

A woman with long brown hair, wearing a white knit beanie and a blue jacket, is looking up at a tree. She is holding a long white tape measure against the trunk of a tree. A digital caliper is also visible, held against the tree trunk. The background is a blurred forest scene.

2022 / 2023

The Carbon Community
Annual Report





5 Cover Letter
from the Trustees

8 2022/2023 Highlights

28 Annual Report &
Financial Statements

Cover Letter from the Trustees

In 2022 / 23 The Carbon Community has deepened our roots and made new connections starting from our very first Big Tree Measure at the beginning of the year. With some trepidation we set out in October to measure 6,400 trees in 8 days as part of our carbon study which aims to help trees grow faster, become more resilient and absorb more carbon from the air. When we called for community scientists to join the challenge, we were overwhelmed by the support from the individuals and organisations willing to give their time and energy to this ground-breaking research.

Our carbon study looks at accelerating carbon sequestration in trees and soil with enhanced rock weathering and soil microbiome inoculation. In 2022 / 23 leading researchers from Imperial College and the Royal Botanic Gardens, Kew continued their work on the study which this year included a second application of crushed basalt, a by-product of mining. We have also been able to extend the scope of the research, securing a grant from the Forestry Commission's Woods Into Management Forestry Innovation Fund for a two-year Monitoring, Reporting and Verification project which will be run together with Swansea University.

In addition to our carbon study, Glandwr Forest has had an increasing number of research institutions using the facility this year with Swansea University, The University of Sheffield and the Nature-Based Solutions Initiative at Oxford University conducting research onsite. Researchers visiting the site comment on the scale of the study with 25,600 trees planted across 11 hectares as well as the potential for additional research to be conducted on the clearly laid out test cells of both broadleaf and conifer forest. The integrity of the study in the field, including the corner posts and the tags for the individually measured trees, is maintained by the incredible work of community science volunteers.

This year we held 28 volunteering events with 167 people joining us for 348 days of volunteering with a range of activities including measuring trees, planting an edible hedgerow, black poplar conservation, marking out flags for the second round of basalt application and putting in new corner posts on each of the test cells.

We learn so much from everyone who visits and are humbled by their expertise and enthusiasm. Based on volunteer feedback, educational opportunities this year including a visit to the Heidelberg Materials Aggregates' Builth Quarry and a guided wildflower walk at Glandwr Forest. Both of these events expanded our community and strengthened our commitment to the forest ecosystems including the trees, grasslands, and pasture at Glandwr Forest.

Who is the community in The Carbon Community? It is all of you - supporters, volunteers, researchers, advisors, our forestry partner, field-workers, newsletter subscribers and everyone who has been challenging us and encouraging us on this journey to bring together trees, science and people.

Thank you! Diolch!

