



# **The National Flood Forum**

(A company limited by guarantee)

Registered charity no. 1121642  
Company no. 04349401

## **Annual Report and Accounts** for the year ended 31 March 2021

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## Trustees' Annual Report

The Trustees, who are also directors for the purposes of the Companies Act 2006, present their annual report and financial statements for the year ended 31 March 2021 which is also prepared to meet the requirements for a Directors' report and accounts for Companies Act Purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

### Objectives and Activities

"The charity's object is the protection of life and property for the benefit of the public in particular where life and property is affected by or at risk of being affected by flooding on a significant scale. This is achieved by:

- a) Working either alone or with business or other strategic organisations, whether private, public or statutory, to reduce the risk of flooding, to minimise the material damage caused by and the social, environmental and economic effects of flooding and to assist in recovery from the effects of flooding; and by
- b) Providing or assisting with, promoting or improving access to education or training with a view to reducing the risk of flooding, minimising the material damage caused by and the social, environmental and economic effects of flooding and to assist in recovery from the effects of flooding"

The charity's aim is to reduce as far as possible the impact of flooding on all those who have already suffered serious flooding or who are at significant risk of flooding. It does this through activities which:

1. Provide information and advice, such as through the website, publications and advice line;
2. Provide practical, face to face support for people who have been flooded throughout the recovery period;
3. Help people to understand their flood risk and to organise flood action groups so that they can engage with risk management authorities proactively to effectively reduce the risk of flooding and its impacts;
4. Improve flood risk management policies and operational delivery through engagement with local and central government, its agencies, the private sector (such as the insurance industry) and the voluntary sector.

In carrying out these activities the charity works extensively with third party organisations:

1. Local government, Environment Agency operational teams, water companies, landowners, other voluntary organisations, loss adjusters and insurers when working directly with people at risk of flooding. Facilitating engagement in recovery situations with these organisations aims to provide direct support to people who have flooded. These organisations may each also have roles in flood risk management, so our work to set up and develop flood action groups is designed to enable and support a constructive and proactive dialogue. Our independence, together with our knowledge of flood risk management and our facilitation skills allows us to work in situations where others can't.
2. Central and local government and its agencies, the insurance industry, consultancies, national voluntary organisations when working on better policies and their delivery for those at flood risk. This also includes encouraging and participating in (as part of steering groups or in gathering information) research and projects that will help people to protect themselves better. For example, the National Flood Forum participated in a project to make available to the general public the information, data and methodology for developing and evaluating flood defence schemes.

**The charity's main objectives for the year were:**

The overall aim of the charity remained, as reflected in the strapline, supporting and representing flood risk communities.

Our strategic priorities are:

**Our Strategy**

*Working with communities and partners, we support those at risk from flooding and help them recover.*

**Our aim**

*To end the fear of flooding.*

**Our long term goals**

*All people in England and Wales are better protected from flooding - they are able to obtain affordable household insurance and the value of their properties and possessions is secured. If they do flood, their health and wellbeing is supported in the short and long term.*

**Who we are and what we do**

*As part of the flooded community, the National Flood Forum is a charity that supports communities to tackle the things that matter to them; creating hope and reducing the fear of flooding; helping people to work together to reduce flood exposure and its impacts, both physical and emotional:*

- *We work with people to help them build local flood action groups and networks that can support their communities. We act as honest brokers and facilitators.*
- *We support people with advice and guidance.*
- *We help people to recover from flooding and manage their risks for both the short and the long term.*
- *We champion issues with government, politicians and officials, to improve flooding policy and increase funding for flood risk management and recovery.*
- *We work with partners to inform them of the issues and concerns that people at flood risk face and encourage them to work with us in ways that will improve people's lives.*
- *We encourage partners to support us, so that we can reach out to communities and individuals to help them with the things that we excel at.*

Specific targets for the year to help deliver this included:

**External Objectives**

1. Stimulate a focus with partners on reaching all those at flood risk, especially the most vulnerable
2. Build our network of supporters
3. Finalise evaluation tools and use them
4. Influence the development of the approach to recovery
5. Encourage partners to refer to us during flood events
6. Develop networks of flood groups
7. The FCERM Strategy 2050/2100 focus provides a new frame to view community involvement and a social contract
8. Encourage national policy to set the ambition and scope necessary to create an adaptive society with low levels of managed flood risk.

**Internal objectives**

1. Develop 3-6 months reserves
2. Develop and implement products that donors can easily contribute to.
3. Implement fundraising through all staff and trustees
4. Increase income through Blue Pages by seeking funding to develop Phase 2
5. Start to migrate name change, reviewed as part of the strategy
6. Develop a communications strategy that targets those at flood risk and the vulnerable.
7. Ensure that we are working most effectively through networks to deliver our objectives
8. Work with flood groups to shape what a strong network looks like
9. Develop a suite of indicators that can be used to map progress
10. Use the tools developed to hold organisations to account and monitor progress
11. Identify a policy area to focus on in 2020/21

12. Develop long term partnerships with more secure funding
13. Review policies

The work of over 200 affiliated flood action groups around the country was sustained entirely by voluntary activity.

