

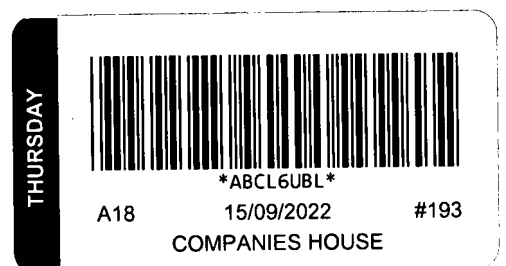


The National Flood Forum

(A company limited by guarantee)

Registered charity no. 1121642
Company no. 04349401

Annual Report and Accounts for the year ended 31 March 2022



Contents

	Page no.
Trustees' Report	1 – 6
Statement of Trustee's responsibilities	7
Report of the Independent Auditor	8 - 10
Statement of Financial Activities	11
Balance Sheet	12
Notes to the Accounts	13 - 23

Trustees' Annual Report

The Trustees, who are also directors for the purposes of the Companies Act 2006, present their annual report and financial statements for the year ended 31 March 2022 which is also prepared to meet the requirements for a Directors' report and accounts for Companies Act Purposes.

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

Objectives and Activities

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

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

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

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

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

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

The charity's main objectives for the year were:

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

Our strategic priorities are:

Our Strategy

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

Our aim

To end the fear of flooding.

Our long term goals

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

Who we are and what we do

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

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

Specific targets for the year to help deliver this included:

External Objectives

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

Internal objectives

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

The work of over 300 active flood action groups around the country was sustained entirely by voluntary activity.

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

Achievements and Performance

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

1. Success in securing involvement with four of the Resilience and Innovation fund projects up to 2027
 - a. SMART Sponge Catchments in Slough
 - b. Roch Valley Neighbourhood Flood and Climate
 - c. Greater Lincolnshire Groundwater Project
 - d. A FAIR approach to community flood risk
2. Working on the Severn Valley Water Management Scheme on an ambitious programme to build resilience along the Severn Valley and working across the English and Welsh border.
3. Continued delivery of the two-year cross channel Interreg project Building Resilience In Flood Disadvantaged Communities BRIC project, led by Plymouth County Council but with European partners across England and in France
4. Sitting on the steering group and working with partners and the EA on the FCERM action plan FCERM Strategy and the development of the FCERM strategy roadmap
5. Working to deliver Flood Recovery Services across several locations including Surrey, Shropshire, Severn Valley and Worcestershire which also included supporting communities who have flooded for the third time in two years
6. Working with MPs and flood action groups as part of the APPG Flood Prevention Group. NFF became the Secretariat, giving an opportunity to put flooding and flood risk communities' concerns on the national political agenda.
7. Working with Anglian Water on innovative community projects in East Anglia
8. Significant projects are still on going in Rochdale, Worcestershire, Lincolnshire, Norfolk and Shropshire
9. Online zoom meetings for the flood risk community continued throughout 2021-22, providing vital information and support to communities at risk of flooding. Providing high quality and relevant speakers to increase the knowledge and understanding within the flood risk community and at no charge
10. Smaller projects included working with TCPA and the production of materials to help at risk communities. Working on the Solaris project with Middlesex University, and a stakeholder engagement review with Severn Rivers Trust.
11. Research, in partnership with CABA to achieve closer collaboration with Flood Action Groups
12. The advice line continues to be busy with more than 800 calls being received. The helpline gives people access to information and support on a variety of topics
13. The national profile of the charity was improved through Policy work, the APPG and public relations activity.
14. Ongoing support for over 300 active flood action groups, through the advice line, the bulletin and direct contact by staff with the groups
15. Volunteers working in community projects are central to the success of the work delivered by the National Flood Forum. In addition, there has been support for central office functions and many contributions to policy work. The contribution is more than 3400 hours
16. Thirty-three media requests have been received and social media has seen at least 20% growth across all channel and social media activity
17. Facebook and other social media channels have been used to communicate with and support groups, as well as disseminate information

Financial Review

Income for the year increased to £418,992 (previous year: £295,447) while charitable expenditure also increased to £360,304 (previous year: £306,081) resulting in a surplus for the year of £58,688 (previous year: deficit of £10,634). The financial position at the end of the year was improved with un-restricted funds carried forward of £193,057 (2021: £133,827).

Reserves policy

The reserves policy has been set by Trustees as:

- Reserves be maintained at a level which ensures that around 3-6 months of the organisation's core activity could continue during a period of unforeseen difficulty.
- A designated redundancy fund of £45,000. Current redundancy payments would amount to £44,282

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

Free reserves, defined as unrestricted funds less fixed assets less designated funds, are currently £144,357 which means the charity currently holds approximately 3 months budgeted running costs in reserves, which is just within its reserves policy. Although the Trustees consider these reserves adequate for maintaining the charity's ongoing work programmes, they recognise that a continuous process of fundraising is required to ensure that reserves can be maintained at a level that is in line with the reserves policy and reflects the organisations continued desire to increase delivery and activity.

