

Phab Limited

(A company limited by guarantee)

Registered Company No. 1598587

Registered Charity No. 283931

TRUSTEES' REPORT AND

FINANCIAL STATEMENTS

YEAR ENDED

31st MARCH 2021



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Phab Limited
Year ended 31 March 2021
Legal and Administrative information

Working Name	Phab
Constitution	Phab Limited is a company limited by guarantee (no.1598587) incorporated in England and Wales on 19 November 1981 and a registered charity (no.283931). Its governing document is the Memorandum and Articles of Association.
Objects	To promote and encourage people of all abilities to come together on equal terms to achieve complete inclusion within the wider community.
President	Anita Dobson

Board of Trustees

John B W Corless OBE, Chair (Resigned 01/07/2020)	
Geoffrey Chivers, Deputy Chair & Treasurer (Chair from 01/07/2020 to AGM in October 2020)	
Julia Giles MBE, Chair (Deputy Chair from 01/07/2020 to AGM in October 2020)	
Philip Ford	Andrea Cawthorne (Resigned 26/01/2021)
Rosalind Probert	Gregory Howell (Appointed 21/10/2020)
Christopher Sneath MBE (Resigned 31/12/2020)	Lorna Howell (Appointed 21/10/2020)
Rev'd Daniel Bond (Resigned 21/10/2020)	

For the purposes of the Companies Act 2006, the Board of Trustees is regarded as the Board of Directors of the company.

Election of Trustees Trustees are elected by members at the Annual General Meeting. One third retires annually. The retiring trustees are required to be those who have served the longest. As trustees are appointed 'en bloc' at the AGM, those chosen to retire are selected by lots. The retiring trustees, presuming they are eligible, may put themselves forward for re-appointment. Additionally, the Board may make appointments from time to time to fill vacancies. The Board meets up to four times a year, and it is their responsibility to review strategy and operational performance, to set budgets and approve operating plans. They receive regular briefings on current topics.

Management The Board currently delegates certain functions to two sub-committees, Finance and Club Development & Support. Membership is as below. (* Denotes staff in attendance). The minutes of both committees are submitted to a full Board Meeting for approval. The decisions taken or actions agreed are implemented by the principal officers where appropriate.

Finance Committee John Corless OBE (Resigned 01/07/2020)
Geoffrey Chivers;
Christopher Sneath MBE (Resigned 31/12/2020)
Julia Giles MBE (Appointed 01/07/2020)
Martin Holdsworth*
Anne Joyce*

The Finance Committee meets up to nine times a year to monitor the current and on-going financial position. It also deals with statutory matters and reviews the risk position. The membership of the committee is such that it is effectively quorate as a Board Meeting. It is therefore able to take any urgent decisions which cannot wait for a full Board Meeting.

Phab Limited
Year ended 31 March 2021
Legal and Administrative information (continued)

Club Support & Development Committee

This committee, consisting of the Regional Committee Chairs (who are all directors) is chaired by Mrs Julia Giles and meets ahead of Board Meetings.

Regional Committees

Each region meets regularly at different venues within the regions, enabling as many members to attend as possible. Club members and leaders are invited to the meetings which are chaired by the regional Chair and serviced by the Regional Development Officer for that region.

These meetings are not sub-committees of the Board. However, the minutes of the Regional meetings are submitted to a Board Meeting for information. In addition to its own charitable activities, Phab is the affiliating body for the national network of Phab clubs, many of which are independent registered charities.

Subsidiary

John Corless holds one ordinary share in Phab UK Enterprises Ltd as nominee for Phab Limited. No other trustee has any interest in any shares of any group company.

Principal Officers

Martin Holdsworth, MloD – Chief Financial Officer & Company Secretary
Anne Joyce – Chief Operations Officer

Principal Professional Advisors:

Auditors:	Jacob Cavenagh & Skeet, 5 Robin Hood Lane, Sutton, Surrey SM1 2SW
Bankers:	CAF Bank Limited, Kings Hill, West Malling, Kent ME19 4TA National Westminster Bank plc, Tavistock House, Tavistock Square, London WC1H 9XA
Solicitors:	Medlicott & Benson, 5 Curates Walk, Wilmington, Kent, DA2 7BJ
Registered Office:	Summit House, Wandle Road, Croydon CR0 1DF (This is also the Principal Office of Phab)
Websites:	www.phab.org.uk and www.phabkids.co.uk

Phab Limited
Year ended 31 March 2021
Trustees' Report

The Board of Trustees of Phab (the "charity") presents its annual report and the audited financial statements for the year ended 31st March 2021. This report also contains the information required by the directors' report under company law.

Objectives

To promote and encourage people of all abilities, to come together on equal terms, to achieve complete inclusion, within the wider community.

