodology, and accordingly have provided for the associated tax relief on the grounds that it is probable this will be received.

# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021 (continued)

### 2.11 Taxation (continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

### 2.12 Financial instruments

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

### 2.13 Operating Leases

Rentals payable under operating leases, including any lease incentives received, are charged to the SoFA on a straight line basis over the lease term.

### 2.14 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the consolidated statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

### 2.15 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

### 2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restriction imposed by donors or which have been raised by the Group for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set up in the notes to the financial statements.

# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021 (continued)

### 2.17 Grants

Grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability and held within deferred income.

### 2.18 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 3. Critical accounting estimates and judgements

Estimate and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year discussed below.

#### Critical areas of judgement:

Depreciation is calculated as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy.

Stock includes growing crops that are valued based on a calculation of seed and fertiliser used to date per acre.

# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021 (continued)

### 4. Income from charitable activities

	<b>Total Funds 2021 £</b>	<b>As restated Total Funds 2020 £</b>
Subsidiary charitable activities	1,716,035	1,569,436
Government grants	1,135	2,907
<b>Total</b>	<b>1,717,170</b>	<b>1,572,343</b>

All income in the current and prior year is unrestricted.

### 5. Income from other trading activities

#### Income from non charitable trading activities

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total Funds 2021 £</b>	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total Funds 2020 £</b>
Contract sales	70,257	-	70,257	63,562	51,691	115,253
<b>Total</b>	<b>70,257</b>	<b>-</b>	<b>70,257</b>	<b>63,562</b>	<b>51,691</b>	<b>115,253</b>

### 6. Investment income

	<b>Total Funds 2021 £</b>	<b>Total Funds 2020 £</b>
Rents Received	53,284	96,068
Sundry income	55,699	35,446
Investment income	3,550	-
<b>Total</b>	<b>112,533</b>	<b>131,514</b>

All income in the current and prior year is unrestricted.

# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021 (continued)

### 7. Analysis of expenditure on charitable activities

#### Summary by fund type

	<b>Total Funds 2021</b> <b>£</b>	<b>Total Funds 2020</b> <b>£</b>
Farm	18,642	31,886
Education/Agronomy	(575)	13,485
Science	18,099	19,432
Subsidiary charitable activities	1,623,747	1,174,736
General running costs	82,543	98,108
<b>Total</b>	<b>1,742,456</b>	<b>1,337,647</b>

### 8. Analysis of expenditure on activities

	<b>Activities undertaken directly 2021</b> <b>£</b>	<b>Support costs 2021</b> <b>£</b>	<b>Total Funds 2021</b> <b>£</b>
Farm	18,642	-	18,642
Education/Agronomy	(575)	-	(575)
Science	18,099	-	18,099
Subsidiary charitable activities	1,623,747	-	1,623,747
General running costs	-	82,543	82,543
<b>Total</b>	<b>1,659,913</b>	<b>82,543</b>	<b>1,742,456</b>

#### Analysis of direct costs

	<b>Farm 2021</b> <b>£</b>	<b>Education/ Agronomy 2021</b> <b>£</b>	<b>Science 2021</b> <b>£</b>	<b>Total Funds 2021</b> <b>£</b>
Staff costs	1,866	(575)	18,099	19,390
Direct costs	16,776	-	-	16,776
<b>Total</b>	<b>18,642</b>	<b>(575)</b>	<b>18,099</b>	<b>36,166</b>

# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021 (continued)

### 8. Analysis of expenditure on activities (continued)

#### Analysis of support costs

	Subsidiary charitable activities 2021 £	General running costs 2021 £	Total Funds 2021 £
Staff costs	756,391	5,358	761,749
Depreciation	88,011	-	88,011
Rates and water	-	1,959	1,959
Light and heat	-	15,104	15,104
Telephone	-	754	754
Post and stationery	-	296	296
Sundries	-	4,987	4,987
Direct costs	742,801	-	742,801
Repairs and renewals	-	2,344	2,344
Travelling and motor expenses	-	146	146
Subcontractors	-	20,051	20,051
Computer running costs	-	153	153
Subscriptions	-	136	136
Training	-	89	89
Bank charges	-	45	45
Cleaning	-	186	186
Bank interest	41,018	-	41,018
Auditors' fees	-	7,700	7,700
Accountancy	-	12,279	12,279
Legal and professional fees	-	10,956	10,956
(Profit) on disposal of fixed assets	(4,474)	-	(4,474)
<b>Total</b>	<b>1,623,747</b>	<b>82,543</b>	<b>1,706,290</b>



# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021 (continued)