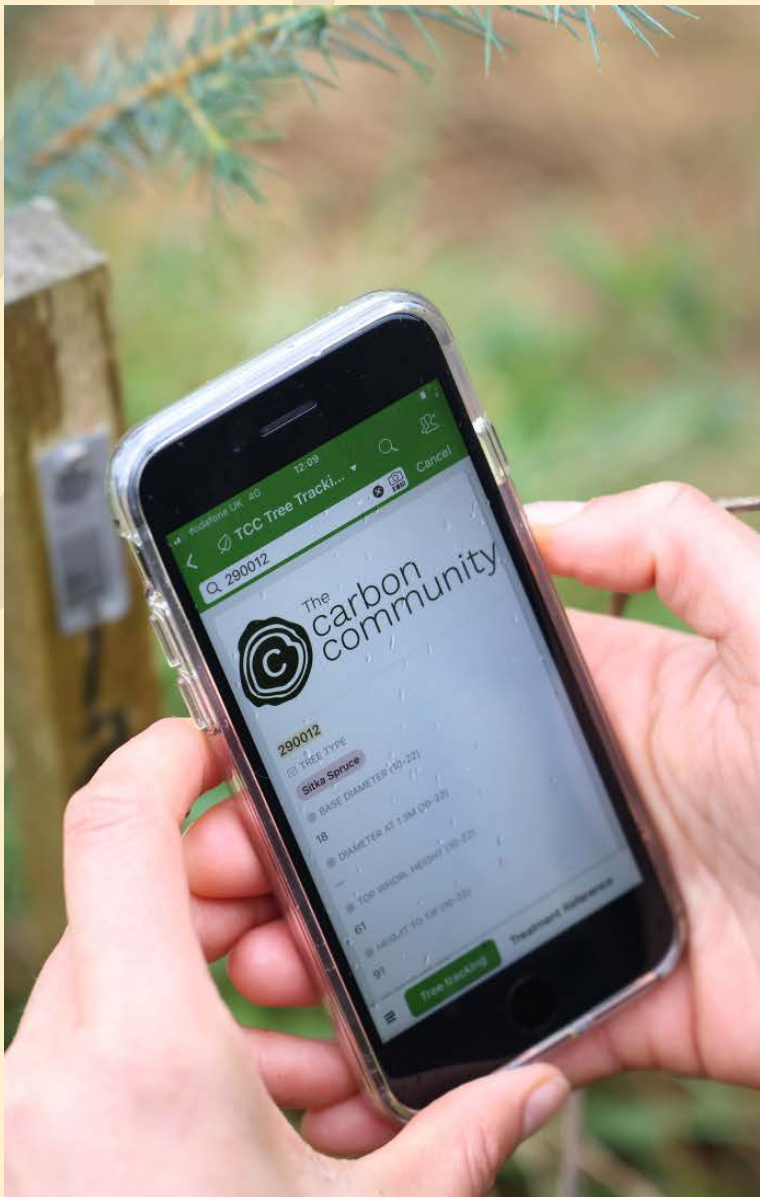
Charles, Heather and Jane

2022/2023 Highlights





Big Tree Measure 2022





The Carbon Community's Carbon Study has 8 test cells plus a control, replicated 8 times across the site. Our Big Tree Measure took place between the 6th to 13th October with Community Science Volunteers joining us to measure 6,400 trees and recording the data in our tree measure app. Three measurements were taken including diameter at base, diameter at 1.3 meters and tree height.

100 people joined us for over 150 volunteer days, including Swansea University, Cyfoeth Naturiol Cymru / Natural Resources Wales, Carmarthenshire Nature Partnership, Heidelberg Materials, SAP and many more!





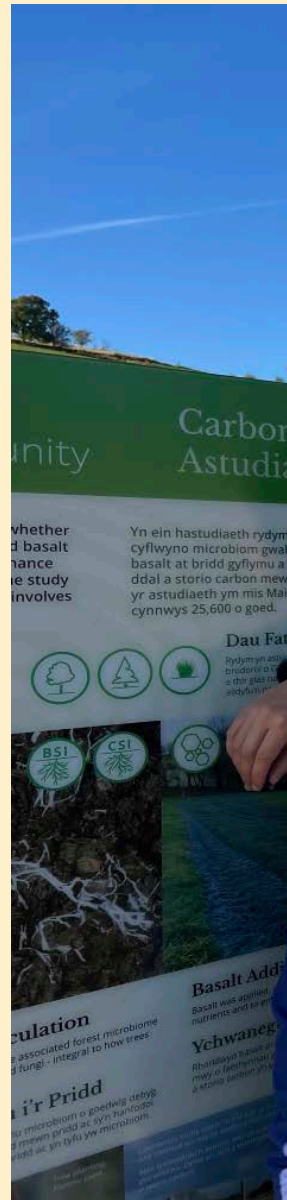








Mission Accomplished!





"It's why we're one of the handful of studies in the entire world that has the rigor to say which of our interventions are actually working and how these trees are establishing at the site,"

Bonnie Waring, Senior Lecturer, Imperial College London



Tree Planting



In total 5,105 trees were planted in Glandwr Forest this year by both volunteers and professional planters. Volunteers joined us to plant an edible hedgerow and an area of autumn colour. 100 very special trees were planted in honour of the Future Generations Changemaker 100 together with a team from the Office of the Future Generations Commissioner for Wales.

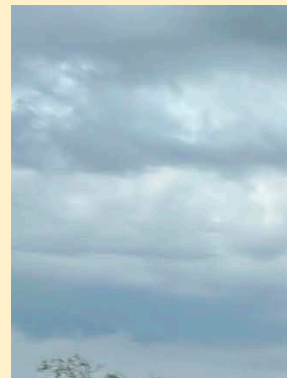




Additional Highlights



Imperial College installed
36 additional lysimeters.





Testing geo-positioning
equipment as part of our WIMFIF
Forestry Commission Grant.



June 2023 Meadow Walks



In May we had a chance to visit the Heidelberg Materials Built Quarry. To ensure that the second application of basalt was applied to the correct test cells, volunteers helped to mark the exact locations. The crushed basalt was applied, very carefully, with a compact tractor and spreader.





The Carbon Community 2022 / 2023

(A company limited by guarantee)

Company registration number: 12273280
Charity registration number: 1187231

UHY Ross Brooke
31A Charnham Street
Hungerford
Berkshire
RG17 0EJ



29 Trustees' Report

38 Independent
Examiner's Report

39 Statement of
Financial Activities

40 Balance Sheet

41 Notes to the
Financial Statements

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 30 September 2023.

