



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 2023**

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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 2023 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 are 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. Reach more people at risk of flooding and those least able to cope
2. Help more people become self-reliant and able to protect themselves from flooding
3. To be available to help whenever and wherever needed
4. Work in partnership with all bodies dealing with flooding.
5. Persuade government to invest in flood risk management and recovery, using the power of our flood group network.

Internal objectives

1. Build more resources to fulfil our mission and vision
2. Generate greater support from the people of England and Wales
3. Raise profile so people know to come to us for help
4. Strengthen our networks and partnerships to improve our knowledge and effectiveness
5. Build our membership of community flood groups and ensure their voice is heard
6. Gather robust data on the nature of the flooding risk people face and the progress we are making
7. Offer a more hopeful message to those at risk of flooding or recently flooded, backed up by practical ideas
8. We need to focus our influencing work on its contribution to ending the fear of flooding
9. We should deliver current projects on time and to a high standard so that they are able to continue if needed

The work of over 320 active 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. Starting work on the Resilience and Innovation projects, leading the way in the future of flood risk management in the UK. These are:
 - a. SMART Sponge Catchments in Slough
 - b. Roch Valley Neighbourhood Flood and Climate
 - c. Greater Lincolnshire Groundwater Project
 - d. A FAIR approach to community flood risk
2. Continuing to lead on engagement and community programmes as part of the Severn Valley Water Management Scheme, which is working to build resilience along the Severn Valley and working across the English and Welsh border.
3. Completion of two-year cross channel Interreg project Building Resilience in Flood Disadvantaged Communities BRIC project, leading to knowledge sharing and learning on flood risk management across French and English partners in this European Fund scheme.
4. Continuing to be an integral part of working on the FCERM strategy and action plan. Leading on engagement as part of the FCERM strategy roadmap.
5. Working with MPs and flood action groups as part of the APPG Flood Prevention Group. Launching our campaign to change the Government's FDGiA criteria and using our platform to raise other issues which continue to blight the lives of those who flood.
6. Continuing to work on existing Flood Action Group projects in Shropshire, Cambridge, Worcestershire, Surrey and Kent.
7. Securing innovative new project working with flooded communities across London and securing funding from Thames RFCC to work in partnership with Thames Water.
8. Smaller projects included working with TCPA to increase understanding of the planning process among Flood Action Groups, working with CABA on the completion of joint research and carrying out a number of seminars and workshops. We have collaborated with Liverpool John Moore University to deliver a research project on the sustainability of Flood Action Groups. Continued working with CIRIA on the enabling communities project. The Middlesex University Solaris project has continued with NFF collaboration and support.
9. Without large scale flooding this year the advice line was less busy than other years but still received more than 400 calls from people needing advice, information and support.
10. The national profile of the charity was improved through Policy work, the APPG and communications activity. We have responded to requests from national and local broadcast and print media.
11. Ongoing support for over 320 active flood action groups, through the advice line, the bulletin and direct contact by staff with the groups.
12. Volunteers working in community projects are central to the success of the work delivered by the National Flood Forum. In addition, there has been support for central office functions and many contributions to policy work. The contribution is more than 3,568 hours.
13. Facebook and other social media channels have been used to communicate with and support groups, as well as disseminate information. Our current follower counts are LinkedIn 1200 followers, Facebook 1300 followers and Twitter 6200 followers. We have taken advantage of the Google Grant scheme to increase the profile of the organisation.

Financial Review

Income for the year increased significantly to £770,550 (previous year: £418,992) while charitable expenditure also increased to £539,969 (previous year: £360,304) resulting in a surplus for the year of £230,581 (previous year: £58,688). The financial position at the end of the year was improved with unrestricted funds carried forward of £429,023 (2022: £193,057).

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 £45,805.

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 £380,983 which means the charity currently holds approximately 6 months budgeted running costs in reserves, which is 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 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.

Restricted funds are funds provided for a specific purpose and are set aside until spent. Restricted funds at 31 March 2023 were £1,141 (2022: £6,526).

Going concern

At this point in time funding for 2023/24 includes a significant amount of secured funding and is sufficient to meet current staff and other costs. Most projects are up and running with just one still awaiting commencement, thereby the budget for 2023-4 is predominantly secured.

Forecasts to 31 March 2024 & beyond suggest free reserves of around £200,000 will be available to carry forward into 2024/25, which is sufficient to meet current reserves policy and running costs. 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 12 months from the date of this report.