### 8. Analysis of expenditure on activities (continued)

	Activities undertaken directly 2020 £	Support costs 2020 £	Total Funds 2020 £
Farm	31,886	-	31,886
Education/Agronomy	13,485	-	13,485
Science	19,432	-	19,432
Subsidiary charitable activities	1,174,736	-	1,174,736
General running costs	-	98,108	98,108
<b>Total</b>	<b>1,239,539</b>	<b>98,108</b>	<b>1,337,647</b>

### Analysis of direct costs

	Farm 2020 £	Education/ Agronomy 2020 £	Science 2020 £	Total Funds 2020 £
Staff costs	30,789	13,485	10,939	55,213
Direct costs	1,097	-	8,493	9,590
<b>Total</b>	<b>31,886</b>	<b>13,485</b>	<b>19,432</b>	<b>64,803</b>

# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021 (continued)

### 8. Analysis of expenditure on activities (continued)

#### Analysis of support costs

	Subsidiary charitable activities 2020 £	General running costs 2020 £	Total Funds 2020 £
Staff costs	561,605	5,053	566,658
Depreciation	57,245	-	57,245
Rates and water	-	1,496	1,496
Light and heat	-	10,795	10,795
Telephone	-	897	897
Post and stationery	-	554	554
Sundries	-	(1,324)	(1,324)
Direct costs	513,972	6,421	520,393
Repairs and renewals	-	5,947	5,947
Travelling and motor expenses	-	2,299	2,299
Subcontractors	-	34,907	34,907
Computer running costs	-	66	66
Subscriptions	-	250	250
Training	-	51	51
Bank charges	-	327	327
Cleaning	-	245	245
Bank interest	36,075	62	36,137
Auditors' fees	-	13,000	13,000
Accountancy	-	3,549	3,549
Legal and professional fees	-	13,513	13,513
Loss on disposal of fixed assets	5,839	-	5,839
<b>Total</b>	<b>1,174,736</b>	<b>98,108</b>	<b>1,272,844</b>

# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021 (continued)

### 9. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	5,500	13,000
Fees payable to the Charity's auditor for the audit of the Charity's subsidiary annual accounts	2,200	-
Fees payable to the Charity's auditor in respect of: All non-audit services not included above	12,279	3,549

### 10. Staff costs

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	713,296	570,925	21,150	54,984
Social security costs	55,639	41,574	2,954	4,374
Pension costs	12,204	9,372	644	908
	781,139	621,871	24,748	60,266

The average number of persons employed by the Group during the year was as follows:

	Group 2021 No.	Group 2020 No.
Research activities	24	28
Management and administration	6	6
Estates	3	3
	33	37

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was nil (2020 - nil).

Pension contributions totalling £nil (2020 - £2,693) were payable to the fund at the year end.

Key management are considered to be Senior Project Manager, Project Manager, Director of Agronomy, Operations Director, Office Manager. Remuneration paid to key management personnel during the year was £236,080 (2020 - £174,230).

### 11. Trustees' remuneration and expenses

During the year no trustee received any remuneration or other benefits (2020 - £nil).

During the year no Trustee expenses have been incurred (2020 - £nil).

# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021 (continued)

### 12. Taxation

	2021 £	As restated 2020 £
<b>Corporation tax</b>		
Research and development tax credit	(104,855)	(86,831)
Current tax on net income	46,057	95,278
<b>Total current tax</b>	<b>58,798</b>	<b>8,447</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	66,517	1,993
<b>Total deferred tax</b>	<b>66,517</b>	<b>1,993</b>
<b>Taxation on net income</b>	<b>(7,719)</b>	<b>(10,440)</b>

The tax assessed for the period is higher than (2020 – higher than) the standard rate of corporation tax in the UK of 19% (2020 – 19%). The differences are explained below:

	2021 £	2020 £
Net income before tax <b>(1)</b> <b>Note 14</b>	144,363	427,933
Expected tax charge	27,429	81,307
<b>Effects of:</b>		
Other tax adjustments	4,415	5,524
Adjustment in research and development tax credit	(104,855)	(86,831)
Changes in the rate of deferred tax provided	65,292	-
<b>Total tax charge for the period</b>	<b>(7,719)</b>	<b>(10,440)</b>

**(1)** The activities of the charity remain within the charitable tax exemptions, as such the income subject to taxation relates to the profit before tax within the trading subsidiary only.

The UK budget on 3 March 2021 announced the intention to increase the tax rate from the current rate of 19% to 25%, with effect from April 2023.

# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021 (continued)

### 13. Tangible fixed assets

#### Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>						
As at 1 January 2021	3,028,290	917,356	43,575	21,843	65,028	4,076,092
Additions	-	77,436	3,500	-	600	81,536
Disposals	-	(9,146)	(5,800)	(1,261)	(450)	(16,657)
As at 31 December 2021	3,028,290	985,646	41,275	20,582	65,178	4,140,971
<b>Depreciation</b>						
At 1 January 2021	105,833	726,362	33,710	17,561	50,375	933,841
Charge for the year	20,269	60,134	2,806	1,070	3,732	88,011
On disposals	-	(8,373)	(5,663)	(1,099)	(321)	(15,456)
As at 31 December 2021	126,102	778,123	30,853	17,532	53,786	1,006,396
<b>Net book values</b>						
As at 31 December 2021	2,902,188	207,523	10,422	3,050	11,392	3,134,575
As at 31 December 2020	2,922,457	190,994	9,865	4,282	14,653	3,142,251

The charitable company had no tangible fixed assets in either this or the prior year.

Included in cost or valuation of freehold land property is freehold land with a carrying value of £2,014,837 (2020 - £2,014,837) which is not depreciated.

Freehold land and buildings were valued by the directors of the subsidiary, supported by an independent valuation in September 2015. Both the directors of the subsidiary and the trustees of the charity do not consider the value to differ materially at the balance sheet date.

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2021 £	2020 £
Cost	1,600,689	1,600,689
Accumulated depreciation	123,326	103,532
<b>Carrying value</b>	<b>1,477,363</b>	<b>1,497,157</b>

A non-distributable revaluation reserve of £1,425,034 (2020 - £1,604,206) exists in respect of the revalued land and buildings. Historically there has been no revaluation reserve transfer between the revaluation reserve and the profit and loss reserve to represent the difference between the historical cost depreciation and the revalued carrying value depreciation, a transfer has been made of £179,172 to correct this in full in the current year.

# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021 (continued)

### 13. Tangible fixed assets (continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2021	-	19,750	4,715	8,033	32,498
Additions	24,000	-	-	-	24,000
Transfer to owned assets	-	(19,750)	-	-	(19,750)
At 31 December 2021	24,000	-	4,715	8,033	78,023
<b>Depreciation</b>					
At 1 January 2021	-	10,723	1,962	2,186	14,871
Charge for the year	2,000	-	688	1,462	4,150
Transferred to owned assets	-	(10,723)	-	-	(10,723)
At 31 December 2021	2,000	-	2,650	3,648	39,151
<b>Net book values</b>					
At 31 December 2021	22,000	-	2,065	4,385	28,450
At 31 December 2020	-	9,027	2,753	5,847	17,627

### 14. Fixed asset investments

Group	Unlisted investments 2021 £	Unlisted investments 2020 £
<b>Cost or valuation</b>		
As at 1 January 2021	4,560	100
Additions	3,549	4,460
At 31 December 2021	8,109	4,560
<b>Net book value</b>		
As at 31 December 2021	8,109	4,560

# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021 (continued)

### 14. Fixed asset investments (continued)

Charity	Investments in subsidiary companies 2021 £	Investments in subsidiary companies 2020 £
<b>Cost or valuation</b>		
At 1 Jan 2021	5	5
At 31 December 2021	5	5
<b>Net book value</b>		
At 31 December 2021	5	5

### Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Holding	Included in consolidation
Stockbridge Technology Centre Limited	04175440	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Pre-tax profit £	Profit for the year £	Net assets £
Stockbridge Technology Centre Limited	1,841,187	1,704,543	144,363	136,644	2,933,745

### 15. Stocks

	Group 2021 £	Group 2020 £
Raw materials and consumables	73,739	61,457

# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021 (continued)

### 16. Debtors

	Group		Charity	
	2021	2020	2021	2020
Due within one year	£	£	£	£
Trade debtors	580,912	437,921	904	-
Corporation Tax Recoverable	58,798	150,710	-	-
Prepayments and accrued income	89,948	136,759	29,606	66,469
	729,658	725,390	30,510	66,469

### 17. Creditors: Amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	649,096	75,552	-	-
Trade creditors	55,552	88,405	8,000	-
Amounts owed to subsidiary	-	-	32,295	-
Other taxation and social security	51,738	96,639	-	-
Corporation tax	3,689	95,279	-	-
Finance leases and hire purchase	6,715	5,302	-	-
Other creditors	2,356	6,406	-	-
Accruals and deferred income	81,508	98,552	4,200	50,225
	850,654	466,135	44,495	50,225

### 18. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £
Bank loans – 1-2 years	-	75,552
Bank loans – 2-5 years	-	594,068
Net obligations under finance lease and hire purchase contracts	6,911	2,763
	6,911	672,383

The charity had no creditors due over one year in either this or the prior year.