Trustees

C M Nicholls
H B Allen
J K Nicholls

Objectives and activities

Objects and aims

The Carbon Community is an environmental charity dedicated to accelerating carbon removal from the atmosphere, with breakthrough science. Focused on natural solutions, we started with a question. 'How do you maximise carbon capture in a forest?' This led to many conversations with leading environmental scientists that helped design our landmark research into helping trees grow faster, become more resilient and absorb more carbon from the air.

To achieve this our aim is to bring together trees, science and people by creating a new broadleaf forest for future generations, enabling scientific research and providing opportunities for community science.

Our guiding principles

All of our work is grounded by the following guiding principles:

- Action: Research new ways to accelerate carbon sequestration in forest ecosystems.
- Research: Enable scientists, funding primary research and providing a research facility for masters and PhD students.
- Education: Share our findings, learnings and insights with our community scientists, students and the global community.
- Advocacy: Advance planting techniques for trees everywhere.
- Community: Create a community of people working to address the climate and biodiversity crises both local to our projects and in locations where our research can help local projects accelerate carbon sequestration.

Achievements and Performance 2022/2023

This is the establishment phase of our organisation and we are proud of the progress this year as we bring together trees, science and people to accelerate carbon removal from the atmosphere. Over the last three years we have created Glandwr Forest; designed, set up and launched our carbon study; become a research facility; and hosted hundreds of community science volunteers. Significant progress has been made in 2022/23 across our guiding principles – Action, Research, Education, Advocacy and Community.

Research

Our flagship research program at The Carbon Community is our carbon study which aims to help trees absorb more carbon from the air by accelerating tree growth and improving soil biodiversity. Designed together with some of the world's leading environmental scientists, this unique field trial combines two natural approaches, forest microbiome inoculation and enhanced rock weathering (basalt addition), which have been proven in the lab and are now being studied in a large-scale field trial. This is our primary research focus, and the charity provides grants for this research to Imperial College and the Royal Botanic Gardens, Kew.

Our key accomplishments in 2022/23 include our Big Tree Measure, a second application of basalt, securing funding to add Monitoring, Reporting and Verification (MRV) to our carbon study, and the growing number of researchers using Glandwr Forest as a facility.

Big Tree Measure

We were off to a flying start in October 2022 with our very first Big Tree Measure for our carbon study. This was our second year of tree measurement, but the first time that we measured all 6,400 individually tagged trees in 8 days! 100 community science volunteers joined us for 150 days of volunteering.

"It's why we're one of the handful of studies in the entire world that has the rigor to say which of our interventions are actually working and how these trees are establishing at the site,"

Bonnie Waring, Senior Lecturer, Imperial College London

Basalt Addition

In June 2023, the trees in our carbon study received a second application of basalt. This was a challenging process as a compact tractor and spreader made their way between the young trees. The team at Imperial College is conducting research on the impact of basalt addition, using multiple techniques to measure the carbon sequestered as accurately as possible.

Monitoring, Reporting and Verification

In June 2023, The Carbon Community secured a grant from the Forestry Commission's Woods Into Management Forestry Innovation Fund for a two-year MRV (Monitoring, Reporting and Verification) project on our carbon study, together with Swansea University. This project began towards the end of our fiscal year as we purchased the equipment needed to accurately geo-position 6,400 trees.

Glandwr Forest – A growing facility

Nestled in Glandwr Forest, our carbon study involves two types of woodland creation, broadleaf and conifer, with 25,600 trees planted across over 11 hectares. There are 8 test cells plus a grassland control, replicated eight times across the site. Our hope has always been that this will become a facility for ongoing research on the climate and biodiversity crises and we are delighted that a growing number of researchers are using the facility.

- The Nature-Based Solutions Initiative at Oxford University is looking at biodiversity responses to the woodland and treatment types.
- PhD students from Swansea University and The University of Sheffield are conducting their research at Glandwr Forest.

Trustees' Report

Education

Our education program involves hands-on experience for our community science volunteers who learn new techniques as well as the challenges involved in maintaining an 11 hectare multi-year research study. We are also committed to providing valuable field-work experience to students of all ages. In 2022/23 this included:

- Master's students from the Geography Department at Swansea University join us for our Big Tree Measure. This was the second year that Swansea University students have joined us!
- Students from the Ecological Applications MSc course at Imperial College measured 900 trees in our dose response study which looks at varying levels of basalt addition and soil inoculation.