In shaping the objectives for the year and planning activities, the trustees confirm that they have paid due regard to the guidance on public benefit published by the Charity Commission, including the guidance 'public benefit: running a charity (PB2)'. They are of the opinion that the activities of the charity provide public benefit within the spirit of that guidance.

### Achievements and Performance

The charity has once again had an extremely busy year. The main achievements against objectives have been:

1. Significant projects in and with communities were delivered in Kent, Worcestershire, Lincolnshire, Rochdale and Norfolk. The most significant new projects were:
  - a. Approval of Building Resilience in Flood Disadvantaged Communities (BRIC) an Interreg Channel Project led by Plymouth City Council and with partners in England and France. This is a two year project operating in Kent alongside English and French partners starting in 2021/22 required significant development over the previous 18 months.
  - b. A 2 year Flood Poverty Project with Rochdale Borough Council, funded by the North west Flood and Coastal Erosion Risk Management Committee.
2. Smaller projects included work with CIWEM on new training for the delivery of Property Flood Resilience measures and a project funded by Flood Re for the creation of guidance on planning for flood risk communities
3. Further work was done on building networks of supporters. The West Sussex Flood Action Group Forum continued to meet and networks in Kent and Shropshire were set up and are now active.
4. Covid 19 created significant challenges throughout the year, principally around not being able to meet people at risk of flooding, or who had flooded. In response the NFF developed new approaches:
  - a. The development of a virtual multi-agency approach to flood recovery. This was delivered first in Worcestershire and Shropshire, and again in Dinas Powys. In the latter example, work is now being taken forward to set up a Dinas Powys Flood Action Group
  - b. The development of virtual approaches to working with communities where we are not able to meet them. A great deal of development and learning took place, both on the part of the NFF and communities. However, almost all groups have been sustained through this very difficult period and new groups have been formed virtually
  - c. Covid 19 prevented the running of a national conference
  - d. NFF Zoom meetings were set up for people at risk of flooding around the country. People who want to find out more about flooding, flood risk, the institutions involved and how to contribute have found the meetings extremely useful. 30 meetings have been held throughout the year, each with between 25 and 60 participants.
5. There was significant work with flood risk communities across the country to ensure that their issues and concerns and ambitions were fed in to national policy. The principal activities included:
  - a. Input to the England Flood and Coast Risk Management Strategy (FCERM) and the UK Government Flood and Coastal Erosion Risk Management Policy Statement to bring about a much greater focus on the needs of flood risk communities. This was the policy area identified as the priority for 2019/20 and 2020/21. The final documents were published in the financial year. The focus of attention included:
    - i. Ensuring that communities are centre stage in national policy for the first time, to work in partnership with professional organisations.
    - ii. Those who are affected the most by flooding
    - iii. Much greater ambition on managing water
    - iv. Involving communities proactively in flood risk management
    - v. A focus on longer term recovery

- b. Input to the England FCERM Action Plan, including being a member of the England FCERM Strategy Steering Group. The Action Plan has several specific commitments:
  - i. *Measure 3.2.4: By 2025 risk management authorities will support people living in places at high risk of flooding and coastal change to setup flood groups, where they are wanted, and to develop and test local flood plans.*
    - 1. *By December 2021, the National Flood Forum and the Environment Agency will develop a network of community-led flood groups and volunteers. This network will facilitate peer-to-peer learning.*
    - 2. *By April 2022, the National Flood Forum and the Environment Agency will identify how to address gaps in support for at-risk communities and flood groups.*
  - ii. *Measure 3.3.1: From 2020 risk management authorities, local responders, the insurance sector and other partners will continue to work together to help people and businesses recover more quickly after flooding.*
    - 1. *By March 2022, the National Flood Forum and the Environment Agency will publish lessons learnt on the measures needed to install property flood resilience. This will ensure people have the most effective support.*
  - iii. *Measure 3.3.2: By 2025 the Environment Agency will work with government, other risk management authorities and public health services to ensure the mental health impacts from flooding and coastal change are factored into long-term recovery planning.*  
*During the 2020 coronavirus pandemic, the National Flood Forum developed virtual recovery support for flood victims. They did this by collaborating with the Environment Agency, local authorities and water companies. The work included support for ongoing mental health impacts from flooding.*
    - 1. *By December 2022, the Environment Agency will work with local responders and health bodies to establish good practice to manage community wellbeing after a flood.*
- c. Organising a private session of the Efra Select Committee Inquiry on Floods for flood risk communities to speak directly to the Committee.
- d. Consultation responses that facilitated community voices:
  - i. Efra Select Committee Inquiry on Flooding
  - ii. MHCLG Select Committee Inquiry on Planning
  - iii. MHCLG consultation on the Future of Planning
  - iv. Defra ELMS consultation
  - v. Defra Flood Re consultation
  - vi. Defra Partnership Funding and PfR
- 6. The ABI updated their [Responding to Major Floods](#) guide in collaboration with the National Flood Forum.
- 7. On research,
  - a. The National Flood Forum has collected feedback from property owners with property flood resilience measures. This has shown what did and did not work well during and after the winter 2019 and winter 2020 floods.
  - b. An MBA student completed their dissertation of valuing the work of Flood Action Groups under the supervision of staff and trustees.
- 8. The advice line continues to be busy, despite there being a relatively low level of flooding during the year. 606 calls were recorded with the majority taking 30-40 minutes. Of these 152 were from people who had flooded and 129 were related to Property Flood Resilience, especially grant funded schemes. Many calls covered more than one topic.
- 9. Due to the established project pipeline Covid 19 did not affect the NFFs finances as significantly as it could have done. There were drops in donations to £9397 and new projects were difficult to start up. Nevertheless finances remained resilient, aided by a grant of £10,000 from Wye Forest for Covid Support and over £5,000 of Furlough receipts. A review of finances led to:
  - a. Closing the office in May 2021, saving around £7,500, per annum;
  - b. Review of travelling and subsistence, which were already low due to COVID;

