

COMPANY REGISTRATION NUMBER: 05717320
CHARITY REGISTRATION NUMBER: 1122738

**Somerset Earth Science Centre
Company Limited by Guarantee
Financial Statements
31 March 2022**

CHALMERS & CO (SW) LIMITED

Chartered accountant & statutory auditor
Trading as Chalmers & Co.
6 The Linen Yard
South Street
Crewkerne
Somerset
TA18 8AB

Somerset Earth Science Centre

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2022

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Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2022

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2022.

Reference and administrative details

Registered charity name	Somerset Earth Science Centre
Charity registration number	1122738
Company registration number	05717320
Principal office and registered office	Moons Hill Quarry Mendip Road Stoke St. Michael Radstock Somerset BA3 5JU
The trustees/directors	P B Barkwill H Siggs A B Yeoman
Company secretary	P B Barkwill
Auditor	Chalmers & Co (SW) Limited Chartered Accountants & Statutory Auditors Trading as Chalmers & Co. 6 The Linen Yard South Street Crewkerne Somerset TA18 8AB
Bankers	National Westminster Bank plc 25 High Street Shepton Mallet Somerset BA4 5AF
Solicitors	Mowbray Woodwards 3 Queen Square Bath Somerset BA1 2HG

Somerset Earth Science Centre

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Structure, governance and management

The company was formed on 21 February 2006 and is governed by its Memorandum and Articles of Association. Registration as a charity was obtained on 13 February 2008. The aims of the charity are to provide an educational programme for schools which is National Curriculum linked with work sheets available for topics at Key Stages 1 to 4. More advanced studies are available for colleges, community groups and the general public. The Centre offers a unique learning experience which includes looking at areas of former quarrying which have geological or wildlife interest and exploring different working quarries in the Mendip area. Topics covered include all aspects of quarrying from processing stone to environmental impact, plus geography, ecology, geology, careers, technology and business studies. The Centre employs two full time teachers to provide the educational and field study experience.

Objectives and activities

The trustees have paid due regard to the guidance given by the Charity Commission on public benefit when deciding what activities the charity should undertake. The trustees believe that the activities undertaken in the year and described in this report show a commitment to providing an identifiable public benefit and that this benefit is not restricted in any way.

Strategic report

The following sections for achievements and performance, financial review and plans for future periods form the strategic report of the charity.

Achievements and Performance 21/22

The Somerset Earth Science Centre Limited (SESC) continues its work engaging with a number of stakeholders, educating people on the Mineral Extractives Industry and promoting the sector.

The staff returned from furlough in September 2021 and spent the period September – December 2021 considering future needs in light of the changing landscape of education post covid. A 5-year strategy was developed, providing clear direction as well as value for stakeholders.

From January – March 2021, the strategy came into force. School visits returned, several community engagement activities took place, including the Somerset Wildlife Trust and Wildlife Watch Group. Weekly curation began on the donated fossil collection, involving volunteers, with the aim of opening regular mini museum days from May 2021.

The Centre was involved in the industry Minerals Matter initiative, working with the Institute of Quarrying and Mineral Extractive businesses to deliver a number of activities during National Careers Week, including a local careers day at the Centre and online digital resources.

Financial Review

The Centre continues to be funded by the MQP stakeholders and as such, has sufficient resources to cover its costs and manage its' risks.

For the period March – September 2021, the Charity benefitted from government covid grants, which covered a proportion of staff wages. The Charity utilised its resources during this period to top up staff wages to 100% and cover any required expenditure.

Unrestricted funds of £38,304 remain in the accounts which will be reinvested into the Centre and used to support the delivery of the strategy and Centre development.

Investment Policy

It is the trustees' policy to invest surplus cash funds in a high interest account but allowing access to those funds as necessary to meet expenditure as it arises.

Somerset Earth Science Centre

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Movement in fixed assets

Acquisitions and disposals of fixed assets during the course of the year are disclosed in note 13.

Results

The audited accounts of the company for the year ended 31 March 2022 were approved by the board of trustees on 15 December 2022.

Trustees

The following organisations, all of which are member companies of the Mendip Quarry Producers, can appoint a representative to the board of trustees: John Wainwright & Co. Limited, Aggregate Industries Limited, Hanson Aggregates Limited, Tarmac Limited and Morris & Perry (Gurney Slade Quarries) Limited.

When considering the recruitment of trustees, the appointing organisations have regard to the skill sets required by the trustees to run the charity. They therefore look to cover any perceived shortfalls when making their appointments. Training of new trustees is undertaken by existing experienced trustees.

