

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 2022**

# STC Research Foundation

## Contents

	Page
Charity Information.....	1
Trustees’ Report .....	2
Independent Auditor’s Report.....	7
Consolidated Statement of Financial Activities .....	10
Consolidated Balance Sheet .....	11
Charity Balance Sheet .....	12
Consolidated Statement of Cash Flows .....	13
Notes to the Financial Statements.....	14

# STC Research Foundation

## Charity Information

### Trustees

N D Bartle  
P R Branfield  
A S Burgess (resigned 4 September 2023)  
M M Evans  
Dr D George  
J Thompson (appointed 17 August 2022)  
Professor J M Bainbridge OBE (resigned 6 September 2022)  
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 2022

The Trustees present their annual report together with the audited financial statements of STC Research Foundation for the year ended 31 December 2022. 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 agrion 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 has grappled with the impact of war in Ukraine and high input cost inflation, we are also dealing with a changed Post Brexit arena for research and technology transfer.

Despite these challenges, the site has continued to operate, and staff have continued working on transferring knowledge.

### 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 2022 (continued)

### Achievements and performance

This period saw energy and general input cost inflation to an exceptional degree. This has had a major effect on all activities at Stockbridge, but the business has coped and income maintained.

School visits and activities in the outdoor classroom were on hold during 2022, but we are aiming to restart them in 2023.

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

Our work together with CHAP continues to increase. We have a CHAP employee based at the STC site and current projects use the "Vertical Farm" and "Advanced Glasshouse" facility with other projects in STC glasshouses.

In the glass work has ranged from seed production, through to investigating pharmaceutical use as before. The range of crops and environments grown has been diverse. Trials on growing media have increased as companies strive to develop peat free growing media to meet government target of zero peat products.

The team has communicated effectively with clients negotiating cost increases in line with inflated input costs. This has enabled the continued growing of crops / trials to the site's capacity.

Memorial trees to both Graham Ward and Roger Sayer were planted at the site in 2022 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 £3,367,268 (2021 - £3,039,630). However, a substantial proportion of these reserves are tied up in fixed assets, which means that the free reserves available for unrestricted use is £261,785. This equates to approximately 52 days operating costs. The Trustees consider 100 days or £500,000 in reserve to be sufficient and excess to this will be used to pay down long term loans. This policy should 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 approximately 37% 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 2022 (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 £2,223,008 (2021 - £1,899,960) and consolidated expenditure was £1,950,386 (2021 - £1,742,456). The group held fund balances as at 31 December 2022 of £3,367,268 (2021 - £3,039,630) comprising of £nil (2021 - £nil) of restricted funds and £3,367,268 (2021 - £3,039,630) of unrestricted funds. Unrestricted funds includes an unrealised revaluation gain of £1,424,349 (2021 - £1,425,034).

### Organisational structure

STC Research Foundation is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 8 September 2004 and registered as a charity on 5 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 Trustees is 3. At each AGM one third of the Trustees 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 2022 (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 would like to be able to re welcome educational visits to the site and will continue to investigate ways to do so.

STC Research Foundation continue with the core 6 Trustees that can focus on building a plan for the next 20 years. This plan 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**

The auditor, Azets Audit Services Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **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 2022 (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).

Charity 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 as at the end of the financial year and of the surplus or deficit of the charity for that period. In preparing those 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

The Trustees of the charitable company who held office at the date of approval of this annual report confirm 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 11/9/2023 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 2022 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 2022 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 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## 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 Group and 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:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the 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 obtained all the information and explanations necessary for the purposes of our audit.

#### Responsibilities of the trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement, the trustees 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 and 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 charitable company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

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

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.

## STC Research Foundation

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

#### 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 Group, 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 charitable company and the group 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; and
- Performing audit work over the timing and recognition of income and in particular whether it has been recorded in the correct accounting period.

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.

#### 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 Group and 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.