- c. Redeployment of staff to maximise efficiency;
  - d. Reduced staffing levels – the cost of making all staff redundant (£45,000) has been set aside in reserves to cover this.
  - e. Risk management processes monitored financial, project and staff resilience throughout the year.
10. Funding was received from SIB REACH to carry out a review of Blue Pages and create a business plan. Funding is being sought to implement this.
  11. A revised approach was developed to monitor progress against objectives and report to the Board of Trustees
  12. The national profile of the charity was improved through its willingness to be an active partner in many programmes, including the England FCERM Strategy Steering Group, the Property Level Resilience Action Plan, British Standards 851188 Board on Property Flood Resilience products, among many more, the Advisory Board for the Environment Agency's 3 day Flood and Coast Conference 2019 and 2020 and organising the Efra Select Committee session for flood communities as part of their inquiry on Flooding
  13. Ongoing support for over 300 affiliated flood action groups, through the advice line, the bulletin and direct contact by staff with the groups
  14. Volunteers working in community projects are central to the success of the work delivered of the National Flood Forum. In addition, there has been support for central office functions and many contributions to policy work. The contribution is in excess of 2,500 hours.
  15. The lack of flooding during the year resulted in very few media requests throughout the year. However, social media activity has expanded significantly on several platforms, especially Facebook and LinkedIn.

## Financial Review

Income for the year dropped to £295,447 (previous year: £419,143) while charitable expenditure also reduced to £306,081 (previous year: £386,876) resulting in a deficit for the year of £10,634 (previous year: surplus of £36,266). The financial position at the end of the year was improved with un-restricted funds carried forward of £133,827 (2020: £140,250).

### **Reserves policy**

The reserves policy has been set by Trustees as:

- Reserves be maintained at a level which ensures that around 3-6 months of the organisation's core activity could continue during a period of unforeseen difficulty.
- A designated redundancy fund of £45,000. Current redundancy payments would amount to £45,435

This policy will be reviewed annually or more frequently if necessary.

Free reserves, defined as unrestricted funds less fixed assets less designated funds, are currently £87,811 which means the charity currently holds approximately 3 months budgeted running costs in reserves, which is just within its reserves policy. Although the Trustees consider these reserves adequate for maintaining the charity's ongoing work programmes, they recognise that a continuous process of fundraising is required in order to ensure that reserves can be maintained at a level that is in line with the reserves policy and reflects the organisations continued desire to increase delivery and activity.

Covid 19 has had an enormous impact on society and increased future uncertainty and risks significantly. The risks to project funders and partners are also significant. A number of approaches have been taken to mitigate this, including:

- Closer attention to financial management, cash flow and reserves;
- Contingency planning discussed at each Board meeting and bringing forward budgeting for 2021 in the planning cycle;
- Significant effort input to funding bids, recognising that with increased competition funding may be more difficult to secure;
- Conversations initiated with Environment Agency and Defra about core funding.

**Going concern**

At this point in time funding for 2022/23 includes secured funding of £303,000, with an additional £114,000 pending and four major bids being explored or in preparation. This is significantly more than at this stage in previous years and totals £417,000. Nevertheless, given Covid 19, the potential lack of grants from charitable foundations and the impact of resource constraints on the public sector, Trustees have reviewed possible contingencies that could be put in place to reduce costs should a funding shortfall arise. These include:

- Redeploy staff to maximise efficiency;
- Reduce staffing levels – the cost of making all staff redundant (£45,000) has been set aside in reserves to cover this. Reductions will need to be proportionate to the level of income.
- Increase income outside of projects, including refreshing Blue Pages, generating training courses and national conferences. A business case has been prepared for Blue Pages and funding is being sought for its implementation. Conferences look risky in the current climate, unless a sponsor can be found. Training does offer possibilities. None of these opportunities will provide significant sums in the short term.