On a day by day basis, the trustees consider that the objects are met in a variety of ways, summarised here and detailed in the Review of Activities on subsequent pages:

- **Phab supports** a network of around 140 clubs throughout England and Wales for all age groups, offering activities and holidays which members can share and enjoy together
- **Phab promotes** and encourages independence and self-esteem in disabled children and young adults alongside non-disabled young people through clubs, weekends and week-long residencies run in schools and universities
- **Phab funds** special short breaks: inclusive experiences for disabled and disadvantaged children and young people to share in a full range of adventurous outdoor activities at fully accessible activity centres offering specialist tuition alongside their non-disabled peers
- **Phab provides** specially equipped and fully accessible holiday units at an award-winning beach site in Dorset at affordable rates
- **Phab organises** national and regional events for club members and supporters to enjoy together and to promote the Phab philosophy of inclusion
- **Phab distributes** useful, up-to-date information on funding, safeguarding and training events via regular newsletters, e-bulletins, social media and the Phab website www.phab.org.uk

Management, Trustees and Key Management Personnel

The following is further to the structural and management information shown on pages 1 and 2.

Selection and induction of Trustees

Every region of Phab (currently 4) is represented on the Board by its Regional Chair. Each has extensive experience at Club level and is usually either a Club leader or Club Chair. The trustees and senior officers are always on the alert for suitable potential trustees with the right mix of skills to enhance the Board. The Board considers nominations to serve as trustees and interviews candidates. Co-option onto the Board is permissible at any time. Each trustee on joining the Board is provided with a copy of the latest published accounts which detail the operational framework and financial position. They also receive the Charity Commission publication CC3 – "The Essential Trustee – What you need to know" and regular appropriate Safeguarding training.

Training

All trustees and operational staff are certificated by The Care School in Safeguarding Adults and Children. Staff members who manage projects have updated their training in medication awareness, person centred care, first aid (including sports injuries) moving and handling and Makaton. Staff members have also given training to summer project volunteers on Safeguarding, Health & Safety, Assessing Risk and Disability Equality. Trustees and staff also subscribe to relevant industry and professional publications to keep abreast of developments in charity law and practice.

Key Management Personnel

The Trustees consider that they, together with the Principal Officers comprise the Key Management Personnel. The Trustees give of their time freely and the pay and remuneration of senior staff is set by the board of trustees and is kept under annual review. A number of criteria are used in setting pay:

- nature of the role and responsibilities
- competitor salaries in the region
- the sector average salary for comparable positions
- trends in pay

Phab Limited
Year ended 31 March 2021
Trustees' Report (continued)

Review of Activities

Supporting Phab Clubs across England and Wales

Phab's activities have been much affected by Coronavirus restrictions over the past year and many events organised by Phab for Clubs and members were, in the end, unable to take place. This has included Fun Weekends in the South-East and the Midlands, two flying days for Phab Club members, the annual Midlands Wicksteed Park Fun Day, and our much-anticipated Carol Concert and Volunteers Awards Event. We are looking forward to returning to those face-to-face activities as soon as we can.

Adapting our work, with staff operating largely from home, we have continued to remotely support and encourage 140 Phab Clubs with 8,000 members over the year. We have:

- Provided advice and support to Phab Club Leaders and volunteers during an extraordinary time, helping with any individual issues.
- Organised zoom meetings with Club Leaders to provide support and share information.
- Set up social media pages for Clubs to enable them to keep in touch with their members.
- Introduced "Zoom into Phab" enabling Clubs to share their online activities with each other, including a Code of Conduct to ensure the safety, privacy and enjoyment of those taking part.
- Helped Clubs to prepare for re-opening, including Covid guidelines, risk assessment templates for Clubs to adapt to their own needs, and sharing advice from Government and other organisations.
- Continued to carry out Disclosure and Barring Service (DBS) checks for volunteers.
- Further updated our Phab Club Handbook for Club Leaders and officers which can be accessed via the Clubs' pages on our website.

Additional Online & Virtual Activities

In December, in place of the annual Volunteers Awards Reception at the House of Lords and the Carol Concert, Phab members and supporters enjoyed a Phab Virtual Lockdown Heroes Event, to acknowledge the huge contribution of volunteers and members who support local Phab Clubs, Residential Projects and all our work. Thank you to Baroness Campbell of Surbiton, Phab President Anita Dobson, Mik Scarlet, Sir Richard Stilgoe and Christopher Timothy for their wonderful contributions to the evening, and of course the brilliant volunteer production team who made it all happen.

During the last year, Phab has enabled Clubs and individuals to experience many online activities and opportunities. These have included musical activities, sing-alongs and interactive dance events, Easter Bonnet and Christmas Hat Days, our Virtual Phabvent Calendar with members' videos, jokes, songs and dances, Clubs sending craft packs and videos to their members, a Phabastic Talent Competition, Teens Virtual Phab Club and Bake-Off, a teddy bear competition, Clubs setting up member WhatsApp groups, online bingo and Quiz Nights, and weekly craft-a-long sessions.

On 4th July 2021, Phab members and supporters joined the virtual Great Phab Picnic – broadcast from the HQ of Epsom Phab Club. The afternoon was presented by Phab's Vice President, Mik Scarlet with pre-filmed content of club activities, fundraisers, a live link to Phab's project in the Lake District and a message from Phab's President, Anita Dobson. The entire recorded broadcast was available online following the event with special features posted on Facebook.

Phab Holiday Homes, Weymouth

During the 2020 season, when Government restrictions allowed, Phab's two fully accessible units at Waterside Holiday Park in Weymouth continued to be very popular, with a high proportion of the bookings taken by Phab family groups who benefit from a reduced rental charge. The excellent sports, social and entertainment facilities, which are also fully accessible, are greatly enjoyed.