In response to our volunteer feedback, we also added educational opportunities in 2024 including a guided Wildflower Walk to learn more about our meadows, a Basalt Quarry Tour with Heidelberg Materials, and an Introduction to Recording with the West Wales Biodiversity Centre.

Advocacy

We continue to share and discuss our techniques as widely as possible, in 2022/2023 we participated in:

- November 2022: The Carbon Community presented at the Trees, Science & Community conference at the Institute of Chartered Foresters conference in Wales.
- January 2023: Colin Averill from our Scientific Advisory Board talked about the research at The Carbon Community in his TED talk, "How to harness the ancient partnership between forests and fungi".
- May 2023: The Carbon Community was featured on BBC Costing the Earth's episode on Save the Microbes.

Community

Starting from our Big Tree Measure in October 2022, we hosted 28 volunteering events! 167 people joined us for 348 person days of volunteering over the course of the year. Of the total person days of volunteering, 44% are contributed by local volunteers and 55% are contributed by women

Action

Our guiding principle for action is to research new ways to accelerate carbon sequestration in forest ecosystems, including our own planting at Glandwr Forest. In total 5,105 trees were planted in Glandwr Forest this year by both volunteers and professional planters.

In February 2023, volunteers planted 1,000 trees giving each tree a strong start with a 'vitamin boost' including a scoop of soil microbiome and a dose of crushed basalt, two techniques which are part of our carbon study. Trees planted included species which already exist in the area and which will contribute to enhancing biodiversity for the future.

- An area of Autumn Colour including Beech, Sweet Chestnut, Copper Beech, Wild Cherry and Field Maple.
- An edible hedgerow with Hawthorn, Hazel, Alder Buckthorn, Wild Pear, Crab Apple and Cherry Plum.

Trustees' Report

- Continuation of our Black Poplar conservation program
- 100 very special trees planted in honour of the Future Generations Changemaker 100 together with a team from the Office of the Future Generations Commission for Wales.

The remaining trees were planted in the area of autumn colour and a new wet woodland area. 700 trees were replaced as part of our Glastir Woodland Creation Grant.

Fundraising disclosures

Public Fundraising

The Carbon Community's aim is to raise funds in a respectful way that is aligned with our values. In all of our fundraising we work diligently to comply with the Code of Fundraising Practise and uphold the standards it promotes.

Public benefit

The public benefits that shape our annual activity are environmental protection and climate restoration. In shaping our objectives for the year and planning our activities, the trustees have given consideration to the Charity Commission's guidance on public benefit (PB2).

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Data Protection

The Carbon Community places great importance on the security of support and volunteer data and personal information. For information on how the charity uses and protects personal data, please see our privacy policy. <https://www.carboncommunity.org/privacy-policy>

Financial review

Overall, 2022/23 was a solid year financially for The Carbon Community with total income into the charity during the year of £216,557, of which £190,269 was from donations, £26,106 from government grants and £182 from gift aid reclaimed.

Total expenditure on charitable activities was £95,887 including:

- £77,113 spent on Scientific research and
- £18,774 spent on unrestricted charitable activities.

The Charity made a loan to £53,760 to Carbon Community Trading Limited during the year for tree planting, forest management and maintenance.

The Charity was also able to award a grant to the Waring Ecology Lab at Imperial College London of £158,976 for 3-5 years of our carbon study. This would not be possible without the generosity of our donors.

The funds held at the end of the year were as follows:

Designated unrestricted - Tangible asset - Land - £644,542
General unrestricted £591,534 (breakdown note 17 of the accounts)

Total £1,236,076

Trustees' Report

We wish to say thank you to all the supporters of The Carbon Community. To everyone who has volunteered, donated or helped spread the word, thank you for a fantastic year!

Policy on reserves

In the current stage of TCC's evolution, the Trustees have approved a reserves policy to hold a minimum of three months of reserves and a maximum of nine months of reserves to cover our operating costs.

These reserves will be separate to ensure that we have funds to cover our forward contracts. They will also be separate to ensure that we have sufficient working capital for tree maintenance due to the time lag in receiving funds from our contract with NRW (Natural Resources Wales). The Trustees will review this Reserves Policy a minimum of once per year. The current level of reserves will be reviewed at each Trustee meeting.

In reviewing our current level of reserves versus our reserves policy, the Trustees have reviewed the forward commitments to our research grants, our citizen science program and ongoing maintenance for the research project. The Trustees have also taken into account our ongoing mortgage commitments.

At the end of the year 2022/2023, the Trustees considered they had sufficient reserves to make an instalment towards the mortgage repayment of £50,000.

Investment policy and objectives

Investment Policy

The Charity does not have any investments. The Trustees are committed to developing an investment policy when we reach an appropriate stage in our evolution.