Forecasts to 31 March 2022 suggest free reserves of around £100,000 will be available to carry forward into 2022/23. Worst case scenario planning has been carried out which demonstrates that with no new funding, the NFF is viable due to the Resilience and Innovation Fund projects, though significant savings would have to be made. As such the Trustees believe it is appropriate to prepare these accounts on a going concern basis & confirm that they are confident of the future viability of the Charity for at least the next 12 months.

**Plans for the Future****External Objectives**

1. Continue to build services for flood risk communities, both new services and build access to existing services
2. Further develop the networks of flood groups and wider networks with the flooding community
3. Work with partners to develop and deliver the FCRM Strategy Action Plan, based upon the commitments secured in policy and strategy and including influencing the development of the approach to recovery
4. Encourage partners to refer to us during flood events and use us during recovery
5. Select a policy area to focus on

**Internal objectives**

1. Maintain 3-6 months reserves
2. Further develop and implement products that donors can easily contribute to
3. Further develop social media networks
4. Implement fundraising through all staff and trustees
5. Develop Phase 2 of Blue Pages
6. Develop a communications strategy that targets those at flood risk and the vulnerable.
7. Ensure that we are working most effectively through networks to deliver our objectives
8. Identify a policy area to focus on in 2022
9. Develop long term partnerships with more secure funding
10. Review policies
11. Revise the NFF Strategy

**Structure, Governance and Management**

The National Flood Forum (NFF) is a company limited by guarantee, as defined by the Companies Act 2006. It was incorporated on 8<sup>th</sup> January 2002 and registered as a charity on 21<sup>st</sup> November 2007. It is governed by its Memorandum and Articles of Association as amended by special resolutions dated 14<sup>th</sup> November 2007, 10<sup>th</sup> March 2009 and 28<sup>th</sup> October 2014. As a charity, in the opinion of the Trustees, it complies with the provisions of Section 60 of the Companies Act 2006, which exempts it from the requirement to end its name with “limited”. Throughout this report it will be referred to as “the charity”.



Responsibility for the governance of the charity resides with the Trustees. Day to day operations are managed by the Chief Executive. There were 13 Trustees who served during the year, as shown below. At the end of the year there were 7 Trustees. Trustee indemnity insurance is in place and is paid for by the charitable company.

Arrangements for setting pay for staff was introduced previously, following a benchmarking exercise against charities, the Environment Agency and local authorities. Pay for the Chief Executive is set by the Board. Staff pay was increased by 1.94% in line with inflation.

In accordance with the Articles of Association, new Trustees are appointed by a simple majority vote by the Trustees at a duly convened meeting. The selection of new Trustees takes into account the particular skills needed by the Board at the time. New Trustees receive an induction pack consisting of the Memorandum and Articles of Association, Charitable Objects, details of the role and responsibilities of Trustees, strategy and business plans. All Trustees have the right to receive training, at the charity's expense, in order that they may understand their legal obligations and fulfil their roles and statutory duties.

The Trustees have carried out an assessment of the major risks to which, in their view, the charity is exposed and procedures have been implemented to manage those risks.

The main risks for the National Flood Forum relate to funding and staffing.

Funding comes predominantly from the public sector, particularly for work undertaken. This supports core activities such as the advice line. With the contraction of the public sector, there are fewer contracts and they are taking longer to negotiate (up to 24 months). To mitigate this the National Flood Forum has put in significant efforts to diversify funds, building up revenues from Blue Pages, bidding for European funds through Interreg projects, developing training, running a conference and developing donations. In addition, new partners have been sought, such as Local Resilience Forums and social sector organisations. Nevertheless, funding remains the biggest issue.

There have been no staff changes this year. This stability has allowed the organisations to focus on delivery and staff to build their skills and knowledge.

## Reference and Administrative Information

Registered company no.:	04349401	(England and Wales)
Registered charity no.:	1121642	
Registered office:	Old Snuff Mill Warehouse Park Lane Bewdley Worcestershire DY12 2EL	
Trustees/Directors:	D Johns (Chair) Prof. Penning-Rowsell E Isnenghi P Mehring R Haddon M Green L Jones (appointed 28 October 2020) P Bide (appointed 28 October 2020)	
Company Secretary:	A S Davies	
Chief Executive:	P Cobbing	

Bank: The Co-operative Bank PLC  
PO Box 250  
Skelmersdale  
WN8 6WT

Auditors: Burrows & Lewis Limited  
5-6 Long Lane  
Rowley Regis  
West Midlands  
B65 0JA

Website: [www.floodforum.org.uk](http://www.floodforum.org.uk)