The maximum number and minimum number respectively of the trustees may be determined from time to time by ordinary resolution in general meeting of the charity. Subject to and in default of any such determination there shall be no maximum of trustees and the minimum number of trustees shall be three.

The trustees of the charity, all of whom are directors of the company, at the year end are P B Barkwill, H Siggs and A B Yeoman OBE DL. There have been no other trustees in the period.

Trustees' interests

No trustee has or had during the year or at the end of the year any beneficial interest in any material contract with the company, which was or is significant in relation to the company's business.

Shares

The company has no issued share capital and is limited by guarantee of its members, each member guarantees £1 on the winding up of the company. Each of the organisations able to appoint trustees is a member of the company.

Health and Safety

In accordance with the provisions of the Health and Safety at Work Act 1974 the company has issued a written statement of its general policy with regard to health and safety at work of its employees and the organisational arrangements for carrying out that policy. The statement has been brought to the attention of the company's staff.

Risk

The trustees have continued to assess the major risks to which the company is exposed and systems are established to mitigate these risks.

Audit information

So far as the trustees are aware there is no relevant audit information of which the company's auditors are unaware. Each trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution to reappoint Chalmers and Co (SW) Limited as auditors and to authorise the trustees to fix their remuneration will be proposed at the annual general meeting.

Somerset Earth Science Centre

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

Preparation of the accounts

This report and the accounts have been prepared in accordance with the charity's governing document, SORP 2005 Accounting and Reporting by Charities and the special provisions for small companies under Part 15 of the Companies Act 2006.

Plans for Future Periods

The Centre is committed to providing a first class educational provision, to promote awareness of the quarrying industry, its environmental impact and measures taken around restoration and environmental initiatives, as well as available jobs and career paths.

When the Centre re-opened, a strategic review was carried out to ensure the centre continues to service the needs of all its' stakeholders and provide value, particularly in light of potential changing requirements post covid.

The strategy covered the core areas of education and careers, sustainability and biodiversity, community engagement, Centre development and income streams. It covers a 5-year period, with support from the MQP members.

There is a focus on secondary education and supporting a future talent pipeline for the industry, partnering with the National Stone Centre in Derbyshire to achieve local and national goals.

Working with employers and the local wildlife trust will be another strategic priority, supporting and promoting the sustainability and biodiversity initiatives of the MQP members and wider industry.

Enhanced efforts around community engagement will be key, informing and consulting on local quarry developments, as well as providing greater access to the Centre and its' existing and potential new offerings.

Broadening commercial income streams will be another focus, looking into grant opportunities and donations to support potential future initiatives, including a museum, gift shop and coffee facility.

A management committee will be formed to provide future direction and assist with the management of the centre. Terms of Reference will be drafted.

The Centre will continue to ensure efficient and effective staffing and a volunteer bank will be developed to assist with new initiatives.

Trustees' responsibilities statement

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

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2022

- make judgments and accounting 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 15 December 2022 and signed on behalf of the board of trustees by:

P B Barkwill
Trustee

A B Yeoman
Trustee

Somerset Earth Science Centre

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Independent Auditor's Report to the Members of Somerset Earth Science Centre

Year ended 31 March 2022

Opinion

We have audited the financial statements of Somerset Earth Science Centre (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 group'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 directors with respect to going concern are described in the relevant sections of this report.

Somerset Earth Science Centre

Company Limited by Guarantee

Independent Auditor's Report to the Members of Somerset Earth Science Centre *(continued)*

Year ended 31 March 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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.

Somerset Earth Science Centre

Company Limited by Guarantee

Independent Auditor's Report to the Members of Somerset Earth Science Centre *(continued)*

Year ended 31 March 2022

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity 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 have considered the following:

- The nature of the industry and the sector, control environment and business performance
- Results of our enquiries of management and directors in relation to their own identification and assessment of the risks of irregularities within the company: and
- Any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to identifying, evaluation and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the areas of high risk to be in relation to revenue recognition. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the company operates in, focussing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures within the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Financial Reporting Standard 102 and UK Tax Legislation. In addition, we considered the provision of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental for the Group's ability to operate or avoid a material penalty. The included health and safety regulations; employment legislation; and data protection laws.