Plans for future periods

Aims and key objectives for future periods

As we look to the next phase of our development through to 2026, we are looking at how we continue to bring together trees, science and people in support of our mission. This includes the development of Glandwr Forest, The Carbon Community's carbon study, Glandwr Forest as a research facility and our community science program.

Trees

Glandwr Forest is more than trees. There are close to 30 hectares dedicated to meadows, rhos pasture and peatland. Over the coming years we will be looking at how to restore these areas, manage them for carbon sequestration and biodiversity as well as future research opportunities.

Science – Our carbon study

Our primary focus is our carbon study which will enhance our fundamental understanding of carbon dynamics in forest ecosystems, identifying techniques to enhance forest CO2 uptake. We have committed to continuing the study for an additional three years to quantify the individual and combined effects soil microbiome inoculation and enhanced rock weathering, at the critical five-year mark. We are continuing to fundraise to support this research and have reached just over 50% of our goal. The next two years will also be important for our MRV research with Swansea University.

As we look towards 2026, we hope to be in a position to share the outcomes from this research.

Trustees' Report

Science – Our Research Facility

Continue to grow the number of organisations conducting research at Glandwr Forest.

People – Community Science

Further develop our community science program building links with the community, young people, NGOs, researchers, government, forestry sector and our supporters.

Structure, governance and management

Recruitment and appointment of trustees

The subscribers to the Memorandum are the first Trustees of the Charity, who shall hold office for such a term of office as they determine. Any person who is willing to act as a Trustee of the Charity and is permitted to be so appointed by law and the articles, may be appointed to be a Trustee by a resolution of the Trustees. A Trustee shall serve a four-year term of office (unless the Trustees resolve that he or she should be appointed for a shorter period) and may be reappointed with no limit on the number of consecutive terms of office a Trustee may hold.

In September 2023, the Trustees accepted and approved the following nominations for renewal:

- Heather Allen is appointed as a Trustee for a two-year term, ending September 30, 2025
- Jane Nicholls is appointed as a Trustee for a three-year term, ending September 30, 2026
- Charles Nicholls is appointed as a Trustee for a four-year term, ending September 30, 2027

Organisational structure

The Carbon Community was officially registered at Companies House on 21st October 2019 and by the Charity Commission on 6th January 2020. The charity was constituted as a company limited by guarantee and is governed by Memorandum and Articles of Association dated 21 October 2019. The Trustees are directors for the purpose of company law. In the event of the company being wound down members are required to contribute an amount not exceeding £1.

Major risks and management of those risks

Annually the Trustees are required to review our risks.

Major risks and management of those risks. Through the course of 2022/2023, the Trustees have continued to look at five areas of risk for The Carbon Community – land management, science project implementation, financial resilience, volunteers and reputational risk.

Land Management:

Forest management is being handled by Tilhill Forestry who manage day to day forestry operations including ground preparation, tree planting, fencing, site maintenance, grassland management and site access. There are two areas of meadowland where a local farmer brings their sheep to graze which assists with grassland management, beyond this consideration is being given to the best ways to manage our grasslands going forward for the benefit of biodiversity. Volunteer access for our annual tree measurement continues to be important and investments have been made for this year's event. Third party liability insurance is in place and as the trees planted this season grow larger, the Trustees plan to investigate additional insurance to protect against pest, disease and fire risk. The Trustees are keeping a close eye on deer that have been spotted in the area, fencing has not been required this year, however this may be needed in future years.

Trustees' Report

Science Project Implementation:

Our science project launched successfully on May 27, 2021. In November 2022 after our second year of tree growth in the field and second year of tree measurement, our Scientific Advisory Board agreed to extend the study for an additional three years. This five-year time horizon allows for a total carbon picture of the forest and requires additional funding for some of the streams. This time horizon will be assessed each year following our Big Tree Measure, the Scientific Advisory Board regularly reviews and manages risk.

Financial Resilience:

Glandwr Forest is now registered with The Woodland Carbon Code, which paves the way to raising funds from the sale of carbon credits should this be required. An initial repayment of the mortgage was made ahead of schedule in September 2022, this covers the payments required by our facility agreement until May 2024.

During the past year, The Carbon Community secured donations from Pure Good Foundation, and SAP UKI, as well as a grant from the Forestry Commission for new research on remote verification. To address our long-term financial resilience and to extend our scientific research the Trustees continue to look at additional sources of funding to secure the long term success of the charity.

Volunteers:

Throughout 2022 / 2023, The Carbon Community has continued our community science volunteer program with over 200 volunteers participating in our onsite volunteering programs. Risk assessments and safety briefings are in place.