Approved by the Trustees on 28 July 2021  
And signed on their behalf by

D Johns (Chair)

### **Trustees' responsibilities in relation to the financial statements**

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement as to disclosure to our auditors**

In so far as the trustees are aware at the time of approving our Trustees Annual Report and Accounts:

- there is no relevant information of which the charitable company's Auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the Auditor is aware of that information.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL FLOOD FORUM

### Opinion

We have audited the financial statements of the National Flood Forum (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021, and of its incoming resources and application of resources, including its 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 charitable company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

### 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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

In the light of our 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 directors' 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 7 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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and the Charities SORP. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. We did not identify any key audit matters relating to irregularities, including fraud.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

**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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Date: 28 July 2021

David Burrows (Senior Statutory Auditor)  
For and on behalf of Burrows & Lewis Limited, Statutory Auditor  
5-6 Long Lane  
Rowley Regis  
West Midlands  
B65 0JA

**Statement of Financial Activities**

(incorporating an Income and Expenditure Account)  
For the year ended 31 March 2021

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
<b>INCOME FROM:</b>					
Donations and legacies	2	24,889	14,392	39,281	38,037
Charitable activities	3	256,166	-	256,166	381,106
<b>TOTAL INCOME</b>		<b>281,055</b>	<b>14,392</b>	<b>295,447</b>	<b>419,143</b>
<b>EXPENDITURE ON:</b>					
Raising funds	4	19,630	-	19,630	12,428
Charitable activities	5	267,848	18,603	286,451	374,449
<b>TOTAL EXPENDITURE</b>		<b>287,478</b>	<b>18,603</b>	<b>306,081</b>	<b>386,877</b>
<b>Net (expenditure)/ income for the year before transfers</b>		<b>(6,423)</b>	<b>(4,211)</b>	<b>(10,634)</b>	<b>32,266</b>
Transfer of funds in year		-	-	-	-
<b>NET /(EXPENDITURE)/INCOME &amp; NET MOVEMENT IN FUNDS</b>		<b>(6,423)</b>	<b>(4,211)</b>	<b>(10,634)</b>	<b>32,266</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		140,250	11,279	151,529	119,263
<b>TOTAL FUNDS CARRIED FORWARD</b>	13	<b>133,827</b>	<b>7,068</b>	<b>140,895</b>	<b>151,529</b>

The notes on the following pages form part of these accounts.

The statement of financial activities includes all gains and losses in the year. All income and expenditure is derived from continuing activities.

**Balance Sheet**

As at 31 March 2021

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Investments	8	1	1
Tangible assets	9	1,015	-
		<u>1,016</u>	<u>1</u>
<b>CURRENT ASSETS</b>			
Debtors	10	51,746	262,135
Cash at bank and in hand		230,109	140,205
		<u>281,855</u>	<u>402,340</u>
Total current assets			
Creditors: amounts falling due within one year	11	(141,976)	(250,812)
		<u>139,879</u>	<u>151,528</u>
Net current assets			
<b>NET ASSETS</b>	<b>12</b>	<b><u>140,895</u></b>	<b><u>151,529</u></b>
<b>FUNDS OF THE CHARITY</b>			
Unrestricted - General		88,827	99,250
Unrestricted – Designated fund		45,000	41,000
Total unrestricted funds		<u>133,827</u>	<u>140,250</u>
Restricted		<u>7,068</u>	<u>11,279</u>
<b>TOTAL CHARITY FUNDS</b>	<b>13</b>	<b><u>140,895</u></b>	<b><u>151,529</u></b>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

Approved by the Trustees on 28 July 2021

And signed on their behalf by

D Johns (Chair)

The notes on the following pages form part of these accounts.

Registered company number 04349401.

## Notes to the accounts

### 1. ACCOUNTING POLICIES

#### Status of the Company

The Charitable Company is incorporated in England and Wales, is limited by Guarantee and does not have share capital. The liability of its members is limited to £1 per member.

#### Basis of preparation

The financial statements have been prepared in accordance with 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 (FRS102) (updated 1 January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The financial statements presented are those of the charitable company and not of the group. The group qualifies for exemption from preparing consolidated accounts on the grounds it qualifies as a small group.

In preparing these financial statements Update Bulletin 1 to the Charities SORP (FRS102) has been adopted and consequently a Statement of Cash flows has not been prepared.

The National Flood Forum meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

#### Going concern

The financial statements have been prepared on a going concern basis which assumes that the charitable company will continue to operate as a going concern for the next twelve months. The charitable company's current business plan and secured funding in place shows that it will be able to operate in the foreseeable future. Based on this understanding, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments, which would result from the basis of preparation being inappropriate.

Furthermore, the charitable company has no bank borrowing or overdraft facility and has no immediate intention to obtain such facilities on the basis that the directors believe the charitable company can continue to operate within its current cash position.