Going concern

At this point in time funding for 2022/23 includes a significant amount of secured funding and is sufficient to meet current staff and other costs. However certain projects are not as far advanced as originally anticipated at this stage and whilst we continue to believe they are highly likely to go ahead, the start date may be delayed within the financial year. Where new projects require additional staff to current levels those staff will not be recruited until such projects are more secure.

Furthermore, Trustees have reviewed possible contingencies that could be put in place to reduce costs should a funding shortfall arise. These include:

- Redeploy staff to maximise efficiency
- Reduce staffing levels – the cost of making all staff redundant (£45,000) has been set aside in reserves to cover this. Reductions will need to be proportionate to the level of income
- Develop funding multiple funding/income streams

Forecasts to 31 March 2023 & beyond suggest free reserves of around £200,000 will be available to carry forward into 2023/24, which is sufficient to meet current reserves policy and running costs. As such the Trustees believe it is appropriate to prepare these accounts on a going concern basis & confirm that they are confident of the future viability of the Charity for at least the next 12 months.

Plans for the Future

External Objectives

1. Continue to build services for flood risk communities, both new services and build access to existing services
2. Further develop the networks of flood groups and wider networks within the flooding community
3. Work with partners to deliver the FCRM Strategy Action Plan, based upon the commitments secured in policy and strategy and including influencing the development of the approach to recovery
4. Encourage partners to refer to us during flood events and use us during recovery
5. Build a programme of Policy activity around the All-Party Parliamentary Group for Flood Prevention

Internal objectives

1. Maintain 3-6 months reserves
2. Further develop and implement products that donors can easily contribute to
3. Refresh NFF strategy
4. Build NFF profile through social media and public relations activity
5. Develop fundraising strategy
6. Develop Phase 2 of Blue Pages
7. Develop a communications strategy targeting those at flood risk and the vulnerable.
8. Ensure that we are working most effectively through networks to deliver our objectives
9. Develop long term partnerships with more secure funding

Structure, Governance and Management

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

Responsibility for the governance of the charity resides with the Trustees. Day to day operations is managed by the Chief Executive. There were 11 Trustees who served during the year, as shown below. At the end of the year there were 10 Trustees. Trustee indemnity insurance is in place and is paid for by the charitable company.

Arrangements for setting pay for staff was introduced previously, following a benchmarking exercise against charities, the Environment Agency and local authorities. Pay for the Chief Executive is set by the Board. Staff pay was increased by 7% in line with inflation on 1 April 2022.

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

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

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

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

There have been several new members of staff, but the senior leader team has remained static, and this has allowed the organisations to focus on delivery and enabled staff to build their skills and knowledge.

Reference and Administrative Information

Registered company no.: 04349401 (England and Wales)

Registered charity no.: 1121642

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

Trustees/Directors: D Johns (Chair)
Prof. Penning-Rowse (retired November 21)
E Isnenghi
P Mehring
R Haddon
M Green
D Goff
S Priest (appointed July 21)
L Jones
P Bide
C Woolhouse (appointed July 21)

Company Secretary: A S Davies

Chief Executive: P Cobbing

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

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

Website: www.floodforum.org.uk

Approved by the Trustees on 21 July 2022
And signed on their behalf by



D Johns (Chair)

Trustees' responsibilities in relation to the financial statements

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

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

Statement as to disclosure to our auditors

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

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

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

Opinion

We have audited the financial statements of the National Flood Forum (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as of 31 March 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

Use of our report

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

**Christopher Hession C.A. (Senior Statutory Auditor)**Date: 21/07/22.....

For and on behalf of BK Plus Audit Limited

Azzurri House
Walsall Road
Aldridge
Walsall
WS9 0RB

Statement of Financial Activities

(incorporating an Income and Expenditure Account)
For the year ended 31 March 2022

	Notes	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	2021 Total Funds £
INCOME FROM:					
Donations and legacies	2	10,520	19,075	29,595	39,281
Charitable activities	3	355,012	34,385	389,397	256,166
TOTAL INCOME		365,532	53,460	418,992	295,447
EXPENDITURE ON:					
Raising funds	4	15,010	-	15,010	19,630
Charitable activities	5	293,962	51,332	345,294	286,451
TOTAL EXPENDITURE		308,972	51,332	360,304	306,081
Net income/(expenditure) for the year before transfers		56,560	2,128	58,688	(10,634)
Transfer of funds in year		2,670	(2,670)	-	-
NET INCOME/(EXPENDITURE) & NET MOVEMENT IN FUNDS		59,230	(542)	58,688	(10,634)
RECONCILIATION OF FUNDS					
Total funds brought forward		133,827	7,068	140,895	151,529
TOTAL FUNDS CARRIED FORWARD	13	193,057	6,526	199,583	140,895