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 within the flooding community.
3. Work with partners to 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. Build NFF's reputation as a delivery partner, expert on communities and flooding. Ensure NFF is recognised as the voice of flooded people.
5. Encourage partners to refer to NFF during flood events and use NFF recovery services.
6. Build a programme of Policy activity around the All-Party Parliamentary Group for Flood Prevention.

Internal objectives

1. Maintain 3-6 months reserves.
2. Develop and implement products that donors can easily contribute to.
3. Launch updated NFF strategy.
4. Build NFF profile through social media and public relations activity.
5. Develop fundraising strategy.
6. Redevelopment of Blue Pages.

7. Look to develop the NFF CIC.
8. Develop a communications strategy targeting those at flood risk and the vulnerable.
9. Ensure that we are working most effectively through networks to deliver our objectives.
10. Develop long term partnerships with more secure funding.

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 8th January 2002 and registered as a charity on 21st November 2007. It is governed by its Memorandum and Articles of Association as amended by special resolutions dated 14th November 2007, 10th March 2009 and 28th 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 is managed by the Chief Executive. There were 10 Trustees who served during the year, as shown below. At the end of the year there were 10 Trustees. A recruitment drive for Trustees is underway. 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. An updated review has taken place, taking into account the high levels of inflation and increased competition for staff. This resulted in some staff salaries being reviewed individually and a 10% pay rise (in line with inflation at April 2023) being implemented for other staff. Pay for the Chief Executive is set by the Board.

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 considers 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 and continues, to put in significant efforts to diversify funds, building up revenues from Blue Pages, developing bids for Resilience & Innovation projects, developing training and 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 several new members of staff, but the senior leader team has remained static, and this has allowed the organisation to focus on delivery and enabled staff to build their skills and knowledge.

Reference and Administrative Information

Registered company no.: 04349401 (England and Wales)

Registered charity no.: 1121642

Registered office: MFG Solicitors
Adam House
Birmingham Road
Kidderminster
Worcestershire
DY10 2SH

Trustees/Directors: D Johns (Chair)
E Isnenghi
P Mehring
R Haddon
M Green
D Goff
S Priest
L Jones
P Bide
C Woolhouse

Company Secretary: A S Davies

Chief Executive: Tracey Garrett

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

Auditors: BK Plus Audit Limited
Azzurri House
Walsall Business Park
Aldridge
WS9 0RB

Website: www.floodforum.org.uk

Small Companies Exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption in the Companies Act 2006.

Approved by the Trustees on 2nd August 2023
And signed on their behalf by



David Goff (Vice-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 2023 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 of 31 March 2023, 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

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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the 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 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 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 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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

We have been reappointed auditor under the Companies Act 2006 and report in accordance with this Act.

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, 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.

From the preliminary stage of the audit, we ensure our understanding of the entity is up to date. This includes, but is not limited to, current knowledge of their activities, the business and control environments, and their compliance with the applicable legal and regulatory frameworks. This information supports our risk identification and the subsequent design of audit procedures to mitigate those risks; ensuring that the audit evidence obtained is sufficient and appropriate to support our opinion.

In response to the risks identified, specific to this entity, we designed procedures which included, but were not limited to:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance, if available;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale for significant transactions outside the normal course of business.

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 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.



Christopher Hession C.A. (Senior Statutory Auditor)

Date: 21/8/23

For and on behalf of BK Plus Audit Limited
Statutory Auditor
Azzurri House
Walsall Road
Aldridge
Walsall
WS9 0RB

Statement of Financial Activities

(incorporating an Income and Expenditure Account)

For the year ended 31 March 2023

	Notes	Unrestricted Funds £	Restricted Funds £	2023 Total Funds £	2022 Total Funds £
INCOME FROM:					
Donations and legacies	2	5,984	-	5,984	29,595
Charitable activities	3	528,185	236,381	764,566	389,397
TOTAL INCOME		534,169	236,381	770,550	418,992
EXPENDITURE ON:					
Raising funds	4	24,615	-	24,615	15,010
Charitable activities	5	242,760	272,594	515,354	345,294
TOTAL EXPENDITURE		267,375	272,594	539,969	360,304
Net income/(expenditure) for the year before transfers		266,794	(36,213)	230,581	58,688
Transfer of funds in year		(30,828)	30,828	-	-
NET INCOME/(EXPENDITURE) & NET MOVEMENT IN FUNDS		235,966	(5,385)	230,581	58,688
RECONCILIATION OF FUNDS					
Total funds brought forward		193,057	6,526	199,583	140,895
TOTAL FUNDS CARRIED FORWARD	13	429,023	1,141	430,164	199,583

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 are derived from continuing activities.