Our audit procedures performed to respond to the risks identified included, but were not limited to:

Somerset Earth Science Centre

Company Limited by Guarantee

Independent Auditor's Report to the Members of Somerset Earth Science Centre *(continued)*

Year ended 31 March 2022

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risk of material misstatement due to fraud;
- Review of board minutes;
- Identifying and testing journal entries, evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud; and
- Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for instance, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at 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 charity'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 charity'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 charity and the charity's members as a body, or our audit work, for this report, or for the opinions we have formed.

S M Bachrach (Senior Statutory Auditor)
For and on behalf of
Chalmers & Co (SW) Limited
Chartered accountant & statutory auditor
Trading as Chalmers & Co.
6 The Linen Yard
South Street
Crewkerne
Somerset
TA18 8AB

15 December 2022

Somerset Earth Science Centre

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Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2022

		2022			2021
		Unrestricted funds	Restricted funds	Designated Building funds	Total funds
	Note	£	£	£	£
Income and endowments					
Donations and grants	5	11,704	77,046	-	88,750
Government Grants	6	-	900	-	900
Function income	6	185	-	-	185
Total income		<u>11,889</u>	<u>77,946</u>	<u>-</u>	<u>89,835</u>
Expenditure					
Expenditure on charitable activities	7	41,171	64,546	9,585	115,302
Governance of charity	7	2,503	-	-	2,503
Total expenditure		<u>43,674</u>	<u>64,546</u>	<u>9,585</u>	<u>117,805</u>
Net income/(expenditure) and net movement in funds		<u>(31,785)</u>	<u>13,400</u>	<u>(9,585)</u>	<u>(27,970)</u>
Transfer between funds		(1)	-	1	-
Reconciliation of funds					
Total funds brought forward		70,090	100,925	362,266	533,281
Total funds carried forward		<u>38,304</u>	<u>114,325</u>	<u>352,682</u>	<u>533,281</u>

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

The notes on pages 13 to 21 form part of these financial statements.

Somerset Earth Science Centre

Company Limited by Guarantee

Statement of Financial Position

31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	13	445,899	452,724
Current assets			
Debtors	14	-	22,125
Cash at bank and in hand		108,984	68,940
		<u>108,984</u>	<u>91,065</u>
Creditors: amounts falling due within one year	15	<u>49,572</u>	<u>10,508</u>
Net current assets		<u>59,412</u>	<u>80,557</u>
Total assets less current liabilities		<u>505,311</u>	<u>533,281</u>
Net assets		<u>505,311</u>	<u>533,281</u>
Funds of the charity			
Unrestricted funds		38,304	70,090
Restricted funds		114,325	100,925
Designated Building funds		<u>352,682</u>	<u>362,266</u>
Total charity funds	16	<u>505,311</u>	<u>533,281</u>

These financial statements were approved by the board of trustees and authorised for issue on 15 December 2022, and are signed on behalf of the board by:

P B Barkwill
Trustee

A B Yeoman
Trustee

The notes on pages 13 to 21 form part of these financial statements.

Somerset Earth Science Centre

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities		
Net income/(expenditure)	(27,970)	30,768
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	14,967	12,254
Interest payable and similar charges	10	86
<i>Changes in:</i>		
Trade and other debtors	22,125	-
Trade and other creditors	39,064	(14,286)
Cash generated from operations	61,189	(14,286)
Interest paid	(10)	(86)
Net cash from operating activities	61,179	(14,372)
Cash flows from investing activities		
Purchase of tangible assets	(8,142)	-
Net cash used in investing activities	(8,142)	-
Net increase in cash and cash equivalents	40,044	28,736
Cash and cash equivalents at beginning of year	68,940	40,204
Cash and cash equivalents at end of year	108,984	68,940

The notes on pages 13 to 21 form part of these financial statements.

Somerset Earth Science Centre

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2022

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Moons Hill Quarry, Mendip Road, Stoke St. Michael, Radstock, Somerset, BA3 5JU.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Due to the COVID-19 pandemic demand has tailed off and is still to return to its full potential. However, as the company's trade is in education, employees of the company have continued to work, and the company has been able to continue trading. The directors do not believe that the impact of the COVID-19 virus will have a material adverse effect on the company's financial condition or liquidity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal and fall into one of two sub-classes: restricted income funds or endowment funds.

Somerset Earth Science Centre

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent

Somerset Earth Science Centre

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting policies *(continued)*

accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	50 years straight line
Plant & Equipment	-	Between 25% and 33 1/3% straight line
Motor Vehicles	-	10% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual agreement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Taxation

The company is a registered charity. As such the company has obtained confirmation from HM Revenue and Customs that corporation tax is not payable on the surpluses generated.

