

Charity Registration No. 1031482

Company Registration No. 02881225 (England and Wales)

THE ENVIRONMENT CENTRE (TEC)

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

PAGES FOR FILING WITH REGISTRAR

Approved by the Board of Directors on 27th April 2022

10 Bridge Street  
Christchurch  
Dorset  
BH23 1EF

**THE ENVIRONMENT CENTRE (TEC)**

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**THE ENVIRONMENT CENTRE (TEC)**

**LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Trustees</b>	Mr C R Rowland Ms A S Drakakis Mr A Howison Mr P James Mr I Nelson Dr A Whitehead MP
<b>Other officers</b>	A Goulden, Chief Executive A Rumford, Finance Manager
<b>Charity number</b>	1031482
<b>Company number</b>	02881225
<b>Principal address</b>	Equity & Law House 14-15 Brunswick Place Southampton SO15 2AQ
<b>Registered office</b>	14-15 Brunswick Place Southampton Hampshire SO15 2AQ
<b>Independent Examiner</b>	TC Group 10 Bridge Street Christchurch Dorset BH23 1EF
<b>Bankers</b>	Royal Bank of Scotland 156 High Street Southampton Hampshire SO14 2NP

## **THE ENVIRONMENT CENTRE (TEC)**

### **TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr C R Rowland

Ms A S Drakakis

Mr A Howison

Mr P James

Mr I Nelson

Dr A Whitehead MP

#### **Structure, governance and management**

##### Governing Document

The Charity is constituted as a Company limited by Guarantee and governed by a Memorandum and Articles of Association incorporated on 16 December 1993. It is registered with the Charity Commissioners under charity number 1031482. The Board of Trustees with advice from the Charities Commission amended their Memorandum and Articles in June 2020. Each member agrees to contribute £1 in the event of the charity winding up.

##### Appointment of Trustees

As set out in the Articles of Association the trustees are approved by a unanimous vote of the existing board of trustees following a successful interview process. The process includes the Chief Executive obtaining satisfactory references and ensuring that the nominated trustees fully understand their obligations to the charity. New trustees can be nominated throughout the year and are approved to the board at the quarterly board meetings. There is no limit to the time a trustee may serve.

As the majority of the work undertaken by the charity is in partnership with local authorities of Hampshire and the Isle of Wight, the charity welcomes nominees from these authorities. Nominees appointed from local authorities are subject to the appointment process of these bodies and the guidelines on appointment to public office as they apply to Local Government nominees.

##### Trustee introduction and training

Before being nominated new trustees are briefed by the Chief Executive on their legal obligations under the charity and company law, the content of the Memorandum and Articles of Association, the committee, decision making processes and minimum commitment expected from the new trustee. They also learn in situ about the organisation structure, business plan and recent financial performance of the charity. Having been nominated, the new trustee will meet key employees and be provided with access to operation procedures. They will be encouraged to attend appropriate events to gain greater knowledge of the charity's activities and to help in the undertaking of their role.

## THE ENVIRONMENT CENTRE (TEC)

### TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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#### Organisation

The Board of Trustees administers the charity and meets formally on a quarterly basis; however meetings on specific matters are arranged as and when required. The Chief Executive is appointed by the trustees to manage the day to day operation of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and activity performance. The trustees are supplied with financial information quarterly and an activity and funding report every six months (or more frequently should need arise).

#### Related parties

The charity's continued success lays in its steadfast commitment and ability to remain independent, apolitical and non-campaigning.

The charities wholly owned subsidiary, Environment Centre Enterprises Limited, was established to operate any commercial environmental work deemed to not be solely charitable, but which supported environmental best practice or materials to support environmental best practice. In 2021/22 and the previous year this company did not undertake activity or trading.

#### **Objectives and activities**

As an independent Environmental Charity tEC's missions is:

- The advancement in education of the public in all matters concerning the environment.
- The preservation and protection of the environment by;
  - The provision of practical support and advice to all individuals and organisations wanting to enhance their environment and reduce their use of natural resources.
  - Raising awareness of environmental issues within all sections of the community,
  - The adoption of sustainable practices amongst the general public, schools and businesses.