With the emphasis on staycations and self-catering for summer 2021, bookings were strong for the 2021 season giving families the opportunity to enjoy a holiday in safe and accessible surroundings.

Phab Limited
Year ended 31 March 2021
Trustees' Report (continued)

Phab Inclusive Projects

Every year disabled or disadvantaged children and young people have a wonderful time away with Phab on our exciting and challenging Inclusive Residential Projects. Sadly, and despite our very best efforts, we were unable to deliver the Projects programme in 2020 because of the various and changing Coronavirus lockdowns and restrictions. However, they will now be taking place between July and October 2021 and all those who had been looking forward to joining us in 2020 have been offered a place.

Because of the continuing need for safe social distancing, this year we have adapted our projects to involve family groups, where parents or carers rather than our volunteers have provided the personal care to their child, with extra accommodation and bathrooms booked and special activities arranged. In addition, young adults will be able to attend our new Transition Plus Projects, with a carer where needed, helping them to prepare for a more independent life. This is giving all involved something very special to look forward to after such a long period of isolation and disruption to their lives.

Phab in Schools and Universities

An important part of our work is our growing programme to develop Clubs and Residential Projects within schools, where disabled and non-disabled children and young people enjoy a whole range of accessible activities, having fun and growing together. The schools programme includes schools in Middlesex, Suffolk, outer London and Hertfordshire, also impacting on our work developing university based Phab Clubs as the students move on to higher education – including Clubs run by students at Nottingham, Bristol and Birmingham Universities.

Although on hold over the past difficult year because of Coronavirus and so much pressure on the schools and universities, we have kept in touch with staff and students who have continued to support their members with online activities such as Framlingham College's Virtual Phab, craft packs sent out to families, virtual days out and regular newsletters. A new Phab Club will be starting in September at Yarm School and Framlingham College Phab will be re-opening during the Autumn term.

Fundraising & Volunteers

The trustees wish to thank the many trusts, companies and individuals who have funded our work.

Our support to Phab's clubs and our projects is wholly reliant on the hundreds of volunteers throughout the country who freely give their time and expertise in support of Phab.

Postponement and then the cancellation of the live Virgin Money London Marathon event in 2020 has impacted Phab's fundraising detrimentally.

Phab has worked very closely with all fundraisers who had planned to take part in several mass participation events including the London Marathon and Prudential Ride-London and supported them with alternative fundraising events such as the 2.6 Challenge in April 2020, the Virtual Marathon on 4th October and the similar virtual RideLondon cycling event on 15-16 August 2020.

We are giving on-going personal support using social media, Zoom meetings and individual conversations with all our fundraisers to enable them to maximise sponsorship during these unprecedented times. In addition to the London Marathon, upcoming events in which Phab has large numbers of fundraisers are: London Landmarks Half on 1st August, Virgin Money Virtual Marathon on 3rd October, Royal Parks Half on 10th October 2021.

Phab Limited
Year ended 31 March 2021
Trustees' Report (continued)

Our key priorities for the future

Phab's enhanced communications strategy has been crucial in maintaining contact and engaging with both club members, supporters and fundraisers throughout the lockdown period and will continue to be an essential tool for the future. The Zoom platform has been particularly helpful in all areas of our work and has reduced costs related to travel, meeting accommodation etc.

Phab are confident that when it is possible to do so, our key priorities for the future will include:

- The opening of more schools based Phab Clubs and holiday projects
- Expansion of Residential Projects for the older age range, including raising top age to 30
- Building on our new social media and communications expertise in-house to further raise our profile and reach out to more people
- Boosting our fundraising capability to meet increasing demand for our support
- Developing our partnership working with other organisations and Charitable Trusts
- Developing a strategy of corporate partnership working and support

Financial Review - Results for the Year

The total income for the year amounted to £549,318 (2020: £935,151) against expenditure of £613,250 (2020: £907,172). Including a revaluation gain of £58,500 (2020: Nil) in investment property, this has resulted in a reduction in total funds of £5,432 (2020: £27,979 increase).

Accumulated funds as at 31st March 2021 amounted to £866,606 (2020: £872,038).

Bank balances held in long-term accounts have remained in excess of the balance of restricted funds. The income and expenditure figures remain in balance after the first six months post balance sheet date.

Related Parties

The company has a subsidiary undertaking, Phab UK Enterprises Limited, which was formerly engaged in operating Phab's Telesales (Raffle Support) operation, and the trading activities etc. connected with the London Marathon and other similar large and small events. This Company has been dormant for the period under review.

Fixed Assets

Information relating to changes in tangible assets is given in note 9 to the financial statements. Phab owns its own building in Croydon, from which all central operations are directed. In accordance with SORP 2015 the ground floor, which is sublet, has been revalued on a Red Book basis and this is reflected in these accounts.

Grant Making

No grants are awarded from the general fund to individuals or outside organisations. The regional committees consider applications from Phab clubs for grants from the general fund. There have been some grants to individuals from restricted funds, in accordance with the donors' wishes.