Reputational risk:

The trustees have also discussed which kind of companies the charity should partner with and accept donations from. For each corporate donation, the trustees ensure that they are satisfied, and able to show, that it is in the best interests of the charity to accept the donation. This involves a careful consideration, based on evidence, of the risks of accepting the donation against its benefit. The Trustees are also aware of our commitments to under the Welsh Language (Wales) Measure 2011 and have put in place a Welsh Language Policy with target deliverables.

Trustees' Report

Reference and Administrative Details

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees	C M Nicholls H B Allen J K Nicholls
-----------------	---

Principal Office	40 Alma Road Windsor Berks SL4 3HJ
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Company Registration Number	12273280
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Charity Registration Number	1187231
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The charity is incorporated in England and Wales.

Independent Examiner	UHY Ross Brooke 31a Charnham Street Hungerford Berkshire RG17 0EJ
-----------------------------	---

Solicitors	IBB Solicitors Capital Court 30 Windsor Street Uxbridge Middlesex UB8 1AB AgriAdvisor Henllan Pumsaint Llanwrda SA19 8AX
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Bankers	Starling Bank Limited 3rd Floor 2 Finsbury Avenue London EC2M 2PP
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Trustees' Report

Statement of trustees' responsibilities

The trustees (who are also the directors of The Carbon Community 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its 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 apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on July 24, 2024 and signed on its behalf by:

signed by Charles Nicholls

C M Nicholls

Chairman of the Board of Trustees

Independent Examiners Report

Independent Examiner's Report to the trustees of The Carbon Community ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 September 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of The Carbon Community as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

signed by Kerry Hawkins
.....

Kerry Hawkins, FCCA, UHY Ross Brooke

31A Charnham Street
Hungerford
Berkshire
RG17 0EJ

Date: July 24, 2024

Statement of Financial Activities

Statement of Financial Activities for the Year Ended 30 September 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £
Income and Endowments from:				
Donations and legacies	3	151,826	64,731	216,557
Total income		151,826	64,731	216,557
Expenditure on:				
Charitable activities	4	(18,774)	(77,113)	(95,887)
Total expenditure		(18,774)	(77,113)	(95,887)
Net income/(expenditure)		133,052	(12,382)	120,670
Transfers between funds		51,448	(51,448)	-
Net movement in funds		184,500	(63,830)	120,670
Reconciliation of funds				
Total funds brought forward		1,051,576	63,830	1,115,406
Total funds carried forward	17	1,236,076	-	1,236,076
	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
Income and Endowments from:				
Donations and legacies	3	196,249	124,537	320,786
Total income		196,249	124,537	320,786
Expenditure on:				
Charitable activities	4	(16,389)	(74,894)	(91,283)
Total expenditure		(16,389)	(74,894)	(91,283)
Net income		179,860	49,643	229,503
Transfers between funds		(11,715)	11,715	-
Net movement in funds		168,145	61,358	229,503
Reconciliation of funds				
Total funds brought forward		883,431	2,472	885,903
Total funds carried forward	17	1,051,576	63,830	1,115,406

All of the charity's activities derive from continuing operations during the above two periods. The funds breakdown for 2022 is shown in note 17.

The notes on pages 41 to 50 form an integral part of these financial statements.

Balance Sheet

The Carbon Community
(Registration number: 12273280)
Balance Sheet as at 30 September 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	8	655,207	656,430
Investments	9	1	1
		<u>655,208</u>	<u>656,431</u>
Current assets			
Owed by subsidiary undertakings	10	503,914	450,154
Cash at bank and in hand	11	198,996	162,251
		<u>702,910</u>	<u>612,405</u>
Creditors: Amounts falling due within one year	12	<u>(82,042)</u>	<u>(63,430)</u>
Net current assets		<u>620,868</u>	<u>548,975</u>
Total assets less current liabilities		<u>1,276,076</u>	<u>1,205,406</u>
Creditors: Amounts falling due after more than one year	13	<u>(40,000)</u>	<u>(90,000)</u>
Net assets		<u>1,236,076</u>	<u>1,115,406</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	17	-	63,830
Unrestricted income funds			
Unrestricted funds		<u>1,236,076</u>	<u>1,051,576</u>
Total funds	17	<u>1,236,076</u>	<u>1,115,406</u>

For the financial year ending 30 September 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 12 to 24 were approved by the trustees, and authorised for issue on July 24, 2024 and signed on their behalf by:

signed by Charles Nicholls
.....
C M Nicholls
Chairman of the board of Trustees

The notes on pages 41 to 50 form an integral part of these financial statements.