The group has two secured loans with Yorkshire Bank, the first loan has a balance of £454,148 and interest is charged at 4.25% over base and the second loan has a balance of £194,948 and interest is charged at 4.25% over base. Monthly capital and interest payments are made with the final balance settled or refinanced at the maturity date. The first loan matures in June 2022 with an expected maturity value of approximately £425,000, the second loan matures in October 2022 with an expected maturity value of approximately £173,000.

At 31 December 2021 a total of £649,096 (2020 - £745,172) was outstanding. These loans are secured by a debenture creating a fixed and floating charge over the assets of the company, a legal first charge over 12.5 acres at Cawood and a legal first charge over Stockbridge House, Cawood.

Hire purchases are secured against the assets to which they relate.



# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021 (continued)

### 19. Loans and overdrafts

The following secured debts are included within creditors:

	<b>Group 2021 £</b>	<b>Group 2020 £</b>
Bank loans	649,096	745,172
Hire purchase contracts	13,626	8,065
	<b>662,722</b>	<b>753,237</b>

Bank loans are secured as disclosed in note 18 to these financial statements.

Hire purchases are secured against the assets to which they relate.

### 20. Deferred Income

	<b>Group 2021 £</b>
As at 1 January 2021	10,425
Amount released to income	31,513
Amount deferred in the year	(7,024)
As at 31 December 2021	34,914

### 21. Finance lease obligations

	<b>2021 £</b>	<b>2020 £</b>
<b>Future minimum lease payments due under finance lease:</b>		
Within one year	6,715	5,302
In two to five years	6,911	2,763
	<b>13,626</b>	<b>8,005</b>

# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021 (continued)

### 22. Deferred taxation

Group	2021 £	2020 £
At the beginning of the year	205,533	203,540
Charge for the year	66,517	1,993
	272,050	205,533

The deferred tax balance is made up as follows:

	Group 2021 £	Group 2020 £
Accelerated capital allowances	(272,672)	(203,540)
Other timing differences	622	(1,993)
	(272,050)	(205,533)

The charity had no deferred tax asset or liability in 2021 (2020 - £nil).

### 23. Statement of funds – Group

#### Statement of funds – current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers between funds £	Balance at 31 December 2021 £
<b>Unrestricted funds</b>					
General funds – all funds	1,284,736	1,899,960	(1,750,175)	180,075	1,614,596
Revaluation reserve	1,604,206	-	-	(179,172)	1,425,034
	2,888,942	1,899,960	(1,750,175)	903	3,039,630
<b>Restricted funds</b>					
Restricted funds	903	-	-	(903)	-
Total of funds	2,889,845	1,899,960	(1,750,175)	-	3,039,630

A non-distributable revaluation reserve of £1,425,034 (2020 - £1,604,206) exists in respect of the revalued land and buildings. Historically there has been no revaluation reserve transfer between the revaluation reserve and the profit and loss reserve to represent the difference between the historical cost depreciation and the revalued carrying value depreciation, a transfer has been made of £179,172 to correct this in full in the current year.

# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021 (continued)

### 23. Statement of funds – Group (continued)

#### Statement of funds – prior year

	Balance at 01 April 2020 £	Income £	Expenditure £	Transfers between funds £	Balance at 31 December 2020 £
<b>Unrestricted funds</b>					
General funds – all funds	813,713	1,854,250	(1,285,956)	(97,271)	1,284,736
Revaluation reserve	1,604,206	-	-	-	1,604,206
	2,417,919	1,854,250	(1,285,956)	(97,271)	2,888,942
<b>Restricted funds</b>					
Restricted funds	903	51,691	(51,691)	-	903
Total of funds	2,418,822	1,905,941	(1,434,918)	(97,271)	2,889,845

### 24. Summary of funds - Charity

#### Summary of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers between funds £	Balance at 31 December 2021 £
General funds	91,846	70,257	(57,116)	903	105,890
Restricted funds	903	-	-	(903)	-
	92,749	70,257	(57,116)	-	105,890

#### Summary of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers between funds £	Balance at 31 December 2020 £
General funds	38,316	63,562	(10,032)	-	91,846
Restricted funds	903	51,691	(51,691)	-	903
	39,219	115,253	(61,723)	-	92,749

# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021 (continued)

### 25. Analysis of net assets between funds

#### Analysis of net assets between funds – current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Funds 2021 £
Tangible fixed assets	3,134,575	-	3,134,575
Fixed asset investments	8,109	-	8,109
Current assets	1,026,561	-	1,026,561
Creditors due within one year	(850,654)	-	(850,654)
Creditors due in more than one year	(6,911)	-	(6,911)
Provisions of liabilities and charges	(272,050)	-	(272,050)
Total	3,039,630	-	3,039,630