Value added tax

The charitable company is not registered for VAT. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Somerset Earth Science Centre

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

3. Accounting Policies (continued)

Government Grants

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for purposes of giving immediate financial support to entity with no future related costs are recognised in income in the period in which it became receivable.

5. Donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£	£	£
Donations	11,889	77,046	88,935
Grants	-	900	900
	<u>11,889</u>	<u>77,946</u>	<u>89,835</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£
Donations	48,178	40,862	89,040
Grants	-	-	-
	<u>48,178</u>	<u>40,862</u>	<u>89,040</u>

6. Other income

	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£	£	£
Government CJRS Grants	-	-	-
Energy Income	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£
Government CJRS Grant	-	49,848	49,848
Energy Income	-	-	-
	<u>-</u>	<u>49,848</u>	<u>49,848</u>

Somerset Earth Science Centre

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

7. Expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	Designated building fund £	Total Funds 2022 £
Staff costs	-	64,546	-	64,546
Staff training	210	-	-	210
Miscellaneous	286	-	-	286
Light and heat	2,842	-	-	2,842
Repairs and renewals	22,375	-	-	22,375
Insurance	5,790	-	-	5,790
Cleaning	253	-	-	253
Motor expenses	313	-	-	313
Travel and subsistence	45	-	-	45
Stationery, books, printing & postage	804	-	-	804
Telephone	354	-	-	354
IT	1,617	-	-	1,617
Security	900	-	-	900
Forest School	-	-	-	-
Depreciation	5,382	-	9,585	14,967
Mendip rocks	-	-	-	-
	<u>41,171</u>	<u>64,546</u>	<u>9,585</u>	<u>115,302</u>
Governance costs				
- Auditor fees	2,493	-	-	2,493
- Bank charges	10	-	-	10
	<u>2,503</u>	<u>-</u>	<u>-</u>	<u>2,503</u>
	<u>43,674</u>	<u>64,546</u>	<u>9,585</u>	<u>117,805</u>
	Unrestricted Funds £	Restricted Funds £	Designated building fund £	Total Funds 2021 £
Staff costs	-	78,210	-	78,210
Staff training	-	-	-	-
Miscellaneous	-	-	-	-
Light and heat	2,028	-	-	2,028
Repairs and renewals	3,365	-	-	3,365
Insurance	5,889	-	-	5,889
Cleaning	349	-	-	349
Motor expenses	23	-	-	23
Travel and subsistence	-	-	-	-
Stationery, books, printing & postage	841	-	-	841
Telephone	301	-	-	301
IT	1,159	-	-	1,159
Security	927	-	-	927
Depreciation	2,669	-	9,585	12,254
Mendip rocks	-	-	-	-
Carried forward	<u>17,551</u>	<u>78,210</u>	<u>9,585</u>	<u>105,346</u>

Somerset Earth Science Centre

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

7. Expenditure on charitable activities *(continued)*

	Unrestricted Funds £	Restricted Funds £	Designated building fund £	Total Funds 2021 £
Governance costs				
- Auditor fees	2,688	-	-	2,688
- Bank charges	86	-	-	86
	<u>2,774</u>	<u>-</u>	<u>-</u>	<u>2,774</u>
	<u>20,325</u>	<u>78,210</u>	<u>9,585</u>	<u>108,120</u>

8. Expenditure on raising funds

	Unrestricted Funds £	Restricted Funds £	Total funds 2022 £	Total fund 2021 £
Catering costs	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

9. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	<u>14,967</u>	<u>12,254</u>

10. Auditor's remuneration

	2022 £	2021 £
Fees payable for the audit of the financial statements	<u>2,493</u>	<u>2,688</u>

11. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022 £	2021 £
Wages and salaries	<u>64,546</u>	71,015
Social security costs	-	5,333
Employer pension contributions	-	1,862
	<u>64,546</u>	<u>78,210</u>

The average number of persons employed during the year was 5 (2021: 5)

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

Somerset Earth Science Centre

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

12. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

No trustee expenses have been incurred.