Balance Sheet

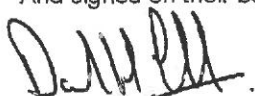
As of 31 March 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Investments	8	1	1
Tangible assets	9	3,039	3,700
		<u>3,040</u>	<u>3,701</u>
CURRENT ASSETS			
Debtors	10	428,215	122,699
Cash at bank and in hand		73,772	170,657
Total current assets		<u>501,987</u>	<u>293,356</u>
Creditors: amounts falling due within one year	11	(74,863)	(97,474)
Net current assets		<u>427,124</u>	<u>195,882</u>
NET ASSETS	14	<u>430,164</u>	<u>199,583</u>
FUNDS OF THE CHARITY			
Unrestricted - General		384,023	148,057
Unrestricted – Designated fund		45,000	45,000
Total unrestricted funds		<u>429,023</u>	<u>193,057</u>
Restricted		<u>1,141</u>	<u>6,526</u>
TOTAL CHARITY FUNDS	13	<u>430,164</u>	<u>199,583</u>

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 2nd August 2023

And signed on their behalf by



David Goff (Vice-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. Its registered office is MFG Solicitors, Adam House, Birmingham Road, Kidderminster, Worcestershire, DY10 2SH.

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.

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

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 from the date of signing the auditor's report. 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 £10,320 (2022: £6,682) 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.

Judgements and key sources of Estimation Uncertainty

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount to assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that we considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	2023 Total Funds £
Donations	5,984	-	5,984
Grants	-	-	-
Total 2023	5,984	-	5,984
	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £
Donations	6,981	10,000	16,981
Grants:			
- Furlough receipts	3,539	-	3,539
- Postcode Lottery	-	9,075	9,075
Total 2022	10,520	19,075	29,595

3. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2023 Total funds £
Flood Risk Support	446,601	236,381	682,982
Other charitable activity:			
Consultancy/training	46,283	-	46,283
Information Services	7,183	-	7,183
Recovery support & Trailer rental	16,745	-	16,745
Expense recoveries and management fees	11,373	-	11,373
Total 2023	528,185	236,381	764,566
	Unrestricted Funds £	Restricted Funds £	2022 Total funds £
Flood Risk Support	298,454	34,385	332,839
Other charitable activity:			
Consultancy/training	32,643	-	32,643
Information Services	8,092	-	8,092
Recovery support & Trailer rental	7,000	-	7,000
Expense recoveries and management fees	8,823	-	8,823
Total 2022	355,012	34,385	389,397

Income from Charitable Activities includes the following amounts relating to contracts with Governmental organisations:

	2023 £	2022 £
Rochdale Metropolitan Borough Council	71,583	52,500
Worcestershire County Council	50,000	22,500
Kent County Council	55,000	27,500
Gloucestershire County Council	-	9,800
Surrey County Council	35,802	11,900
Slough Borough Council	88,801	5,848
Shropshire County Council	35,000	18,328
Staffordshire County Council	90,860	-
Lincolnshire County Council	50,000	-
Cambridge County Council	29,167	-
Environment Agency	50,000	55,450

4. COSTS OF RAISING FUNDS

	2023 £	2022 £
Staff costs	12,643	11,653
Consultants	2,490	-
Office costs	74	-
Support costs	9,408	3,357
Total	24,615	15,010

5. COSTS OF CHARITABLE ACTIVITIES

	Flood risk support £	Other £	2023 Total £
Staff costs	258,454	2,087	260,541
Publicity, printing & postage	1,397	70	1,467
Consultancy, training & recruitment	23,932	-	23,932
Motor Vehicle Costs	438	-	438
Travel and subsistence	22,371	367	22,738
Office Costs	8,462	653	9,115
Legal & professional fees	1,500	-	1,500
Conference/events	1,749	-	1,749
Total Direct Costs	318,303	3,177	321,480
Support and governance costs	192,321	1,553	193,874
Total Costs 2023	510,624	4,730	515,354

Flood Risk Support includes costs totalling £272,594 in respect of restricted funds.