Notes to the Financial Statements

Notes to the Financial Statements for the Year Ended 30 September 2023

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The principal place of business is:

40 Alma Road

Windsor

Berkshire

SL4 3HJ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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 (FRS 102)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

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

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Group accounts not prepared

The Carbon Community is exempt from preparing group accounts as it is a small group.

Income and endowments

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

Notes to the Financial Statements

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Notes to the Financial Statements

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £250.00 or more are initially recorded at cost.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Furniture and Equipment	5 years straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Notes to the Financial Statements

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Donations and legacies;				
Donations	147,806	42,463	190,269	273,331
Gift aid reclaimed	182	-	182	1,528
Grants, including capital grants;				
Government grants	3,838	22,268	26,106	45,927
	<u>151,826</u>	<u>64,731</u>	<u>216,557</u>	<u>320,786</u>

4 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Site management	2,019	-	2,019	4,016
Independent examiners fee	3,240	-	3,240	3,690
Insurance	1,050	-	1,050	806
Website	380	-	380	330
Postage, printing and stationery	85	-	85	382
Grants paid	-	72,949	72,949	71,254
Volunteering expenses	4,167	141	4,308	3,688
Marketing	4,391	-	4,391	3,933
Legal and professional fees	-	1,800	1,800	-
Donation platform fees	1,944	-	1,944	-
Software and software support costs	185	1,299	1,484	899
Research expenses	90	824	914	1,062
Depreciation	1,223	-	1,223	1,223
Admin expenses	-	100	100	-
	<u>18,774</u>	<u>77,113</u>	<u>95,887</u>	<u>91,283</u>

5 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

Notes to the Financial Statements

6 Independent examiner's remuneration

	2023 £	2022 £
Examination of the financial statements	3,240	3,690

7 Taxation

The charity is a registered charity and is therefore exempt from taxation.

8 Tangible fixed assets

	Furniture and equipment £	Land £	Total £
Cost			
At 1 October 2022	13,111	644,542	657,653
At 30 September 2023	13,111	644,542	657,653
Depreciation			
At 1 October 2022	1,223	-	1,223
Charge for the year	1,223	-	1,223
At 30 September 2023	2,446	-	2,446
Net book value			
At 30 September 2023	10,665	644,542	655,207
At 30 September 2022	11,888	644,542	656,430

Notes to the Financial Statements

9 Fixed asset investments

	2023 £	2022 £
Shares in group undertakings and participating interests	1	1
Shares in group undertakings and participating interests		
	Subsidiary undertakings £	Total £
Cost		
Additions	1	1
At 30 September 2023	1	1
Net book value		
At 30 September 2023	1	1

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2023	2022	
Subsidiary undertakings					
Carbon Community Trading Limited	England and Wales	Ordinary	100%	100%	Generating income for the parent charity.

Notes to the Financial Statements

Subsidiaries

The loss for the financial period of Carbon Community Trading Limited was £25,921 (2022 - £16,867) and the aggregate amount of capital and reserves at the end of the period was £(46,511) (2022 - £(20,590)).

Carbon Community Trading Limited was incorporated on 26.10.20. Company registration number 12973020.

Carbon Community Trading Limited was established as a trading company in 2020 for the purpose of future revenue streams with all future profits going to The Carbon Community. Tree planting and maintenance is undertaken by Carbon Community Trading Limited.

10 Debtors

	2023 £	2022 £
Due from subsidiary undertakings	<u>503,914</u>	<u>450,154</u>

Debtors includes £503,914 (2022: £450,154) receivable after more than one year.

	2023 £	2022 £
Due from subsidiary undertakings	<u>503,914</u>	<u>450,154</u>

11 Cash and cash equivalents

	2023 £	2022 £
Cash at bank	<u>198,996</u>	<u>162,251</u>

12 Creditors: amounts falling due within one year

	2023 £	2022 £
Other loans	60,000	60,000
Accruals	<u>22,042</u>	<u>3,430</u>
	<u>82,042</u>	<u>63,430</u>

13 Creditors: amounts falling due after one year

	2023 £	2022 £
Other loans	<u>40,000</u>	<u>90,000</u>

The loan of £100,000 (2022 - £150,000) is secured by a fixed charge over the Land at Glandwr, Cynghordy.

