

Registered number: 06812113

EARLHAM ENTERPRISES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022



EARLHAM ENTERPRISES LIMITED

COMPANY INFORMATION

Directors	S Cossey Prof N Hall J Bloomer Dr B Clarke Prof E Louis Dr S J Pilkington
Registered number	06812113
Registered office	Earlham Institute Norwich Research Park Colney Lane Colney Norwich England NR4 7UZ
Independent auditor	Larking Gowen LLP Chartered Accountants and Statutory Auditors King Street House 15 Upper King Street Norwich NR3 1RB
Bankers	Barclays Bank Plc Red Lion Street Norwich NR1 3QH

EARLHAM ENTERPRISES LIMITED

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EARLHAM ENTERPRISES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Results and dividends

The profit for the year, after taxation, amounted to £190,000 (2021: £255,000).

The directors have not recommended the payment of a dividend (2021: *Nil*).

Directors

The directors who served during the year and up to the date of signing these financial statements were:

S Cossey
Prof N Hall
A Tagg (resigned 30 March 2022)
J Bloomer (appointed 22 June 2021)
Dr B Clarke (appointed 22 June 2021)
Prof E Louis (appointed 22 June 2021)
A Finegan (resigned 21 June 2022)
Dr SJ Pilkington (appointed 26 July 2022)

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Qualifying third party indemnity provisions

A qualifying third party indemnity provision was in force for all directors during the year.

EARLHAM ENTERPRISES LIMITED

**DIRECTORS' REPORT (CONTINUED) FOR THE
YEAR ENDED 31 MARCH 2022**

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Larking Gowen LLP, was appointed for the year ended 31 March 2022 and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by



Prof N Hall

Director

Date: 9th December 2022

EARLHAM ENTERPRISES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EARLHAM ENTERPRISES LIMITED

Opinion

We have audited the financial statements of Earham Enterprises Limited (the 'company') for the year ended 31 March 2022 which comprise the Profit and Loss and Other Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including 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 company's affairs as at 31 March 2022, and of its profit 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 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 directors 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, other than the financial statements and our auditor's report thereon. The directors 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.

EARLHAM ENTERPRISES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EARLHAM ENTERPRISES LIMITED

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 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 the knowledge and understanding of the 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 directors 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors 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 directors 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 directors are responsible for assessing the 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 directors 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.

EARLHAM ENTERPRISES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EARLHAM ENTERPRISES LIMITED

Due to the field in which the company operates, we identified the areas most likely to have a direct material impact on the financial statements as compliance with UK tax legislation, UK accounting standards and the Companies Act 2006. In addition, we considered the provisions of other laws and regulations which whilst not having a direct impact on the financial statements, are fundamental to the company's ability to operate, including compliance with various other regulations relevant to the conduct of the company's operations.

Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, included the following:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations, accidents in the workplace, potential litigation or claims and fraud;
- Reviewing legal and professional fees to confirm matters where the company engaged lawyers during the year;
- Reviewing financial statement disclosures and tax matters, and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing board minutes and any relevant correspondence with external authorities;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of any significant transactions outside the normal course of business.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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 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 accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Larking Gowen LLP

Anders Rasmussen FCA (Senior Statutory Auditor)

for and on behalf of

Larking Gowen LLP

Chartered Accountants

Statutory Auditors

Norwich

13 December 2022

EARLHAM ENTERPRISES LIMITED

**PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £000	2021 £000
Turnover	4	293	409
Cost of sales		(103)	(153)
Gross profit		190	256
Administrative expenses		-	(1)
Operating profit		190	255
Profit before tax		190	255
Tax on profit		-	-
Profit for the financial year		190	255

There was no other comprehensive income for 2022 (2021: £Nil).

The notes on pages 9 to 13 form part of these financial statements.

All items dealt with in arriving at the results above relate to continuing operations.