*Alan Sidebottom*

Alan Sidebottom (Senior Statutory Auditor)

**Azets Audit Services Limited**  
**Chartered Accountants**  
**Statutory Auditor**

19/09/2023

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 2022

	Notes	Unrestricted Total Funds 2022 £	Unrestricted Total Funds 2021 £
<b>Income from:</b>			
Charitable activities	4	2,023,991	1,717,170
Other trading activities	5	58,230	70,257
Investments	6	140,787	112,533
<b>Total income</b>		<b>2,223,008</b>	<b>1,899,960</b>
<b>Expenditure on:</b>			
Charitable activities	7	1,950,386	1,742,456
<b>Total expenditure</b>		<b>1,950,386</b>	<b>1,742,456</b>
<b>Net income before taxation</b>		<b>272,622</b>	<b>157,504</b>
Taxation	11	55,016	(7,719)
<b>Net movement in funds</b>		<b>327,638</b>	<b>149,785</b>
Total funds brought forward		3,039,630	2,889,845
<b>Total funds carried forward</b>	<b>22</b>	<b>3,367,268</b>	<b>3,039,630</b>

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 14 to 35 form part of these financial statements.

A fully detailed comparative Statement of Financial Activities for the period ending 31 December 2021 is shown at note 30.

# STC Research Foundation

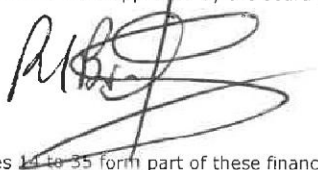
## Consolidated Balance Sheet as at 31 December 2022

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	12	3,105,483	3,134,575
Investments	13	11,570	8,109
		3,117,053	3,142,684
<b>Current assets</b>			
Stocks	14	85,850	73,739
Debtors	15	687,550	729,658
Cash at bank and in hand	26	750,304	223,164
		1,523,704	1,026,561
<b>Creditors:</b> Amounts falling due within one year	16	(552,816)	(850,654)
<b>Net current assets</b>		970,888	175,907
<b>Total assets less current liabilities</b>		4,087,941	3,318,591
<b>Creditors:</b> amounts falling due after more than one year	17	(454,573)	(6,911)
Provisions for liabilities	21	(266,100)	(272,050)
<b>Total net assets</b>		3,367,268	3,039,630
<b>Charity funds</b>			
<i>Unrestricted funds:</i>			
General funds		1,942,919	1,614,596
Revaluation reserve		1,424,349	1,425,034
Total unrestricted funds	22	3,367,268	3,039,630
<b>Total funds</b>	24	3,367,268	3,039,630

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 11/9/2023 and signed on its behalf by:

Peter Branfield  
Trustee



The notes on pages 14 to 35 form part of these financial statements.

Company registration number: 05225211

## STC Research Foundation

### Charity Balance Sheet as at 31 December 2022

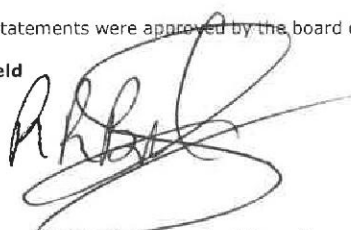
	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Investments	13		5		5
<b>Current assets</b>					
Debtors	15	23,296		30,510	
Cash at bank and in hand		133,097		119,870	
		156,393		150,380	
<b>Creditors:</b> Amounts falling due within one year	16	(5,812)		(44,495)	
<b>Net current assets</b>			150,581		105,885
<b>Total assets less current liabilities</b>			150,586		105,890
<b>Total funds</b>			150,586		105,890

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 11/9/2023 and signed on its behalf by:

**Peter Branfield**

Trustee



The notes on pages 14 to 35 form part of these financial statements.

**Company registration number: 05225211**

## STC Research Foundation

### Consolidated Statement of Cash Flows for the year ended 31 December 2022

	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Cash from operations	25	578,663	(37,785)
Taxation (paid)/refunded		-	59,121
<b>Net cash provided by operating activities</b>		<b>578,663</b>	<b>21,336</b>
<b>Cash flows from investing activities</b>			
Investment income		140,787	112,533
Proceeds from the sale of tangible fixed assets		16,350	5,675
Purchase of investments		(3,461)	(3,549)
Purchase of tangible fixed assets		(73,225)	(52,736)
Interest paid		(36,997)	(41,018)
<b>Net cash provided by investing activities</b>		<b>43,454</b>	<b>20,905</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowing		(693,889)	(96,076)
Drawdown of loans		605,303	
Hire purchase payments in the year		(6,391)	(35,239)
Hire purchase advances in the year		-	12,000
<b>Net cash used in financing activities</b>		<b>(94,977)</b>	<b>(119,315)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>527,140</b>	<b>(77,074)</b>
Cash and cash equivalents at the beginning of the year		223,164	300,238
<b>Cash and cash equivalents at the end of the year</b>	26	<b>750,304</b>	<b>223,164</b>

# STC Research Foundation

## Notes to the Consolidated Financial Statements for the year ended 31 December 2022

### 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 £44,696 (2021 - £13,141).

#### 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 17 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 loans were renewed during 2022 for a period of five years.