Phab Limited
Year ended 31 March 2021
Trustees' Report (continued)

Reserves

The reserves of the charity are made up of Unrestricted Funds, Designated Funds and Restricted Funds. The Board's policy continues to be to progressively increase reserves to the lower of either £330,000 or six month's unrestricted expenditure. The Trustees consider six months to be an appropriate period for outstanding liabilities to be met and ensure orderly winding down of the charity if necessary.

The attached financial statements show that the charity has restricted reserves of £154,128 (2020: £75,588), designated reserves of £142,671 (2020: £151,216) and unrestricted free reserves of £111,231 (2020: £233,458) (total unrestricted funds less designated and funds that are represented by Fixed Assets). The Trustees continue to seek ways to increase the free reserves in the future by considering all options. There are no reserves held in the subsidiary company.

Investment Policy

The Board's investment powers are subject to such conditions and consents as may for the time being be imposed by law. The policy of the Board is to hold all cash surpluses on bank deposit or other similar secure and readily accessible accounts.

Risk Review

The Board has a continuous process of risk assessment, maintains a risk register and is aware that for Phab, risk is not just a financial matter but covers 5 headings: Governance and Management, Operational, Financial, Environmental and External, Compliance.

The Board considers that the areas where the impact of risk could be highest are:

- loss of key staff
- abuse of vulnerable persons
- computer crash
- change of relationship with fundraisers leading to a fall in income

Systems are updated as necessary to mitigate identified risks. Internal risks are minimised by the use of procedures for authorisation of all transactions and projects and to ensure consistent delivery of all operational matters. The processes are periodically reviewed to verify their value. There are procedures covering compliance with health and safety of staff and volunteers.

Disclosure & Barring Service (DBS) formerly Criminal Records Bureau (CRB) checks are conducted for all staff and volunteers. Staff and Board Members undertake appropriate training courses in order to keep up to date with changes in legislation and practice. The Board is not aware of any major sources of income being withdrawn, nor of any missed opportunities of a fundraising nature or any other.

Auditors

Jacob Cavenagh & Skeet have indicated their willingness to continue in office and in accordance with the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

Plans and Key objectives for the future/Post Balance Sheet events

The CV-19 pandemic has delayed the implementation of the summer and autumn projects and various events until 2021.

Fundraising has been affected but support has remained strong from individuals and organisations alike.

Charities and Public Benefit

The trustees confirm that they comply with their duty to have regard to the Charity Commission guidance on public benefit in exercising their power and duties, and deciding what activities the charity should undertake. As can be seen in this report, and within the objectives on page 3, the charity has charitable purposes or 'aims' that continue to be, and are carried out for the public benefit. The trustees also believe that the opportunity to benefit is not unduly restricted, that people in poverty are not excluded, that there is no detriment or harm arising from carrying out Phab's aims, and that any private benefits received, other than as a beneficiary, are incidental.

Phab Limited
Year ended 31 March 2021
Trustees' Report (continued)

Statement of Trustees' Responsibilities

The trustees (who are also directors of Phab Limited 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

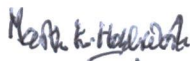
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the trustees are aware:

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

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By Order of the Trustees



Martin Holdsworth, MIOD
Company Secretary
Date: 22 September 2021



Geoffrey Chivers, CTA FRPSL
Treasurer

**Independent Auditor's report
to the members of
Phab Limited**

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

**Independent Auditor's report
to the members of
Phab Limited (continued)**

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 directors' report included with the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company, we identified that the principal risks of non-compliance with laws and regulations related to employment and financial reporting legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to management bias in accounting estimates, presentation of separately disclosed items, correct claiming of government assistance (furlough income) and management override of controls.

In response to the risks identified we designed procedures which included, but were not limited to reviewing trustees minutes, challenging significant accounting estimates including the revaluation of investment property, agreeing financial statement disclosures to underlying supporting documentation, testing the calculation of claims made under the Coronavirus Job Retention Scheme and identifying, evaluating the internal controls and testing journal entries.

**Independent Auditor's report
to the members of
Phab Limited (continued)**

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Miriam Hickson FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet
Statutory Auditor
Chartered Accountants

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Dated: 4/11/2021

Phab Limited
Statement of Financial Activities for the year ended 31 March 2021
Including the Income and Expenditure account

		<i>Unrestricted Funds 2021 £</i>	<i>Restricted Funds 2021 £</i>	<i>Total 2021 £</i>	<i>Unrestricted Funds 2020 £</i>	<i>Restricted Funds 2020 £</i>	<i>Total 2020 £</i>
	<i>Note</i>						
Income from:							
Donations and legacies		299,121	74,540	373,661	744,604	80,344	824,948
Other trading activities		507	-	507	36,547	-	36,547
Investments		17,366	-	17,366	28,678	-	28,678
Charitable activities		18,896	5,000	23,896	38,524	5,000	43,524
Other income		<u>133,888</u>		<u>133,888</u>	<u>1,454</u>	<u>-</u>	<u>1,454</u>
Total income	3	<u>469,778</u>	<u>79,540</u>	<u>549,318</u>	<u>849,807</u>	<u>85,344</u>	<u>935,151</u>
Expenditure on:							
Raising funds		302,913	-	302,913	372,271	-	372,271
Charitable activities		<u>309,337</u>	<u>1,000</u>	<u>310,337</u>	<u>437,623</u>	<u>97,278</u>	<u>534,901</u>
Total expenditure	4	<u>612,250</u>	<u>1,000</u>	<u>613,250</u>	<u>809,894</u>	<u>97,278</u>	<u>907,172</u>
Net gains on investments	10	58,500	-	58,500	-	-	-
Net income/(expenditure)		(83,972)	78,540	(5,432)	39,913	(11,934)	27,979
Transfers between funds	13	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>(1,000)</u>	<u>-</u>
Net movement in funds		<u>(83,972)</u>	<u>78,540</u>	<u>(5,432)</u>	<u>40,913</u>	<u>(12,934)</u>	<u>27,979</u>
Reconciliation of funds							
At 1 April 2020		<u>796,450</u>	<u>75,588</u>	<u>872,038</u>	<u>755,537</u>	<u>88,522</u>	<u>844,059</u>
At 31 March 2021		<u>712,478</u>	<u>154,128</u>	<u>866,606</u>	<u>796,450</u>	<u>75,588</u>	<u>872,038</u>