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

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

Balance Sheet

As of 31 March 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Investments	8	1	1
Tangible assets	9	3,700	1,015
		<u>3,701</u>	<u>1,016</u>
CURRENT ASSETS			
Debtors	10	122,699	51,746
Cash at bank and in hand		170,657	230,109
		<u>293,356</u>	<u>281,855</u>
Total current assets			
Creditors: amounts falling due within one year	11	(97,474)	(141,976)
		<u>195,882</u>	<u>139,879</u>
Net current assets			
NET ASSETS	14	<u>199,583</u>	<u>140,895</u>
FUNDS OF THE CHARITY			
Unrestricted - General		148,057	88,827
Unrestricted – Designated fund		45,000	45,000
Total unrestricted funds		<u>193,057</u>	<u>133,827</u>
Restricted		6,526	7,068
TOTAL CHARITY FUNDS	13	<u>199,583</u>	<u>140,895</u>

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

Approved by the Trustees on 21 July 2022

And signed on their behalf by



D Johns (Chair)

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

Registered company number 04349401.

Notes to the accounts

1. ACCOUNTING POLICIES

Status of the Company

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

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (updated 1 January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

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

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

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

Going concern

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

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

Income

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

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

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

Expenditure

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

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

Allocation of Support Costs

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

Fund accounting

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

Investments

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

Fixed assets

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

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

Cash and cash equivalents

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

Debtors

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

Creditors

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

Leased assets

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

Pensions

Employees are entitled to join a money purchase pension scheme which is funded by contributions from both employee and employer. During the year employer contributions of £6,682 (2021: £5,860) were made to the scheme. Contributions are allocated to activities in accordance with related salary costs.

Related party transactions

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

2. DONATIONS AND LEGACIES

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

	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Donations	9,397	-	9,397
Grants:			
- Awards for All	-	2,392	2,392
- SIB REACH Fund	-	12,000	12,000
- Wye Forest Covid Support grant	10,000	-	10,000
- Furlough receipts	5,492	-	5,492
Total 2021	24,889	14,392	39,281

3. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2022 Total funds £
Flood Risk Support	298,454	34,385	332,839
Other charitable activity:			
Consultancy/training	32,643	-	32,643
Information Services	8,092	-	8,092
Recovery support & Trailer rental	7,000	-	7,000
Expense recoveries and management fees	8,823	-	8,823
Total 2022	355,012	34,385	389,397

	Unrestricted Funds	Restricted Funds	2021 Total funds
	£	£	£
Flood Risk Support	172,494	-	172,494
Other charitable activity:			
Consultancy/training	27,928	-	27,928
Information Services	7,637	-	7,637
Recovery support & Trailer rental	40,000	-	40,000
Expense recoveries and management fee	8,107	-	8,107
Total 2021	256,166	-	256,166

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

	2022 £	2021 £
Rochdale Metropolitan Borough Council	52,500	47,500
Worcestershire County Council	22,500	5,000
Kent County Council	27,500	55,000
Gloucestershire County Council	9,800	-
Surrey County Council	11,900	-
Slough Borough Council	5,848	-
Shropshire County Council	18,328	-
Environment Agency	55,450	-

4. COSTS OF RAISING FUNDS

	2022 £	2021 £
Staff costs	11,653	14,483
Consultants	-	2,250
Office costs	-	35
Support and governance costs	3,357	2,862
Total	15,010	19,630

5. COSTS OF CHARITABLE ACTIVITIES

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

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

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

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

6. SUPPORT AND GOVERNANCE COSTS

	2022 £	2021 £
Support costs:		
Staff costs	32,215	5,978
Publicity, printing & postage	825	2,355
Consultancy, training and recruitment	2,540	300
Meetings/events	460	103
Premises costs	962	7,048
Motor vehicle costs	4,143	4,783
Travel and subsistence	932	-
Office Costs	16,009	14,586
	58,086	35,153
Governance costs:		
Auditors' remuneration – statutory audit services	2,805	2,903
Travel and meetings	98	-
Insurance (Trustees liability insurance)	877	865
Legal & professional fees	220	-
Staff costs	8,818	6,416
	12,818	10,184
Total	70,904	45,337
Allocated to:		
Raising funds	3,357	2,862
Charitable activities	67,547	42,475
Total	70,904	45,337

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

7. STAFF COSTS, NUMBERS AND TRUSTEE REMUNERATION AND EXPENSES

	2022 £	2021 £
Salaries	260,738	219,382
National Insurance costs	19,762	16,580
Pensions	6,682	5,860
Total	287,182	241,822
Allocated as follows:		
Raising funds	11,653	14,483
Direct Charitable activity	234,496	214,945
Support costs	32,215	5,978
Governance	8,818	6,416
Total	287,182	241,822

The charity employed the full-time equivalent of 9.15 staff during the year (2021: 8). No employee had employee benefits in excess of £60,000 (2021: none).