At the time of approving the financial statements, the trustees 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 2022 (continued)

#### 2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefits 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 costing more than £1,000 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	10% to 25% reducing balance
Motor vehicles	25% reducing balance
Fixtures and fittings	25% reducing balance
Computer equipment	25% reducing balance

Depreciation is not provided on freehold land.

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 funds.

## STC Research Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2022 (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 stated at the lower of cost and estimated selling price less costs to complete and sell. 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.

#### 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 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 statement of financial activities 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 trustees 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 trustees 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 2022 (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 statement of financial activities, 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 Group 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 and revaluation 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 2022 (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 Group 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 are 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.

#### 4. Income from charitable activities

	<b>Total Funds 2022 £</b>	<b>Total Funds 2021 £</b>
Subsidiary charitable activities	2,023,141	1,716,035
Government grants	850	1,135
<b>Total</b>	<b>2,023,991</b>	<b>1,717,170</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 2022 (continued)

#### 5. Income from other trading activities

##### Income from non charitable trading activities

	Total Funds 2022 £	Total Funds 2021 £
Contract sales	58,230	70,257
<b>Total</b>	<b>58,230</b>	<b>70,257</b>

All income in the current and prior year is unrestricted.

#### 6. Investment income

	Total Funds 2022 £	Total Funds 2021 £
Rents receivable	60,452	53,284
Sundry income	76,874	55,699
Investment income	3,461	3,550
<b>Total</b>	<b>140,787</b>	<b>112,533</b>

All income in the current and prior year is unrestricted.

#### 7. Analysis of expenditure on activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total Funds 2022 £
Farm	4,502	-	4,502
Education/Agronomy	(120)	-	(120)
Science	1,368	-	1,368
Subsidiary charitable activities	-	1,515,705	1,515,705
General running costs	-	428,931	428,931
<b>Total</b>	<b>5,750</b>	<b>1,944,636</b>	<b>1,950,386</b>

## STC Research Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2022 (continued)

#### 7. Analysis of expenditure on activities (Continued)

##### Analysis of direct costs

	Farm 2022 £	Education/ Agronomy 2022 £	Science 2022 £	Total Funds 2022 £
Staff costs	4,502	(120)	1,368	5,750
Direct costs	-	-	-	-
<b>Total</b>	<b>4,502</b>	<b>(120)</b>	<b>1,368</b>	<b>5,750</b>

##### Analysis of support costs

	Subsidiary charitable activities 2022 £	General running costs 2022 £	Total Funds 2022 £
Staff costs	740,522	54,631	795,153
Depreciation	82,093	-	82,093
Rates and water	-	19,393	19,393
Light and heat	-	225,324	225,324
Telephone	-	11,387	11,387
Post and stationery	-	5,207	5,207
Sundries	328,043	453	328,496
Direct costs	267,087	-	267,087
Repairs and renewals	-	68,568	68,568
Travelling and motor expenses	-	7,072	7,072
Subcontractors	57,089	-	57,089
Computer costs	-	376	376
Subscriptions	-	2,524	2,524
Training	-	5,086	5,086
Bank charges	-	3,856	3,856
Cleaning	-	1,679	1,679
Bank interest	36,997	-	36,997
Auditor's fees	-	9,450	9,450
Accountancy	-	7,330	7,330
Legal and professional fees	-	6,595	6,595
Loss on disposal of fixed assets	3,874	-	3,874
<b>Total</b>	<b>1,515,705</b>	<b>428,931</b>	<b>1,944,636</b>

## STC Research Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2022 (continued)

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

	Activities undertaken directly 2021 £	Support costs 2021 £	Total Funds 2021 £
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>36,166</b>	<b>1,706,290</b>	<b>1,742,456</b>