All gains and losses in both years arise from continuing operations and are recognised in the Statement of Financial Activities

The notes on pages 15 - 25 form part of these accounts.

Phab Limited
Balance Sheet
As at 31 March 2021

	Note	2021		2020	
		£	£	£	£
Fixed Assets					
Tangible assets	9		133,476		145,176
Investments	10		<u>325,100</u>		<u>266,600</u>
			458,576		411,776
Current Assets					
Stocks			2,044		2,154
Current asset investments			238,343		236,788
Debtors	11		<u>42,987</u>		<u>47,605</u>
Cash at bank and in hand			<u>206,981</u>		<u>245,962</u>
			490,355		532,509
Liabilities					
Creditors falling due within one year	12		<u>(39,476)</u>		<u>(21,477)</u>
Net Current Assets			450,879		511,032
Total assets less current liabilities			909,455		922,808
Provisions for liabilities and charges	19		<u>(42,849)</u>		<u>(50,770)</u>
Net Assets			866,606		872,038
Funds					
Unrestricted funds			569,807		645,234
Designated funds	14		142,671		151,216
Restricted funds	13		<u>154,128</u>		<u>75,588</u>
Total Funds	17		866,606		872,038

The accounts were prepared in accordance with the provisions available to small companies subject to the small companies regime within part 15 of the Companies Act 2006, were approved by the Board of Trustees on 22 September 2021 and were signed on its behalf by:

Geoffrey Chivers

Treasurer



The notes on pages 15 to 25 form part of these accounts

Phab Limited
Statement of Cash Flows
For the year ended 31 March 2021

		2021 £	2020 £
Cash (used in) operating activities	(i)	(54,792)	(19,212)
Cash flows from investing activities			
Interest income		3,020	3,678
Rental income		<u>14,346</u>	<u>25,000</u>
		<u>17,366</u>	<u>28,678</u>
(Decrease) / increase in cash and cash equivalents during the year		(37,426)	9,466
Cash and cash equivalents as at 1 April		<u>482,750</u>	<u>473,284</u>
Cash and cash equivalents as at 31 March		<u>445,324</u>	<u>482,750</u>

(i) Reconciliation of net movement in funds to cash used in operating activities

	2021 £	2020 £
Net movement in funds	(5,432)	27,979
Add back depreciation charge	11,700	13,495
Deduct interest income shown in investing activities	(3,020)	(3,678)
Deduct rental income shown in investing activities	(14,346)	(25,000)
Net gains on investments	(58,500)	-
Decrease /(increase) in stock	110	-
Decrease /(increase) in debtors	4,618	(11,041)
Increase / (decrease) in creditors	17,999	(10,148)
(Decrease) in provisions	(7,921)	(10,819)
Net cash (used in) operating activities	<u>(54,792)</u>	<u>(19,212)</u>

Phab Limited
Notes to the financial statements
For the year ended 31 March 2021

1 Status

Phab Limited is a company limited by guarantee and has no share capital. Its registered office is Summit House, Wandle Road, Croydon, CR0 1DF. In the event of a winding-up each person that is either a member at that date or ceased to be a member within one year is liable to contribute a sum not exceeding £10 towards the liabilities of the company. For these purposes, the trustees are the members of the company. The company is a registered charity.

2 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of investments to market value, with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these financial statements. The financial statements have been prepared in accordance with the Companies Act 2006, Charities Statement of Recommended Practice (Charities SORP 2015 (FRS 102)) and Financial Reporting Standard 102 (FRS 102). Figures are presented in pounds sterling rounded to the nearest pound.

Phab Limited meets the definition of a public benefit entity under FRS 102.

Fund Accounting

The charity has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Restricted Funds – Donations and grants which are earmarked by the donor for specific purposes are recorded as restricted funds and may be utilised only in accordance with the specific purposes.

Designated Funds – The designated fund represents monies put aside by the trustees for special purposes such as closed club income being retained for the regeneration of Phab activity in the area (see note 14).

Unrestricted Funds – Unrestricted funds are those which are expendable at the discretion of the trustees in furtherance of the objects of the charity. These resources arise from the accumulated surpluses and deficits on general charitable activities.

Going concern

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income Recognition

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. Income from commercial trading activities is recognised as earned. Investment income is recognised on a receivable basis.