Notes to the Financial Statements

14 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds at 30 September
	General £	£	2023 £
Tangible fixed assets	655,207	-	655,207
Fixed asset investments	1	-	1
Current assets	702,910	-	702,910
Current liabilities	(82,042)	-	(82,042)
Creditors over 1 year	(40,000)	-	(40,000)
Total net assets	1,236,076	-	1,236,076

	Unrestricted funds	Restricted funds	Total funds at 30 September
	General £	£	2022 £
Tangible fixed assets	656,430	-	656,430
Fixed asset investments	1	-	1
Current assets	548,575	63,830	612,405
Current liabilities	(63,430)	-	(63,430)
Creditors over 1 year	(90,000)	-	(90,000)
Total net assets	1,051,576	63,830	1,115,406

15 Related party transactions

Donations from the trustees and their immediate family during the year totalled £0. (2022 - £nil).

Heather Allen, a trustee, has provided an interest free secured loan of £200,000 to the charity. The balance outstanding at the end of the year was £100,000 (2022 - £150,000). £60,000 of the £100,000 outstanding balance has been shown as a current liability, but there is a flexible repayment arrangement.

The Charity made a further loan of £53,760 to Carbon Community Trading Limited during the year. The balance due to be repaid at the end of the year was £503,914 (2022 -£450,154).

Carbon Community Trading Limited is a wholly owned and VAT registered trading subsidiary which runs the forest and site operations for The Carbon Community. Repayment of this loan is deferred until such time that Carbon Community Trading Limited starts to generate sufficient income to be in a position to make repayments. Due to the uncertainty surrounding the loan repayments, we have not valued the loan at the present value of the future payments discounted at a market rate of interest. We do not consider this to affect the true and fair view given in the accounts at the year end date.

Notes to the Financial Statements

16 Commitments

Grant commitments

On 14th July 2020 The Carbon Community agreed to make an award of up to £90,008 to Kew Gardens.

During the year to 30th September 2023 Kew Gardens made a claim of £54,377, bringing the total balance of the grant paid to £85,533. The remaining grant commitment at 30th September 2023 is £4,475.

The Carbon Community awarded a grant of £158,976 to the Waring Ecology Lab at Imperial College London in September 2023.

The grant start date is 1st July 2023 and runs for a period of 36 months. The grant of £158,976 includes a figure of £18,612 to cover the salary of a lab technician for a period of 5 months, 1st August 2023 to 31st December 2023. There are no performance related conditions to the £18,612 and these costs are therefore accrued in the accounts. This leaves a remaining grant commitment of £140,364 at 30th September 2023 not provided for in the accounts.

The remaining balances of both grants are performance-related. No further services other than those already paid for in the year were provided by the recipients prior to 30th September 2023. Therefore no further costs are recognised in these accounts.

Outstanding commitments not recognised as a liability at 30th September 2023 are as follows:-

Kew Gardens: £4,475

Waring Ecology Lab £140,364

Total £144,839

17 Funds

	Balance at 1 October 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 September 2023 £
Unrestricted funds					
<i>General</i>					
Unrestricted	407,034	151,826	(18,774)	51,448	591,534
<i>Designated</i>					
Land	644,542	-	-	-	644,542
Total unrestricted funds	<u>1,051,576</u>	<u>151,826</u>	<u>(18,774)</u>	<u>51,448</u>	<u>1,236,076</u>
Restricted funds					
Scientific research	-	25,667	(77,113)	51,446	-
Tree planting	63,830	39,064	-	(102,894)	-
Total restricted funds	<u>63,830</u>	<u>64,731</u>	<u>(77,113)</u>	<u>(51,448)</u>	<u>-</u>
Total funds	<u>1,115,406</u>	<u>216,557</u>	<u>(95,887)</u>	<u>-</u>	<u>1,236,076</u>

Notes to the Financial Statements

The General unrestricted fund is made up of the following:

Equipment £10,665
Investment in subsidiary £1
Cash at bank £198,996
Loan to subsidiary £503,914
Less:
Accruals £22,042
Loans due £100,000

Total £591,534

	Balance at 1 October 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30 September 2022 £
Unrestricted funds					
<i>General</i>					
Unrestricted	264,177	196,249	(16,389)	(37,003)	407,034
<i>Designated</i>					
Land	619,254	-	-	25,288	644,542
Total unrestricted funds	<u>883,431</u>	<u>196,249</u>	<u>(16,389)</u>	<u>(11,715)</u>	<u>1,051,576</u>
Restricted					
Scientific research	-	61,351	(73,066)	11,715	-
Tree planting	2,472	63,186	(1,828)	-	63,830
Total restricted funds	<u>2,472</u>	<u>124,537</u>	<u>(74,894)</u>	<u>11,715</u>	<u>63,830</u>
Total funds	<u>885,903</u>	<u>320,786</u>	<u>(91,283)</u>	<u>-</u>	<u>1,115,406</u>



UK Register Charity number 1187231

Formed as a private company limited
by guarantee, **registration number 12273280**



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