#### Analysis of direct costs

	Farm 2021 £	Education/ Agronomy 2021 £	Science 2021 £	Total Funds 2021 £
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)

#### 7. 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. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Charity's auditor:		
- for the audit of the Charity's annual accounts	6,850	5,500
- for the audit of the Charity's subsidiary annual accounts	2,600	2,200
- in respect of all non-audit services not included above	5,530	5,025

#### 9. Staff costs

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	731,231	713,296	4,906	21,150
Social security costs	57,868	55,639	694	2,954
Pension costs	11,804	12,204	150	644
	800,903	781,139	5,750	24,748

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

	Group 2022 No.	Group 2021 No.
Research activities	23	24
Management and administration	6	6
Estates	5	3
	34	33

The number of employees whose emoluments (excluding pension contributions, employer's social security costs but including benefits in kind) fell within the following bands:

	2022 Number	2021 Number
£60,001 to £70,000	-	1
£70,001 to £80,000	1	-

Key management are considered to be the Director of Agronomy, Operations Director, Senior Project Manager, Project Manager and Office Manager. Remuneration paid to key management personnel during the year was £241,017 (2021 - £236,080).

## STC Research Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2022 (continued)

#### 10. Trustees' remuneration and expenses

During the year no trustee received any remuneration or other benefits (2021 - £nil).

During the year no Trustee expenses have been incurred (2021 - £nil).

#### 11. Taxation

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on net income	(45,377)	(58,798)
Adjustment in respect of prior years	(3,689)	-
Total current tax credit	(49,066)	(58,798)
<b>Deferred tax</b>		
Origination and reversal of timing differences	(5,950)	66,517
<b>Total deferred tax</b>	(5,950)	66,517
<b>Taxation (credit)/expense on net income</b>	<b>(55,016)</b>	<b>7,719</b>

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year base on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Net income before tax <b>(1) Note 13</b>	227,926	144,363
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2021 - 19%)	43,306	27,429
<b>Effects of:</b>		
Adjustments in respect of prior years	(3,689)	-
Research and development tax credit	(95,900)	(104,855)
Other tax adjustments	1,267	4,415
Changes in the rate of deferred tax provided	-	65,292
<b>Total tax credit/(charge) for the period</b>	<b>(55,016)</b>	<b>(7,719)</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. Deferred tax balances at the reporting date are therefore measured at 25% (2021: 25%).

## STC Research Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2022 (continued)

#### 12. Tangible fixed assets

##### Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
<b>Cost or valuation</b>						
As at 1 January 2022	3,028,290	985,646	20,582	41,275	65,178	4,140,971
Additions	26,172	18,375	-	28,345	333	73,225
Disposals	-	(184,089)	-	(19,750)	-	(203,839)
As at 31 December 2022	3,054,462	819,932	20,582	49,870	65,511	4,010,357
<b>Depreciation</b>						
At 1 January 2022	126,102	778,123	17,532	30,853	53,786	1,006,396
Charge for the year	20,597	51,547	762	6,318	2,869	82,093
On disposals	-	(170,212)	-	(13,403)	-	(183,615)
As at 31 December 2022	146,699	659,458	18,294	23,768	56,655	904,874
<b>Net book values</b>						
As at 31 December 2022	2,907,763	160,474	2,288	26,102	8,856	3,105,483
As at 31 December 2021	2,902,188	207,523	3,050	10,422	11,392	3,134,575

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

Land and buildings include property leased to third parties, the fair value of the investment property component cannot be measured reliably, and as such the entire property has been accounted for as property, plant and equipment.

Included in cost or valuation of freehold land property is freehold land with a carrying value of £2,014,837 (2021 - £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:

	2022 £	2021 £
Cost	1,600,689	1,600,689
Accumulated depreciation	(143,447)	(123,326)
<b>Carrying value</b>	<b>1,457,242</b>	<b>1,477,363</b>

A non-distributable revaluation reserve of £1,424,349 (2021 - £1,425,034) exists in respect of the revalued land and buildings.