#### Analysis of net assets between funds – prior period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total Funds 2020 £
Tangible fixed assets	3,142,251	-	3,142,251
Fixed asset investments	4,560	-	4,560
Current assets	1,086,182	903	1,087,085
Creditors due within one year	(466,135)	-	(466,135)
Creditors due in more than one year	(672,383)	-	(672,383)
Provisions of liabilities and charges	(205,533)	-	(205,533)
Total	2,888,942	903	2,889,845

# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021 (continued)

### 26. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	As restated Group 2020 £
Net income after tax	149,785	471,023
<b>Adjustments for:</b>		
Taxation charged/(credited)	7,719	10,440
Depreciation charges	88,011	57,243
Investment income	(112,533)	(131,514)
Interest expense	41,018	36,075
(Profit)/loss on the sale of fixed assets	(4,474)	5,839
(Increase)/decrease in stocks	(12,282)	12,703
Decrease/(increase) in debtors	(96,180)	(120,522)
(Decrease)/increase in creditors	(98,849)	16,052
Net cash provided by operating activities	(37,785)	357,339

### 27. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	185	227
Cash at bank	222,979	300,011
Total cash and cash equivalents	223,164	300,238

### 28. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	New finance leases £	At 31 December 2021 £
Cash at bank and in hand	300,238	(77,074)	-	223,164
Debt due within 1 year	(75,552)	(573,544)	-	(649,096)
Debt due after 1 year	(699,620)	669,620	-	-
Finance leases and Hire Purchase Contracts	(8,065)	(6,439)	12,000	(13,626)
	(452,999)	1,441	12,000	(439,558)

# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2021 (continued)

### 29. Operating lease commitments

At 31 December 2021 the Group had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £
Not later than 1 year	6,715	5,302
Later than 1 year and not later than 5 years	6,911	2,763
	13,626	8,065

The charity had no operating lease commitments in 2021 (2020 - £nil).

### 30. Consolidated Statement of Financial Activities (Including Income and Expenditure Account) for the prior period ending 31 December 2020

	As restated Unrestricted Funds 2020 £	Restricted Funds 2020 £	As restated Total Funds 2020 £
<b>Income from:</b>			
Charitable activities	1,572,343	-	1,572,343
Other trading activities	63,562	51,691	115,253
Investments	131,514	-	131,514
<b>Total income</b>	1,767,419	51,691	1,890,110
<b>Expenditure on:</b>			
Charitable activities	1,285,956	51,691	1,337,647
<b>Total expenditure</b>	1,285,956	51,691	1,337,647
<b>Net income before taxation</b>	481,643	-	481,643
Taxation	(10,440)	-	(10,440)
<b>Net movement in funds</b>	471,023	-	471,023
<b>Reconciliation of funds:</b>			
Total funds brought forward	2,417,919	903	2,418,822
Net movement in funds	471,023		471,023
<b>Total funds carried forward</b>	2,888,942	903	2,889,845

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the period.

# **STC Research Foundation**

## **Notes to the Consolidated Financial Statements for the year ended 31 December 2021 (continued)**

### **31. Prior period adjustment**

In the previous year research and development tax credit had been incorrectly recognised as charitable income. The financial statements have been restated to reduce income by £86,831 and reduce tax by £86,831 which reduces the surplus before tax by £86,831. There is no overall impact on net movement in funds or the balance sheet at the period end.

The cashflow statement had also been restated to reflect the matters noted above and other key presentational matters have been amended to ensure comparability with the current year.

### **33. Related party transactions**

#### **Group**

Included within remuneration of key management personnel is £32,294 paid to the Project Manager, the daughter of P R Branfield, a trustee, this is paid from the subsidiary entity in which she is employed.

The trading subsidiary traded with Yorkshire Botanicals Limited, an entity in which N D Bartle is also a trustee. During the year sales of £768 were made to Yorkshire Botanicals Limited and purchases of £6,261 were paid to Yorkshire Botanicals Limited.

#### **Charity**

During the year the charity was recharged various expenses from its trading subsidiary, Stockbridge technology centre Limited. During the year recharges of £32,295 were made to the charity, at the balance sheet date this balance remains in creditors: amounts due to subsidiary.

As the previous year end a balance of £77,215 as converted by the subsidiary from a debtor into a donation to the parent entity, this balance represented accumulated recharges to date. Accordingly, the balance at 31 December 2020 between the charity and subsidiary was taken to £Nil.