13. Tangible fixed assets

	Freehold property £	Plant and machinery £	Total £
Cost			
At 1 April 2021	597,871	84,724	682,595
Additions	-	8,142	8,142
At 31 March 2022	597,871	92,866	690,737
Depreciation			
At 1 April 2021	145,443	84,428	229,871
Charge for the year	11,957	3,010	14,967
At 31 March 2022	157,400	87,438	244,838
Carrying amount			
At 31 March 2022	440,471	5,428	445,899
At 31 March 2021	452,438	296	452,724

14. Debtors

	2022 £	2021 £
Prepayments and accrued income	-	22,125

15. Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	24,525	2,433
Other creditors	25,047	8,075
	49,572	10,508

Somerset Earth Science Centre

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

16. Analysis of charitable funds

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
Unrestricted funds					
General funds	70,090	11,889	(43,674)	(1)	38,304
Restricted funds					
Restricted funds	100,925	77,946	(64,546)	-	114,325
Designated building fund					
Designated building fund	362,266	-	(9,585)	1	352,682
Total funds	533,281	89,835	(117,805)	-	505,311

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
Unrestricted funds					
General funds	42,237	48,178	(20,325)	-	70,090
Restricted funds					
Restricted funds	88,425	90,710	(78,210)	-	100,925
Designated building fund					
Designated building fund	371,851	-	(9,585)	-	362,266
Total funds	502,513	138,888	(108,120)	-	533,281

Somerset Earth Science Centre

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

17. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Designated Building Funds £	Total Funds 2022 £
Tangible fixed assets	93,217	-	352,682	445,899
Current assets	(5,341)	114,325	-	108,984
Creditors less than 1 year	(49,572)	-	-	(49,572)
Net assets	38,304	114,325	352,682	505,311

	Unrestricted Funds £	Restricted Funds £	Designated Building Funds £	Total Funds 2021 £
Tangible fixed assets	90,458	-	362,266	452,724
Current assets	(9,860)	100,925	-	91,065
Creditors less than 1 year	(10,508)	-	-	(10,508)
Net assets	70,090	100,925	362,266	533,281

Unrestricted funds

These funds represent the funds of the charity that are not subject to any restriction regarding their use. They are available for application on the general purposes of the charity.

Designated building fund

The designated building fund represents an unrestricted fund set aside on the completion of the building of the charity's Centre. This is specifically represented by the depreciated value of the original Centre. Its original cost was £479,240 and it is being depreciated at 2% straight line.

Restricted funds

These funds arise from donations and grants given for specific purposes. Such funds can only be applied for those purposes but once the purpose has been achieved the funds are re-designated as unrestricted. The balance on restricted funds at the year end are as follows:

	2022 £	2021 £
Mendip Rocks project	7,520	7,520
Minibus replacement	100,000	87,500
Media Equipment	2,769	2,769
Graduate Placement scheme	2,000	2,000
School Transport & Outreach resources	1,000	1,000
Ikea display cabinets	136	136
Mendip Hills	900	-
	114,325	100,925

18. Related parties

The member companies of Mendip Quarry Producers are entitled to appoint trustees to the charity as detailed in the Trustees' Report. Mendip Quarry Producers is therefore connected with the charity. Transactions undertaken in the year include donations to the charity of £88,500 (2021: £88,500).

Somerset Earth Science Centre

Company Limited by Guarantee

Management Information

Year ended 31 March 2022

The following pages do not form part of the financial statements.

Somerset Earth Science Centre

Company Limited by Guarantee

Detailed Statement of Financial Activities

Year ended 31 March 2022

	2022 £	2021 £
Income and endowments		
Donations and legacies		
Donations	88,750	89,040
Grants	900	-
	<u>89,650</u>	<u>89,040</u>
Other trading activities		
Function income	185	-
	<u>185</u>	<u>-</u>
Other income		
Energy income	-	-
Government Covid Grants	-	49,848
	<u>-</u>	<u>49,848</u>
Total income	<u>89,835</u>	<u>138,888</u>
Expenditure		
Expenditure on charitable activities		
Wages and salaries	64,546	78,210
Staff training	210	-
Miscellaneous	286	-
Light and heat	2,842	2,028
Repairs and maintenance	22,375	3,365
Insurance	5,790	5,889
Cleaning	253	349
Motor vehicle expenses	313	23
Other motor/travel costs	45	-
Stationery, books, printing & postage	804	841
Telephone	354	301
IT	1,617	1,159
Security	900	927
Depreciation	14,967	12,254
Mendip Rocks	-	-
Auditor's fees	2,493	2,688
Bank charges	10	86
	<u>117,805</u>	<u>108,120</u>
Other expenditure		
Catering	-	-
	<u>-</u>	<u>-</u>
Total expenditure	<u>117,805</u>	<u>108,120</u>
Net income/(expenditure)	<u>(27,970)</u>	<u>30,768</u>