#### Income

All income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' or 'revenue' is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income, including grants, is deferred as necessary when the donor specifies that the income must only be used in future accounting periods or when the donor has imposed conditions which must be met before the charity has unconditional entitlement.

#### Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charitable company to the expenditure. All expenditure is accounted for on an accruals basis. Expenditure is classified under the following activity headings:

- Costs of raising funds comprises the costs of staff, publicity and printing in relation to the direct raising of funds plus an allocation of support costs.
- Expenditure on charitable activity includes the costs of project delivery undertaken to further the purposes of the charity and their associated support costs.



**Allocation of Support Costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activity. Support costs include back office costs, finance, personnel and governance costs which support the charitable company's activities. These costs have been allocated to activities based on time spent and are shown in notes 5 and 6.

**Fund accounting**

The charity has restricted and unrestricted funds. Restricted funds can be used only for specific purposes within the objects of the charity, as defined by donors or when funds are raised for a specific purpose. Unrestricted funds can be used in accordance with charitable objectives at the discretion of the trustees.

**Investments**

Investment in subsidiary company is held at cost less accumulated impairment losses.

**Fixed assets**

Tangible fixed assets, with a cost exceeding £500, are recorded at historic cost and depreciated at annual rates to write off the cost of each asset over its estimated useful life. The rates applicable are:

Computers and equipment	3 years
Fixtures and fittings	4 years
Motor vehicles & trailers	10 years

**Cash and cash equivalents**

Cash and cash equivalents include cash at bank and in hand and short term deposits repayable on or within a three month notice period.

**Debtors**

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

**Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

**Leased assets**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

**Pensions**

Employees are entitled to join a money purchase pension scheme which is funded by contributions from both employee and employer. During the year employer contributions of £5,860 (2020: £6,416) were made to the scheme. Contributions are allocated to activities in accordance with related salary costs.

**Related party transactions**

The charitable company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

## 2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Donations	9,397	-	9,397
Grants:			
- Awards for All	-	2,392	2,392
- SIB REACH Fund	-	12,000	12,000
- Wye Forest Covid Support grant	10,000	-	10,000
- Furlough receipts	5,492	-	5,492
<b>Total 2021</b>	<b>24,889</b>	<b>14,392</b>	<b>39,281</b>
	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £
Donations	21,784	-	21,784
Grants	-	16,253	16,253
<b>Total 2020</b>	<b>21,784</b>	<b>16,253</b>	<b>38,037</b>

## 3. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2021 Total funds £
Flood Risk Support	172,494	-	172,494
Other charitable activity:			
Consultancy/training	27,928	-	27,928
Information Services	7,637	-	7,637
Recovery support & Trailer rental	40,000	-	40,000
Expense recoveries and management fee	8,107	-	8,107
<b>Total 2021</b>	<b>256,166</b>	<b>-</b>	<b>256,166</b>
	Unrestricted Funds £	Restricted Funds £	2020 Total funds £
Flood Risk Support	325,193	-	325,193
Other charitable activity:			
Conference	15,264	-	15,264
Consultancy/training	19,592	-	19,592
Information Services	10,845	-	10,845
Recovery support & Trailer rental	1,750	-	1,750
Expense recoveries and management fee	8,462	-	8,462
<b>Total 2020</b>	<b>381,106</b>	<b>-</b>	<b>381,106</b>

Flood Risk Support and Recovery Services include the following amounts relating to contracts with Governmental organisations:

	2021 £	2020 £
Rochdale Metropolitan Borough Council	47,500	47,500
Warwickshire County Council	-	30,000
Worcestershire County Council	5,000	15,000
Kent County Council	55,000	55,000
Nottinghamshire County Council	-	41,520

#### 4. COSTS OF RAISING FUNDS

	2021 £	2020 £
Staff costs	14,483	9,106
Consultants	2,250	1,050
Office costs	35	285
Support and governance costs	2,862	1,987
<b>Total</b>	<b>19,630</b>	<b>12,428</b>

#### 5. COSTS OF CHARITABLE ACTIVITIES

	Flood risk support £	Other £	2021 Total £
Staff costs	142,743	72,202	214,945
Material costs	9,984	-	9,984
Publicity, printing & postage	106	9	115
Consultancy, training and recruitment	10,000	-	10,000
Motor Vehicle Costs	-	3,871	3,871
Travel and subsistence	502	-	502
Office Costs	1,001	3,242	4,243
Depreciation	-	291	291
Conference/events	25	-	25
<b>Total Direct Costs</b>	<b>164,361</b>	<b>79,615</b>	<b>243,976</b>
Support and governance costs	28,207	14,268	42,475
<b>Total Costs 2021</b>	<b>192,568</b>	<b>93,883</b>	<b>286,451</b>

Flood Risk Support includes costs totalling £18,603 in respect of restricted funds.