Income from the Coronavirus Job Retention Scheme is recognised in the period to which the underlying staff costs relate.

Volunteers and donated services

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the trustees' annual report. Where services are provided to the charity as a donation that would normally be purchased from our suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity.

Phab Limited
Notes to the financial statements
For the year ended 31 March 2021 (continued)

2 Accounting Policies (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Cost of raising funds comprises the costs incurred in inducing others to make voluntary contributions to the charity, including those incurred in trading activities that raise funds. Charitable expenditure comprises all expenditure relating to the objects of the charity, including both the direct costs and support costs relating to these activities and projects.

Governance Costs comprises compliance with constitutional and statutory requirements.

Pension Costs

The charity operates a defined contribution pension scheme which is fully compliant with Auto-Enrolment legislation: all eligible staff are enrolled. The funds of the scheme are administered by the Pensions Trust. Contributions to the scheme are charged against the results of the year for which they are payable. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

Deficit contributions due to the scheme have been provided in the accounts and discounted to present value.

Grants payable

Grants payable are made in furtherance of the charitable objects of Phab Limited. No grants are made to individuals from general funds.

Tangible Fixed Assets, Depreciation and Amortisation

Tangible fixed assets are stated at historic cost less accumulated depreciation or amortisation. Depreciation and amortisation are provided to write off the cost less the estimated residual value of tangible fixed assets by equal annual instalments over their estimated useful economic lives as follows:

Freehold buildings	2%
Leasehold holiday units	over the life of the lease
Building alterations	2% to 25%
Office equipment	20% to 25%
Computer equipment	33%

Only items in excess of £500 are capitalised. Freehold land is not depreciated.

Stock

Stock consists of badges, stickers, limited edition prints, clothing for resale and fund raising kits. It is stated at the lower of cost and net realisable value.

Investments

Investments are stated in the balance sheet at their market value as at the balance sheet date. Investments in subsidiaries are included at cost. All movements in value arising from investment changes or revaluation are recognised in the statement of financial activities.

Employee benefits

The cost of any unused holiday entitlement is recognized in the period in which the employee's services are received.

Termination benefits are recognized immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

Phab Limited
Notes to the financial statements
For the year ended 31 March 2021 (continued)

2 Accounting Policies (continued)

Debtors

Fees and extras receivable and accrued income are included at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount. Provisions are recognised by discounting the settlement amount according to the likely timing of the payments.

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Value Added Tax

Phab Limited is not registered for VAT, therefore Phab is unable to reclaim the VAT it suffers. The irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

Operating leases

Rental charges are charged on a straight-line basis over the terms of the lease.

3 Income

Donations and legacies

	2021 £	2020 £
Other donations	346,984	765,893
Legacies	1,677	59,055
Council Grant	25,000	-
	373,661	824,948

Other trading income

This income is from the following trading activities:

	2021 £	2020 £
Raffles	447	10,830
Affiliation fees from Phab clubs	60	2,800
Other income	-	22,917
	507	36,547

Investment Income

All the group's investment income arises from rental income and interest-bearing deposit & reserve accounts in the UK.

Phab Limited
Notes to the financial statements
For the year ended 31 March 2021 (continued)

3 Income (continued)

Income from charitable activities

This income is from the following activities	2021	2020
	£	£
Independent Living Experiences, Jubilee Sailing Trust, Skills for Independence	10,000	26,175
Waterside Holiday Units rental	13,896	17,349
	23,896	43,524

Other income

	2021	2020
	£	£
HMRC CJRS grants	133,524	-
Merchandising sales	364	1,454
	133,888	1,454

Included in total income for 2020/21 were larger donations from the following supporters:

BBC Children in Need (third year of a three-year grant)	£45,000
Quies Trust	£20,000
Ashfield Trust	£15,000
Aldenham School	£5,089
Edward Gostling Foundation	£5,000
Florian Charitable Trust	£5,000
Johnnie Johnson Trust	£4,500
St. James's Place Charitable Foundation	£2,500

Phab Limited
Notes to the financial statements
For the year ended 31 March 2021 (continued)

4 Expenditure

	Activities undertaken directly £	Grants £	Support Costs £	2021 Total £	2020 Total £
Raising funds					
Marathon costs	243,918	-	12,845	256,763	318,108
Events	39,611	-	6,539	46,150	54,163
	283,529	-	19,384	302,913	372,271
Charitable Activities					
Residential projects	91,610	-	14,808	106,418	236,832
Holiday units	18,892	-	-	18,892	21,005
Regional and club events	39,603	-	6,414	46,017	88,790
National events	24,369	-	4,154	28,523	31,252
Club support	63,957	35,631	10,899	110,487	157,022
	238,431	35,631	36,275	310,337	534,901
Total expenditure	521,960	35,631	55,659	613,250	907,172
 Support costs					
Head office and central costs	31,988	<i>Apportioned to:</i>			
Depreciation	11,700	Residential projects		14,808	
Governance (see note 5)	11,971	Regional and club events		6,414	
		Club network support		10,899	
		National events		4,154	
		Marathon		12,845	
		Events		6,539	
	55,659			55,659	

Grants were paid in the year to 11 Phab groups from general funds and to 1 Phab group and 0 individual from restricted funds.