	Flood risk support £	Other £	2022 Total £
Staff costs	180,950	53,546	234,496
Material costs	8,295	-	8,295
Publicity, printing & postage	(109)	407	298
Consultancy, training and recruitment	5,934	566	6,500
Motor Vehicle Costs	-	5,172	5,172
Travel and subsistence	7,624	3,929	11,553
Office Costs	3,094	5,745	8,839
Legal & professional fees	697	-	697
Depreciation	-	1,100	1,100
Conference/events	252	545	797
Total Direct Costs	206,737	71,010	277,747
Support and governance costs	52,123	15,424	67,547
Total Costs 2022	258,860	86,434	345,294

Flood Risk Support includes costs totalling £51,332 in respect of restricted funds.

6. SUPPORT AND GOVERNANCE COSTS

	2023 £	2022 £
Support costs:		
Staff costs	129,353	32,215
Publicity, printing & postage	7,540	825
Consultancy, training and recruitment	380	2,540
Meetings/events	1,930	460
Premises costs	-	962
Motor vehicle costs	14,404	4,143
Travel and subsistence	6,124	932
Depreciation	2,015	-
Office Costs	18,084	16,009
	179,830	58,086
Governance costs:		
Auditors' remuneration – statutory audit services	3,300	2,805
Travel and meetings	2,222	98
Insurance (Trustees liability insurance)	771	877
Legal & professional fees	3,173	220
Office costs	184	-
Staff costs	13,802	8,818
	23,452	12,818
Total	203,282	70,904
Allocated to:		
Raising funds	9,408	3,357
Charitable activities	193,874	67,547
Total	203,282	70,904

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

	2023 £	2022 £
Salaries	374,409	260,738
National Insurance costs	31,610	19,762
Pensions	10,320	6,682
Total	416,339	287,182
Allocated as follows:		
Raising funds	12,643	11,653
Direct Charitable activity	260,541	234,496
Support costs	129,353	32,215
Governance	13,802	8,818
Total	416,339	287,182

The charity employed the full-time equivalent of 13 staff during the year (2022: 9). One employee had employee benefits in excess of £60,000 (2022: none).

Key management personnel comprise the Chief Executive Officer, the Community Support & Flood Recovery Specialist and the Operations Coordinator whose employee benefits total £127,594 (2022: £110,874) including pension contributions.

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Four Trustees were reimbursed expenses totalling £643 in relation to travel costs incurred on behalf of the charity in relation to their duties as Trustees (2022: One Trustee £98 for travel).

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:

	2023 £	2022 £
Turnover	-	8,016
Cost of sales	-	(6,434)
Gross profit	-	1,582
Administrative expenses	-	(1,582)
Net profit for year	-	-
Current assets	1,438	16,069
Current liabilities	(1,295)	(15,926)
Net assets at end of year	143	143

9. FIXED ASSETS

	Computers and Equipment £	Fixtures and fittings £	Motor vehicles & trailers £	Total £
Cost b/fwd	7,840	11,885	75,000	94,725
Additions	1,354	-	-	1,354
Cost c/fwd	<u>9,194</u>	<u>11,885</u>	<u>75,000</u>	<u>96,079</u>
Depreciation b/fwd	4,140	11,885	75,000	91,025
Charge for year	2,015	-	-	2,015
Depreciation c/fwd	<u>6,155</u>	<u>11,885</u>	<u>75,000</u>	<u>93,040</u>
Net book value 2023	<u>3,039</u>	-	-	<u>3,039</u>
Net book value 2022	<u>3,700</u>	-	-	<u>3,700</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade Debtors	402,545	67,008
Amounts owed by subsidiary	-	582
Prepayments	1,641	1,691
Accrued income	24,029	43,418
Loan to subsidiary (see note 8)	-	10,000
Total	<u>428,215</u>	<u>122,699</u>

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

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade Creditors	4,051	10,273
Amounts owed to subsidiary	-	5,420
Social security and other taxes	8,914	6,437
VAT	38,581	19,502
Other creditors	2,499	57
Deferred Income (see Note 12)	14,333	50,000
Accruals	6,485	5,785
Total	<u>74,863</u>	<u>97,474</u>

12. DEFERRED INCOME

Movements in deferred income are as follows:

	2023 £	2022 £
At beginning of year	50,000	107,370
Released to income in year	(44,000)	(107,370)
Deferred in year	8,333	50,000
At end of year	14,333	50,000

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

13. MOVEMENT IN FUNDS

2023:	Funds b/f £	Income £	Expenditure £	Transfer of Funds £	Funds c/f £
Unrestricted Funds:					
General Funds	148,057	534,169	(267,375)	(30,828)	384,023
Designated fund for redundancy costs	45,000	-	-	-	45,000
Total unrestricted funds	193,057	-	(267,375)	(30,828)	429,023
Restricted Funds:					
APPG Donation	6,526	-	(7,017)	491	-
Yorkshire 2 Ridings	-	9,500	(15,546)	6,046	-
Waltham Forest Project	-	50,000	(55,735)	5,735	-
Lincolnshire R & I Project	-	50,000	(53,513)	3,513	-
Slough R & I Project	-	88,801	(87,660)	-	1,141
BRIC Project	-	38,080	(53,123)	15,043	-
Total restricted funds	6,526	236,381	(272,594)	30,828	1,141
Total Funds	199,583	770,550	(539,969)	-	430,164

Transfers relate to overspends on projects that were supplemented by general funds

Restricted funds are as follows:

- APPG – The NFF operate the Secretariat function for the All Party Parliamentary Group on Flood Prevention.
- Yorkshire2 Ridings project to support 2 Ridings Community Foundation with work in Bellerby and Ryedale areas.
- Waltham Forest – Working with Thames Water and local authorities helping to deliver the London Community Flood Plan Programme.
- Lincolnshire R & I Project – helping to deliver the Flood and Coastal Resilience and Innovation Project Groundwater.
- Slough R & I Project – helping to deliver the Flood and Coastal Resilience and Innovation Project Smart Sponge Catchments.
- BRIC Project – helping to deliver an Interreg Channel Programme Building Resilience in Communities.

2022:	Funds b/f	Income	Expenditure	Transfer of Funds	Funds c/f
	£	£	£	£	£
Unrestricted Funds:					
General Funds	88,827	365,532	(308,972)	2,670	148,057
Designated fund for redundancy costs	45,000	-	-	-	45,000
Total unrestricted funds	133,827	365,532	(308,972)	2,670	193,057
Restricted Funds:					
Postcode lottery	7,068	9,075	-	(16,143)	-
APPG Donation	-	10,000	(3,474)	-	6,526
BRIC Project	-	34,385	(47,858)	13,473	-
Total restricted funds	7,068	53,460	(51,332)	(2,670)	6,526
Total Funds	140,895	418,992	(360,304)	-	199,583

Funds were transferred from the Postcode Lottery fund in 2022 agreement with the funder to enable any unused funds, granted prior to Covid-19, to be used for general purposes.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2023	Fixed Assets	Net Current Assets		Total
	£	Cash	Other	£
		£	£	
Unrestricted Funds:				
General Funds	3,040	72,631	353,352	429,023
Restricted Funds	-	1,141	-	1,141
Total Funds	3,040	73,772	353,353	430,164

2022	Fixed Assets	Net Current Assets		Total
	£	Cash	Other	£
		£	£	
Unrestricted Funds:				
General Funds	3,701	164,131	25,225	193,057
Restricted Funds	-	6,526	-	6,526
Total Funds	3,701	170,657	25,225	199,583

15. OPERATING LEASE COMMITMENTS

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

	2023	2022
	£	£
Expiring:		
Within one year	2,987	3,330
Between one and two years	-	-

16. RELATED PARTIES

Donations were received from key management personnel of £210 (2022: £170) 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 £	2022 Total Funds £
INCOME FROM:			
Donations and legacies	10,520	19,075	29,595
Charitable activities	355,012	34,385	389,397
TOTAL INCOME	365,532	53,460	418,992
EXPENDITURE ON:			
Raising funds	15,010	-	15,010
Charitable activities	293,962	51,332	345,294
TOTAL EXPENDITURE	308,972	51,332	360,304
Net Income for the year before transfers	56,560	2,128	58,688
Transfer of funds in year	2,670	(2,670)	-
NET INCOME/(EXPENDITURE) & NET MOVEMENT IN FUNDS	59,230	(542)	58,688
RECONCILIATION OF FUNDS			
Total funds brought forward	133,827	7,068	140,895
TOTAL FUNDS CARRIED FORWARD	193,057	6,526	199,583