	Flood risk support £	Other £	2020 Total £
Staff costs	186,237	46,861	233,098
Material costs	46,048	-	46,048
Publicity, printing & postage	880	226	1,106
Consultancy, training and recruitment	383	487	870
Motor Vehicle Costs	199	8,453	8,652
Travel and subsistence	16,192	3,899	20,091
Office Costs	2,615	5,429	8,044
Conference/events	334	5,337	5,671
<b>Total Direct Costs</b>	<b>252,888</b>	<b>70,692</b>	<b>323,580</b>
<b>Support and governance costs</b>	<b>40,642</b>	<b>10,227</b>	<b>50,869</b>
<b>Total Costs 2020</b>	<b>293,530</b>	<b>80,919</b>	<b>374,449</b>

Flood Risk Support includes costs totalling £4,974 in respect of restricted funds.

## 6. SUPPORT AND GOVERNANCE COSTS

	<b>2021</b> £	2020 £
Support costs:		
Staff costs	5,978	12,133
Publicity, printing & postage	2,355	1,332
Consultancy, training and recruitment	300	627
Meetings/events	103	-
Premises costs	7,048	6,127
Motor vehicle costs	4,783	3,717
Travel and subsistence	-	937
Office Costs	14,586	14,107
	<b>35,153</b>	<b>38,980</b>
Governance costs:		
Auditors' remuneration – statutory audit services	2,903	2,952
Travel and meetings	-	1,474
Insurance (Trustees liability insurance)	865	865
Legal & professional fees	-	19
Staff costs	6,416	8,566
	<b>10,184</b>	<b>13,876</b>
<b>Total</b>	<b>45,337</b>	<b>52,856</b>
Allocated to:		
Raising funds	2,862	1,987
Charitable activities	42,475	50,869
<b>Total</b>	<b>45,337</b>	<b>52,856</b>

Support costs are allocated to activities in accordance with the amount of time spent by staff on those activities.

## 7. STAFF COSTS, NUMBERS AND TRUSTEE REMUNERATION AND EXPENSES

	2021 £	2020 £
Salaries	219,382	237,431
National Insurance costs	16,580	19,056
Pensions	5,860	6,416
Total	241,822	262,903
Allocated as follows:		
Raising funds	14,483	9,106
Direct Charitable activity	214,945	233,098
Support costs	5,978	12,133
Governance	6,416	8,566
Total	241,822	262,903

The charity employed the full-time equivalent of 8 staff during the year (2020: 9). No employee had employee benefits in excess of £60,000 (2020: none).

Key management personnel comprise the Chief Executive Officer, the Community Support & Flood Recovery Specialist and the Operations Coordinator whose employee benefits total £120,950 (2020: £118,571) including pension contributions.

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

No Trustees were reimbursed expenses in relation to travel costs incurred on behalf of the charity in relation to their duties as Trustees (2020: £1,332 by 7 trustees).

## 8. INVESTMENTS IN SUBSIDIARIES

The charitable company owns the entire share capital of NFF Trading Services C.I.C. (Company number 07535221). The company commenced trading on 31 March 2019. The company arranges the supply and installation of sustainable drainage systems under a Providers agreement with the National Flood Forum and is reimbursed for its services.

A summary of its accounts to 31 March are as follows:

	2021 £	2020 £
Turnover	9,984	46,048
Cost of sales	(7,545)	(39,917)
Gross profit	2,439	6,131
Administrative expenses	(2,061)	(6,299)
Net profit/(loss) for year	378	(168)
Current assets	15,535	19,358
Current liabilities	(15,325)	(19,526)
Net assets/(liabilities) at end of year	210	(168)

## 9. FIXED ASSETS

	Computers and Equipment £	Fixtures and fittings £	Motor vehicles & trailers £	Total £
Cost b/fwd	2,749	11,885	75,000	89,634
Additions	1,306	-	-	1,306
Cost c/fwd	<u>4,055</u>	<u>11,885</u>	<u>75,000</u>	<u>90,940</u>
Depreciation b/fwd	2,749	11,885	75,000	89,634
Charge for year	291	-	-	291
Depreciation c/fwd	<u>3,040</u>	<u>11,885</u>	<u>75,000</u>	<u>89,925</u>
<b>Net book value 2021</b>	<b><u>1,015</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,015</u></b>
Net book value 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade Debtors	<b>38,505</b>	169,771
Amounts owed by subsidiary	<b>1,255</b>	6,161
Prepayments	<b>1,987</b>	12,509
Accrued income	-	63,695
Loan to subsidiary (see note 18)	<b>10,000</b>	10,000
Total	<b><u>51,747</u></b>	<u>262,136</u>

The loan to subsidiary is non-interest bearing, un-secured and is repayable on demand.