## STC Research Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2022 (continued)

#### 12. 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:

	2022 £	2021 £
Plant and machinery	16,500	22,000
Fixtures and fittings	1,549	2,065
Computer equipment	3,289	4,385
<b>Carrying value</b>	<b>21,338</b>	<b>28,450</b>

#### 13. Fixed asset investments

Group	Unlisted investments 2022 £	Unlisted investments 2021 £
<b>Cost or valuation</b>		
As at 1 January 2022	8,109	4,560
Additions	3,461	3,549
At 31 December 2022	11,570	8,109
<b>Net book value</b>		
As at 31 December 2022	11,570	8,109

Charity	Investments in subsidiary companies 2022 £	Investments in subsidiary companies 2021 £
<b>Cost or valuation</b>		
At 1 Jan 2022	5	5
At 31 December 2022	5	5
<b>Net book value</b>		
At 31 December 2022	5	5

## STC Research Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2022 (continued)

#### 13. Fixed asset investments (continued)

##### Principal subsidiaries

The following is 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 £	Tax credit £	Profit for the year £	Net assets £
Stockbridge Technology Centre Limited	2,023,141	1,795,215	55,016	282,942	3,216,687

#### 14. Stocks

	Group 2022 £	Group 2021 £
Raw materials and consumables	85,850	73,739

#### 15. Debtors

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
<b>Due within one year</b>				
Trade debtors	503,705	580,912	4,340	904
Corporation tax recoverable	104,175	58,798	-	-
Prepayments and accrued income	79,670	89,948	18,956	29,606
	687,550	729,658	23,296	30,510

## STC Research Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2022 (continued)

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

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loans (note 18)	109,122	649,096	-	-
Trade creditors	146,721	55,552	-	8,000
Amounts owed to subsidiary	-	-	52	32,295
Other taxation and social security	143,807	51,738	-	-
Corporation tax	-	3,689	-	-
Finance leases and hire purchase (note 20)	4,050	6,715	-	-
Other creditors	689	2,356	-	-
Accruals	48,910	46,594	5,760	4,200
Deferred income (note 19)	99,517	34,914	-	-
	552,816	850,654	5,812	44,495

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

	Group 2022 £	Group 2021 £
Bank loans – 1-2 years (note 18)	137,160	-
Bank loans – 2-5 years (note 18)	314,228	-
Net obligations under finance lease and hire purchase contracts (note 20)	3,185	6,911
	454,573	6,911

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

The group has two loans with Yorkshire Bank, the first loan has a balance of £392,584 and interest is charged at 4.25% over base and the second loan has a balance of £167,926 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. 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 2022 (continued)

#### 18. Loans and overdrafts

The following secured debts are included within creditors:

	Group 2022 £	Group 2021 £
Bank loans due within 1 year	109,122	649,096
Bank loans due after 1 year	451,388	-
	<b>560,510</b>	<b>649,096</b>

Bank loans are secured as disclosed in note 17 to these financial statements.

#### 19. Deferred Income

	Group 2022 £	Group 2021 £
As at 1 January 2022	34,914	10,425
Amount released to income	(34,914)	31,513
Amount deferred in the year	99,517	(7,024)
As at 31 December 2022	<b>99,517</b>	<b>34,914</b>

#### 20. Finance lease obligations

	2022 £	2021 £
<b>Future minimum lease payments due under finance lease:</b>		
Within one year	4,050	6,715
In two to five years	3,185	6,911
	<b>7,235</b>	<b>13,626</b>

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)

#### 21. Deferred taxation

Group	2022 £	2021 £
At the beginning of the year	272,050	205,533
Charge for the year	(5,950)	66,517
Closing deferred taxation liability	266,100	272,050

The deferred tax balance is made up as follows:

	Group 2022 £	Group 2021 £
Accelerated capital allowances	266,090	272,672
Other timing differences	10	(622)
	266,100	272,050

The charity had no deferred tax asset or liability in 2022 (2021 - £nil).