EARLHAM ENTERPRISES LIMITED
REGISTERED NUMBER:06812113

BALANCE SHEET AS AT 31 MARCH 2022

	Note	2022 £000	2021 £000
Current assets			
Debtors: amounts falling due within one year	7	164	244
Cash at bank and in hand	8	61	132
		<u>225</u>	<u>376</u>
Creditors: amounts falling due within one year	9	(33)	(119)
Net current assets		<u>192</u>	<u>257</u>
Total assets less current liabilities		<u>192</u>	<u>257</u>
Net assets		<u>192</u>	<u>257</u>
Capital and reserves			
Profit and loss account	11	192	257
		<u>192</u>	<u>257</u>

The financial statements 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.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



Prof N Hall
Director

Date: 9th December 2022

The notes on pages 9 to 13 form part of these financial statements.

EARLHAM ENTERPRISES LIMITED
REGISTERED NUMBER:06812113

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Profit and loss account	Total equity
	£000	£000
At 1 April 2021	257	257
Comprehensive income for the year		
Profit for the year	190	190
Gift aid payable	(255)	(255)
At 31 March 2022	192	192

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Profit and loss account	Total equity
	£000	£000
At 1 April 2020	138	138
Comprehensive income for the year		
Profit for the year	255	255
Gift aid payable	(136)	(136)
At 31 March 2021	257	257

The notes on pages 9 to 13 form part of these financial statements.

EARLHAM ENTERPRISES LIMITED
REGISTERED NUMBER:06812113

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. General information

Earlham Enterprises Limited is a private company limited by shares and incorporated in England and Wales. Registered number 06812113. Its registered head office is located at Earlham Institute, Norwich Research Park, Colney Lane, Colney, Norwich, England, NR4 7UZ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. The presentational currency of these financial statements is sterling.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis, which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the Company will have sufficient funds to meet its liabilities as they fall due for that period. The Directors note that there are significant uncertainties arising from the impact of energy costs, inflation and COVID-19 on the operations and the Company's financial resources which may result in downsides not included within the above forecasts and that could require additional financial support.

Earlham Institute ("EI"), the company's parent charity has indicated its intention to continue to make available such funds as are needed by the company, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

EARLHAM ENTERPRISES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.6 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

2.7 Creditors

Short term creditors are measured at the transaction price.

EARLHAM ENTERPRISES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.8 Taxation

The company is owned by a charity and is therefore permitted to account for the tax consequences of gift aid payments earlier than the period in which the payments are made. The company expects to make a gift aid payment within nine months of the year end that will be utilised against current period profits. As such no provision is included for the tax that is expected to be mitigated by the post year end gift aid payment.

2.9 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. There are no items in the financial statements where judgement and estimates have been required.

4. Turnover

	2022	2021
	£000	£000
United Kingdom	226	137
Europe	57	255
Rest of world	10	17
	<u>293</u>	<u>409</u>

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FOR THE YEAR ENDED 31 MARCH 2022

5. Auditor's remuneration

The remuneration for the auditors, amounting to £3k (2021: £3k) has been borne by EI without recharge.

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2021: Nil).

7. Debtors

	2022	2021
	£000	£000
Trade debtors	124	244
Prepayments and accrued income	40	-
	<u>164</u>	<u>244</u>

8. Cash and cash equivalents

	2022	2021
	£000	£000
Cash at bank and in hand	<u>61</u>	<u>132</u>

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FOR THE YEAR ENDED 31 MARCH 2022

9. Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Amounts owed to group undertakings	20	85
Other creditors	13	23
Accruals and deferred income	-	11
	33	119

Amounts owed to group undertakings are unsecured, interest free and have no fixed repayment date.

10. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

11. Reserves

Profit and loss account

All reserves in the year relate to the profit and loss account.

12. Controlling party

The ultimate parent undertaking and controlling party of the company is Earlham Institute ('EI'), a company registered in England, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the financial statements of EI may be obtained from its registered office at Norwich Research Park, Colney Lane, Norwich, NR4 7UZ.