Phab Limited
Notes to the financial statements
for the year ended 31 March 2021 (continued)

5 Governance costs

	2021 £	2020 £
Auditor's remuneration – audit services inclusive of VAT	7,600	7,200
Auditor's remuneration – accounting services inclusive of VAT	-	400
Auditor's remuneration – under or over provision in the year	(40)	(1,200)
Governance and professional support for trustees	4,411	6,311
	<u>11,971</u>	<u>12,711</u>

6 Directors, staff numbers and costs

The aggregate payroll costs were as follows:	2021 £	2020 £
Wages and salaries	282,426	300,530
Social security costs	20,438	24,466
Pension contributions	21,103	24,767
Pension costs of defined benefit pension schemes (note 19)	2,606	(598)
	<u>326,573</u>	<u>349,165</u>

No employee earned over £60,000 in the year, nor in the previous financial year. The average number of persons employed by the charity during the year was 11 (2020 – 12).

Termination payments of £12,166 (2020: £Nil) were made in the year and are included above. These are recognised when legal agreement is reached.

Key Management Personnel

The total employee benefits of the key management personnel of the charity as listed on page 2 were £83,555 (2020: £106,363).

7 Operating Lease Commitments

The charitable company's total future minimum lease payments under operating leases were payable as set out below:

	2021 £	2020 £
Within one year	-	-
Within two to five years	-	-
	<u>-</u>	<u>-</u>
The operating lease charges for the year were:		
	2021 £	2020 £
Hire of plant and machinery	<u>-</u>	<u>392</u>

8 Taxation

The company is exempt from tax on its charitable activities.

Phab Limited
Notes to the financial statements
For the year ended 31 March 2021 (continued)

9 Tangible Fixed Assets

	Freehold Property* £	Leasehold Property £	Office Equipment £	Computer Equipment £	TOTAL £
Company					
Cost					
At beginning of year	144,456	112,504	5,646	5,652	268,258
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At end of year	144,456	112,504	5,646	5,652	268,258
Depreciation and Amortisation					
At beginning of year	48,428	63,522	5,646	5,486	123,082
Charge for year	1,816	9,723	-	161	11,700
Released on disposal	-	-	-	-	-
At end of year	50,244	73,245	5,646	5,647	134,782
Net Book Value					
At 31 st March 2021	94,212	39,259	-	5	133,476
At 31 st March 2020	96,028	48,982	-	166	145,176

*Included in freehold property is land costing £48,000 which is not being depreciated.

10 Fixed Asset Investments

	2021 £	2020 £
Shares in subsidiary undertaking at cost	100	100
Investment property	325,000	266,500
	325,100	266,600

Investment property

The investment property comprises of the ground floor of Summit House, 50 Wandle Rd, Croydon CR0 1DF. This was valued by Elliott & Co chartered surveyors on 12 April 2016 at £266,500. During the year using advice from agents, the trustees estimated that the value had increased by £58,500 to £325,000.

Subsidiary undertaking

The charity's investment in its subsidiary company consists of 100 ordinary shares of £1 each. The subsidiary undertaking, Phab UK Enterprises Limited (company no. 02564098), which is wholly owned, is registered in England and Wales. It was used for non-charitable activities to raise funds for the charity. Phab UK Enterprises Limited was involved in producing magazines for the group, for operating the group's telesales operations, for contracts with local authorities, and for handling all the marathon-type events for Phab. Phab UK Enterprises Limited gifts its taxable profits to Phab. From 01 April 2017 it became dormant. There has been no trading activity and it holds net assets £100 at year end. The subsidiary does not hold any fixed assets.

Phab Limited
Notes to the financial statements
For the year ended 31 March 2021 (continued)

11 Debtors

	2021 £	2020 £
Prepayments	21,217	29,927
Other debtors	21,770	17,678
	<u>42,987</u>	<u>47,605</u>

12 Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	263	678
Accruals and deferred income	30,413	9,440
Taxation and social security	8,800	11,359
	<u>39,476</u>	<u>21,477</u>

13 Restricted Funds

	Balance 1.4.2020 £	Income £	Expenditure £	Transfer £	Balance 31.3.21 £
EETPU Centenary Fund	10,696	-	-	-	10,696
Willie Booth Fund	4,219	-	-	-	4,219
Midland Development Work	7,800	-	-	-	7,800
South East Development Work	2,000	-	-	-	2,000
Freedom in the Air	7,562	5,000	-	-	12,562
ILX	39,754	74,540	(1,000)	-	113,294
MTS Joint Fund	3,557	-	-	-	3,557
	<u>75,588</u>	<u>79,540</u>	<u>(1,000)</u>	<u>-</u>	<u>154,128</u>

	Balance 1.4.2019 £	Income £	Expenditure £	Transfer £	Balance 31.3.20 £
EETPU Centenary Fund	11,780	-	(1,084)	-	10,696
Willie Booth Fund	4,219	-	-	-	4,219
Midland Development Work	6,800	1,000	-	-	7,800
South East Development Work	-	2,000	-	-	2,000
Freedom in the Air	11,635	5,000	(8,073)	(1,000)	7,562
ILX	50,281	77,344	(87,871)	-	39,754
MTS Joint Fund	3,557	-	-	-	3,557
The Jo Webb Award	250	-	(250)	-	-
	<u>88,522</u>	<u>85,344</u>	<u>(97,278)</u>	<u>(1,000)</u>	<u>75,588</u>

Phab Limited
Notes to the financial statements
For the year ended 31 March 2021 (continued)

13 Restricted Funds (continued)

EETPU Centenary Fund consists of donations received which are to be used to provide grants to private individuals and organisations with electrical trade union connections to assist disabled young people.