#### 22. Statement of funds – Group

##### Statement of funds – current year

	Balance at 1 January 2022 £	Income £	Expenditure (including taxation) £	Transfers between funds £	Balance at 31 December 2022 £
<b>Unrestricted funds</b>					
General funds – all funds	1,614,596	2,223,008	(1,895,370)	685	1,942,919
Revaluation reserve	1,425,034	-	-	(685)	1,424,349
	3,039,630	2,223,008	(1,895,370)	-	3,367,268
<b>Restricted funds</b>					
Restricted funds	-	-	-	-	-
<b>Total funds</b>	3,039,630	2,223,008	(1,895,370)	-	3,367,268



## STC Research Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2022 (continued)

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

##### Statement of funds – prior year

	Balance at 1 January 2021 £	Income £	Expenditure (including taxation) £	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)	-
<b>Total funds</b>	2,889,845	1,899,960	(1,750,175)	-	3,039,630

#### 23. Summary of funds - Charity

##### Summary of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers between funds £	Balance at 31 December 2022 £
General funds	105,890	58,230	(13,534)	44,696	150,586
Restricted funds	-	-	-	-	-
	105,890	58,230	(13,534)	44,696	150,586

##### Summary of funds - prior 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

## STC Research Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2022 (continued)

#### 24. Group analysis of net assets between funds

##### Group analysis of net assets between funds – current year

	<b>Total Funds 2022 £</b>
Tangible fixed assets	3,105,483
Fixed asset investments	11,570
Current assets	1,523,704
Creditors due within one year	(552,816)
Creditors due in more than one year	(454,573)
Provisions for liabilities and charges	(266,100)
<b>Total</b>	<b>3,367,268</b>

##### Group analysis of net assets between funds – prior period

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

## STC Research Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2022 (continued)

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

	Group 2022 £	Group 2021 £
Net income after tax	327,638	149,785
<b>Adjustments for:</b>		
Taxation charged/(credited)	(55,016)	7,719
Depreciation	82,093	88,011
Investment income	(140,787)	(112,533)
Interest expense	36,997	41,018
Loss/(profit) on the sale of fixed assets	3,874	(4,474)
Increase in stocks	(12,111)	(12,282)
Decrease/(increase) in debtors	87,485	(96,180)
Increase/(decrease) in creditors	248,490	(98,849)
Net cash provided by operating activities	578,663	(37,785)

#### 26. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	114	185
Cash at bank	750,190	222,979
Total cash and cash equivalents	750,304	223,164

#### 27. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	Loan advances £	At 31 December 2022 £
Cash at bank and in hand	223,164	527,140	-	750,304
Bank loans due within 1 year	(649,096)	693,889	(153,915)	(109,122)
Bank loans due after 1 year	-	-	(451,388)	(451,388)
Finance leases and Hire Purchase Contracts	(13,626)	6,391	-	(7,235)
	(439,558)	1,227,420	(605,303)	182,559

## STC Research Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2022 (continued)

#### 28. Operating lease commitments

At 31 December 2022 the Group had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £
Not later than 1 year	4,050	6,715
Later than 1 year and not later than 5 years	3,185	6,911
	7,235	13,626

The charity had no operating lease commitments in 2022 (2021 - £nil).

#### 29. Related party transactions

##### Group

Included within remuneration of key management personnel is paid £34,567 paid to the Project Manager, the daughter of P R Branfield, a trustee, this is paid by 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 £120 were made to Yorkshire Botanicals Limited and purchases of £9,716 were made from 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 £52 were made to the charity, at the balance sheet date this balance remains in creditors: amounts due to subsidiary.

## STC Research Foundation

### Notes to the Consolidated Financial Statements for the year ended 31 December 2022 (continued)

#### 30. Consolidated Statement of Financial Activities (Including Income and Expenditure Account) for the prior period ending 31 December 2021

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
<b>Income from:</b>			
Charitable activities	1,717,170	-	1,717,170
Other trading activities	70,257	-	70,257
Investments	112,533	-	112,533
<b>Total income</b>	<b>1,899,960</b>	<b>-</b>	<b>1,899,960</b>
<b>Expenditure on:</b>			
Charitable activities	1,742,456		1,742,456
<b>Total expenditure</b>	<b>1,742,456</b>		<b>1,742,456</b>
<b>Net income before taxation</b>	<b>157,504</b>	<b>-</b>	<b>157,504</b>
Taxation	(7,719)	-	(7,719)
<b>Net movement in funds</b>	<b>149,785</b>	<b>-</b>	<b>149,785</b>
Transfers between funds	903	(903)	-
<b>Net movement in funds</b>	<b>150,688</b>	<b>(903)</b>	<b>149,785</b>
Total funds brought forward	2,888,942	903	2,889,845
<b>Total funds carried forward</b>	<b>3,039,630</b>	<b>-</b>	<b>3,039,630</b>

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