## 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade Creditors	<b>2,148</b>	16,027
Amounts owed to subsidiary	<b>3,130</b>	9,245
Social security and other taxes	<b>5,269</b>	5,722
VAT	<b>17,783</b>	43,126
Other creditors	<b>71</b>	1,496
Deferred Income (see Note 12)	<b>107,370</b>	169,536
Accruals	<b>6,205</b>	5,660
Total	<b><u>141,976</u></b>	<u>250,812</u>

## 12. DEFERRED INCOME

Movements in deferred income are as follows:

	2021 £	2020 £
At beginning of year	169,536	82,884
Released to income in year	(62,166)	(75,065)
Deferred in year	-	161,717
At end of year	<b>107,370</b>	169,536

Deferred income relates to funding received in advance on contracts relating to flood risk support.

## 13. MOVEMENT IN FUNDS

2021:	Funds b/f £	Income £	Expenditure £	Transfer of Funds £	Funds c/f £
Unrestricted Funds:					
General Funds	99,250	281,055	(287,478)	(4,000)	88,827
Designated fund for redundancy costs	41,000	-	-	4,000	45,000
<b>Total unrestricted funds</b>	<b>140,250</b>	<b>281,055</b>	<b>(287,478)</b>	-	<b>133,827</b>
Restricted Funds:					
Postcode lottery	7,068	-	-	-	7,068
National Lottery					
Community Fund	4,211	2,392	(6,603)	-	-
SIB Reach Fund	-	12,000	(12,000)	-	-
<b>Total restricted funds</b>	<b>11,279</b>	<b>14,392</b>	<b>(18,603)</b>	-	<b>7,068</b>
<b>Total Funds</b>	<b>151,529</b>	<b>295,447</b>	<b>(306,081)</b>	-	<b>140,895</b>

  

2020:	Funds b/f £	Income £	Expenditure £	Transfer of Funds £	Funds c/f £
Unrestricted Funds:					
General Funds	88,263	402,890	(381,903)	(10,000)	99,250
Designated fund for redundancy costs	31,000	-	-	10,000	41,000
<b>Total unrestricted funds</b>	<b>119,263</b>	<b>402,890</b>	<b>(381,903)</b>	-	<b>140,250</b>
Restricted Funds:					
Postcode lottery	-	9,075	(2,007)	-	7,068
National Lottery					
Community Fund	-	7,178	(2,967)	-	4,211
<b>Total restricted funds</b>	<b>-</b>	<b>16,253</b>	<b>(4,974)</b>	-	<b>11,279</b>
<b>Total Funds</b>	<b>119,263</b>	<b>419,143</b>	<b>(386,877)</b>	-	<b>151,529</b>

Funding was received from The National Lottery Awards for All towards the carrying out of workshops in flood prone areas to improve community flood resilience.

Funding was received from the Postcode Lottery towards work with flood risk communities in the Isle Of Sheppey

Funding was received from the Social Investment Business Reach Fund towards developing a business plan for Blue Pages.

## 14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

<b>2021</b>	Fixed Assets	Net Current Assets		Total
	£	Cash £	Other £	£
Unrestricted Funds: General Funds	1,016	223,040	(90,229)	133,827
Restricted Funds	-	7,068	-	7,068
<b>Total Funds</b>	<b>1,016</b>	<b>230,108</b>	<b>(90,230)</b>	<b>140,895</b>

  

<b>2020</b>	Fixed Assets	Net Current Assets		Total
	£	Cash £	Other £	£
Unrestricted Funds: General Funds	1	128,925	11,324	140,250
Restricted Funds	-	11,279	-	11,279
<b>Total Funds</b>	<b>1</b>	<b>140,204</b>	<b>11,324</b>	<b>151,529</b>

## 15. OPERATING LEASE COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2021</b>	2020
Expiring:	£	£
Within one year	3,330	-
Between one and two years	-	6,700

## 16. RELATED PARTIES

Donations were received from key management personnel of £nil (2020: £4,500) during the year. There were no further transactions with related parties in the year.

## 17. TRUSTEES

Trustee Indemnity insurance was purchased by the charity (see Note 6 above).

## 18. CONTROLLING PARTY

The charitable company is controlled by the Board of Trustees.



## 19. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds £
<b>INCOME FROM:</b>			
Donations and legacies	21,784	16,253	38,037
Charitable activities	381,106	-	381,106
<b>TOTAL INCOME</b>	<b>402,890</b>	<b>16,253</b>	<b>419,143</b>
<b>EXPENDITURE ON:</b>			
Raising funds	12,428	-	12,428
Charitable activities	369,475	4,974	374,449
<b>TOTAL EXPENDITURE</b>	<b>381,903</b>	<b>4,974</b>	<b>386,877</b>
<b>Net income for the year before transfers</b>	<b>20,987</b>	<b>11,279</b>	<b>32,266</b>
Transfer of funds in year	-	-	-
<b>NET INCOME &amp; NET MOVEMENT IN FUNDS</b>	<b>20,987</b>	<b>11,279</b>	<b>32,266</b>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	119,263	-	119,263
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>140,250</b>	<b>11,279</b>	<b>151,529</b>