Key management personnel comprise the Chief Executive Officer, the Community Support & Flood Recovery Specialist and the Operations Coordinator whose employee benefits total £110,874 (2021: £109,865) including pension contributions.

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

One Trustees was reimbursed expenses totalling £98 in relation to travel costs incurred on behalf of the charity in relation to their duties as Trustees (2021: £nil).

8. INVESTMENTS IN SUBSIDIARIES

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

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

	2022 £	2021 £
Turnover	8,016	9,984
Cost of sales	(6,434)	(7,545)
Gross profit	1,582	2,439
Administrative expenses	(1,582)	(2,061)
Net profit for year	-	378
Current assets	16,069	15,536
Current liabilities	(15,926)	(15,393)
Net assets at end of year	143	143

9. FIXED ASSETS

	Computers and Equipment £	Fixtures and fittings £	Motor vehicles & trailers £	Total £
Cost b/fwd	4,055	11,885	75,000	90,940
Additions	3,785	-	-	3,785
Cost c/fwd	7,840	11,885	75,000	94,725
Depreciation b/fwd	3,040	11,885	75,000	89,925
Charge for year	1,100	-	-	1,100
Depreciation c/fwd	4,140	11,885	75,000	91,025
Net book value 2022	3,700	-	-	3,700
Net book value 2021	1,015	-	-	1,015

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade Debtors	67,008	38,505
Amounts owed by subsidiary	582	1,255
Prepayments	1,691	1,986
Accrued income	43,418	-
Loan to subsidiary (see note 8)	10,000	10,000
Total	122,699	51,746

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

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade Creditors	10,273	2,148
Amounts owed to subsidiary	5,420	3,130
Social security and other taxes	6,437	5,269
VAT	19,502	17,783
Other creditors	57	71
Deferred Income (see Note 12)	50,000	107,370
Accruals	5,785	6,205
Total	97,474	141,976

12. DEFERRED INCOME

Movements in deferred income are as follows:

	2022 £	2021 £
At beginning of year	107,370	169,536
Released to income in year	(107,370)	(62,166)
Deferred in year	50,000	-
At end of year	50,000	107,370

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

13. MOVEMENT IN FUNDS

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

Transfers relate to an overspend on the BRIC project that was supplemented by general funds. Funds were transferred from the Postcode Lottery fund in agreement with the funder to enable any unused funds, granted prior to Covid-19, being used for general purposes

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

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

Funding was received from the Postcode Lottery towards work with flood risk communities in the Isle of Sheppey. It was subsequently agreed that these funds could be released to general funds as the project was unable to continue due to the Covid 19 pandemic (see above).

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

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

2021	Fixed Assets	Net Current Assets		Total
	£	Cash	Other	£
	£	£	£	£
Unrestricted Funds:				
General Funds	1,016	223,041	(90,230)	133,827
Restricted Funds	-	7,068	-	7,068
Total Funds	1,016	230,109	(90,230)	140,895

15. OPERATING LEASE COMMITMENTS

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

	2022	2021
Expiring:	£	£
Within one year	3,330	3,330
Between one and two years	-	-

16. RELATED PARTIES

Donations were received from key management personnel of £170 (2021: £nil) during the year. There were no further transactions with related parties in the year.

17. TRUSTEES

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

18. CONTROLLING PARTY

The charitable company is controlled by the Board of Trustees.

19. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds £
INCOME FROM:			
Donations and legacies	24,889	14,392	39,281
Charitable activities	256,166	-	256,166
TOTAL INCOME	281,055	14,392	295,447
EXPENDITURE ON:			
Raising funds	19,630	-	19,630
Charitable activities	267,848	18,603	286,451
TOTAL EXPENDITURE	287,478	18,603	306,081
Net expenditure for the year before transfers	(6,423)	(4,211)	(10,634)
Transfer of funds in year	-	-	-
NET EXPENDITURE & NET MOVEMENT IN FUNDS	(6,423)	(4,211)	(10,634)
RECONCILIATION OF FUNDS			
Total funds brought forward	140,250	11,279	151,529
TOTAL FUNDS CARRIED FORWARD	133,827	7,068	140,895