The **Willie Booth Fund** was set up by a transfer agreed by the Trustees, in anticipation of gifts in memory of a former vice president, who died in June 2009. The aim of the fund was to buy a minibus, initially for use by the Phab club at Westminster School. The trustees and the school have now agreed that it can be used for providing transport bursaries to enable disabled people to travel to special events.

Midland Development Work supporting Phab Clubs in the Birmingham and West Midlands area, organising regional events to bring Phab Clubs together, and promoting Phab Clubs, Projects and wheelchair accessible holiday homes to Club members and people with disabilities locally.

South East Development Work supporting Phab Clubs in the South East, organising regional events to bring Phab Clubs together, and promoting Phab Clubs, Projects and wheelchair accessible holiday homes to Club members and people with disabilities locally.

Freedom in the Air is an opportunity funded by the Florian Charitable Trust for a young person with disabilities to undertake a National Private Pilot's Licence Scholarship. The transfer in the year recognised unrestricted expenditure on staff who spent time working on this project.

ILX represents grants and donations toward Phab's Inclusive Living Experience (ILX) Residential Projects Programme.

MTS Joint Fund represents a partnership between Merchant Taylors' School and Phab to promote volunteering by young people who are at school or at university and the development of new Phab Clubs led by young people. The transfer of funds represents Phab Limited's portion of unspent funds initially transferred from the general fund.

14 Designated funds

	Balance 1.4.2020 £	Income £	Expenditure £	Transfers £	Balance 31.3.2021 £
Former club funds	102,232	1,177	-	-	103,409
Holiday units	48,984	-	(9,722)	-	39,262
	151,216	1,177	(9,722)	-	142,671

	Balance 1.4.2019 £	Income £	Expenditure £	Transfers £	Balance 31.3.2020 £
Former club funds	43,378	58,854	-	-	102,232
Holiday units	58,706	-	(9,722)	-	48,984
	102,084	58,854	(9,722)	-	151,216

The former club funds represent funds that have been earmarked for regions where the clubs in the region have since closed down. The holiday unit fund was set up to represent the purchase price of the leasehold holiday units at Waterside Park. The cost is shown in note 9 above. Amortisation is set against the original balance of the fund.

Phab Limited
Notes to the financial statements
For the year ended 31 March 2021 (continued)

15 Connected Charities

Phab provides support and services to a network of around 150 independent Phab Clubs and county and regional organisations.

16 Contingent Liabilities

The company is party to a guarantee in favour of the National Westminster Bank plc in respect of borrowings by the company and its subsidiary Phab UK Enterprises Limited. At 31 March 2021 these borrowings stood at £Nil (2020 - £Nil).

17 Analysis of net assets between fund balances

	At 31st March 2021			At 31st March 2020		
	UR Funds £	R Funds £	Total £	UR Funds £	R Funds £	Total £
Fixed assets	458,576	-	458,576	411,776	-	411,776
Cash at bank and in hand	52,853	154,128	206,981	170,374	75,588	245,962
Other net current assets	243,898	-	243,898	265,070	-	265,070
Provisions	(42,849)	-	(42,849)	(50,770)	-	(50,770)
	712,478	154,128	866,606	796,450	75,588	872,038

18 Transactions with Trustees and Related Parties

No trustee received any emoluments (2020: nil). Expenses reimbursed to 1 trustees during the year were £145 (2020: £1,810 to 5 trustees). These expenses were incurred for travel and expenditure on the charity's behalf.

Members of the close family of the key management personnel received salary of £20,641 (2020: £25,350), employer's pension contributions of £960 (2020: £1,170) and were paid £120 (2020: £1,677) for IT support. This figure includes the supply of materials.

19 Pension Scheme

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

Phab Limited
Notes to the financial statements
For the year ended 31 March 2021 (continued)

19 Pension Scheme (continued)

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions from 1 April 2019 to 31 January 2025: £11,243,000 per annum payable monthly and increasing by 3% each on 1st April.

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions from 1 April 2016 to 30 September 2025: £12,945,440 per annum payable monthly and increasing by 3% each on 1st April.

Deficit contributions from 1 April 2016 to 30 September 2028: £54,560 per annum payable monthly and increasing by 3% each on 1st April.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	£
Provision brought forward	50,770
Payments made in the year	(10,527)
Adjustment to liability from change in discount rate and contributions due	<u>2,606</u>
Provision carried forward	<u>42,849</u>

Rate of discount for the year ended 31 March 2020: 2.53% per annum

Rate of discount for the year ended 31 March 2019: 1.39% per annum

Rate of discount for the year ended 31 March 2018: 1.71% per annum

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Contributions made to the ongoing scheme were £10,527 (2020: £10,221).