The activities of the charity include:

#### For Local Authorities and Government-led organisations

- Support Local Authorities with their responses to the climate emergency and adaptation strategies
- The Provision of a free phone advice line for front line staff and members of the public on matters such as fuel poverty, energy efficiency, air quality, waste and recycling, water saving and the grants available for energy efficiency home improvements
- Data interpretation and mapping services.
- Response to local and national consultations
- Bid writing Services
- In house training on energy efficiency, sustainability and fuel poverty
- Assistance with ongoing HECA reporting
- Working with Local Authorities to develop sustainable policies, strategies and action plans
- Outreach events promoting sustainability through schools, community or council events
- Offering advice and guidance on accessing funding for environmental projects

**THE ENVIRONMENT CENTRE (TEC)**

**TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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For individuals;

- Free phone advice on: 0800 804 8601 for Southampton and Hampshire residents or 0800 260 5907 for Portsmouth for impartial advice on energy efficiency, keeping warm and well in the home and simple ways to live more sustainably
- Home Visits - to provide bespoke advice on Energy Efficiency and sustainability in the home.
- Guidance on accessing grants and loans and hand-holding support with applications for funding for the most vulnerable
- Energy surgeries in public spaces
- Energy awareness events
- Mobile advice at shopping centres, supermarkets, libraries and similar locations

For schools:

- School assemblies and environment-themed activities
- Environmental education workshops.
- Road shows, storytelling and fun days to encourage engagement on climate change and sustainability issues.
- Staff and governor training in energy and environmental issues
- Water, waste and energy audits.

For business:

- Energy and Environmental Audits
- Data interpretation and mapping services
- Guidance on Environmental Management Systems
- Sustainability Strategies
- Green Travel Plans
- In house environmental training
- In house business road shows
- Free phone advice line
- Renewables Feasibility Studies

The Trustees review our aims, objectives and activities each year to ensure that we remain focused and have given due regard to public benefit when planning the charity's activities.

## THE ENVIRONMENT CENTRE (TEC)

### TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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#### Achievements and performance

We continue to run our major fuel poverty, energy efficiency and air quality projects in Southampton, Portsmouth and Hampshire and have achieved some really impressive results.

Over the past year we have:

- Assisted 3,948 households over the phone, by email and community events/workshops
- Facilitated the installation of 263 large energy efficiency measures including external wall insulation, cavity wall insulation, loft insulation, first time central heating and essential heating system repairs or replacements. The installation of these measures has resulted in an estimated lifetime energy bill savings of £1,293,597 and an estimated lifetime carbon savings of 1,569.34 tCO<sub>2</sub>e.
- Helped vulnerable households access small energy grants valued at £167,309
- 20,431 people have taken part in 27048 sessions seeking information and guidance via our website
- Trained 314 frontline workers on energy and housing standards, and affordable warmth matters

The Board of Trustees and the Senior Management Team have produced a business plan which helps to focus our efforts. In the next year tEC will seek to:

- Commission a new website that better communicates our offer and allows visitors to self-serve with advice across a range of topics
- We have commissioned a new database to help streamline our operations and reduce time spend reporting to our partners
- Continue to work with a range of organisations and authorities on Retrofit in the able to pay market
- Continue to work with Southampton City Council on improving its Southampton Healthy Homes offering and support its Green City Vision
- Work with the other Local Authorities on their response to the Climate Emergency
- Secure funding outside of the Local Authorities to allow us to engage with the public on issues of climate change and sustainable lifestyles.
- Endeavour to expand our work looking at minimum energy efficiency standards in the private rented sector
- Continue to successfully deliver Hitting the Cold Spots and look for additional funding to expand the reach and scope of project.
- Build upon our success in delivering Air Quality work and seek additional funding to deliver activities aimed at highlighting the issue and improving air quality in the region.
- Continue to successfully work with a consortium of local charities to deliver Advice in Southampton work and expand the visibility of the group.
- Deliver work under the Flexible Eligibility element of ECO, and LAD/HUG schemes for Southampton, Hampshire and Portsmouth Authorities.

**THE ENVIRONMENT CENTRE (TEC)**

**TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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- Continue working closely with Southampton City Council, Portsmouth City Council and Hampshire County Council on projects of mutual benefit - particularly Fuel Poverty and energy efficiency Projects
- Continue to work with the Hampshire Energy Efficiency partnership to investigate potential funding options for large scale regional energy efficiency and fuel poverty projects.
- Continue to investigate opportunities to diversify away from exclusively delivering Fuel Poverty projects. Of particular interest are home energy efficiency retrofit renewables, battery storage, Air Quality, Waste, Circular Economy and Water projects.
- Continue to develop our communications strategy and raise the profile of the organisation
- Continue to improve the staff development, training and remuneration package
- Continue to establish and maintain a strong network of contacts

**Risk management**

The following risks have been identified as relevant to the business:

- Thankfully the situation with COVID –19 has eased during this period. Like many other organisations we have elected to adopt a hybrid working model going forwards where staff are only required to work in the office for part of the week (generally a minimum of 2 days). This brings with it benefits for both the organisation and employee but it does also presents challenges in terms of how best to support staff members and how to monitor and review their work when they are at home.
- There remain operational risks from COVID and flu with the potential of multiple staff contracting the virus and associated risks to and from our client group
- There is growing concern over the multiple effects of the pandemic, Brexit, economic downturn, and the increasing costs of living. At the same time demand for our services is increasing exponentially.
- Recruiting staff remains challenging and we are having to look at our offer carefully as other organisations increase their pay in response to a shortage of suitable candidates.
- Uncertainty about the direction of Government Policy concerning Energy Efficiency, Air Quality and Sustainability remains challenging

**THE ENVIRONMENT CENTRE (TEC)**

**TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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Mitigation Strategy:

A number of strategies have been initiated in order to mitigate identified risks:

- We are looking to update and adopt a range of policies and procedures, particularly around our support structures, training, remote working and reviews. These are designed to complement the new hybrid working arrangements and allow us all to feel confident with what we are doing and feel engaged and supported
- We continue to follow COVID recommendations and have adopted a range of measures including advising staff to get their vaccinations, wash their hands regularly, wear masks when appropriate, ventilate the office space and stay away from work if they feel unwell.
- We are talking to our partners about the need for more staff resource to support growing numbers of residents contacting us.
- We have recruited a further two members of staff to cope with the increased demand on our services.
- We continue to work closely with Southampton City Council and other Hampshire Authorities to investigate opportunities of mutual benefit.
- The SMT continues to carefully monitor staff workload and capacity and look to recruit quickly again if more projects come on line.
- The Chief Executive will continue to network and develop new business links with relevant individuals and organisations.
- Strong emphasis has been placed on securing additional funding to deliver existing projects going forward.
- Emphasis has also been placed on partnership working with LA's and other TSO's to allow TEC access to alternative sources of funding.

**THE ENVIRONMENT CENTRE (TEC)**

**TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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**Financial review**

The incoming resources for this accounting period amounted to £802,055 (2021 - £729,033) of which the operating surplus on activities was £52,508 (2021 - -£1,182 ). The aim is to achieve a minimum of reserves of the equivalent of six months of overheads expenses.

Under the memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish, however to trustees continue to maintain the remit not to invest in anything other than its staff.

As at the year end charity had reserves of £334,228 (2021 - £281,720) of which £60,694 (2021- £98,506) represented restricted funds and £30,000 (2021 - £30,000) designated funds.

**Statement of trustees responsibilities**

The trustees, who are also the directors of The Environment Centre (TEC) for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees report was approved by the Board of Trustees.

**Mr C R Rowland**

Trustees

Dated: 22 December 2022

**THE ENVIRONMENT CENTRE (TEC)**

**INDEPENDENT EXAMINER'S REPORT**

**TO THE TRUSTEES OF THE ENVIRONMENT CENTRE (TEC)**

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I report to the trustees on my examination of the financial statements of The Environment Centre (TEC) (the charity) for the year ended 31 March 2022.

**Responsibilities and basis of report**

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

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

**Independent examiner's statement**

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

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

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

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

TC Group

10 Bridge Street  
Christchurch  
Dorset  
BH23 1EF

Dated: 23 December 2022

THE ENVIRONMENT CENTRE (TEC)

STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
	Notes				
<b>Income from:</b>					
Donations and legacies	3	600	19,550	20,150	23,911
Charitable activities	4	406,481	375,406	781,887	705,048
Investments	5	18	-	18	74
<b>Total income</b>		<b>407,099</b>	<b>394,956</b>	<b>802,055</b>	<b>729,033</b>
<b>Expenditure on:</b>					
Charitable activities	6	309,771	439,776	749,547	730,215
<b>Net incoming/(outgoing) resources before transfers</b>		<b>97,328</b>	<b>(44,820)</b>	<b>52,508</b>	<b>(1,182)</b>
Gross transfers between funds		(7,008)	7,008	-	-
<b>Net income/(expenditure) for the year/ Net incoming/(outgoing) resources</b>		<b>90,320</b>	<b>(37,812)</b>	<b>52,508</b>	<b>(1,182)</b>
<b>Other recognised gains and losses</b>					
Other gains or losses	10	-	-	-	62
<b>Net movement in funds</b>		<b>90,320</b>	<b>(37,812)</b>	<b>52,508</b>	<b>(1,120)</b>
Fund balances at 1 April 2021		183,214	98,506	281,720	282,840
<b>Fund balances at 31 March 2022</b>		<b>273,534</b>	<b>60,694</b>	<b>334,228</b>	<b>281,720</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE ENVIRONMENT CENTRE (TEC)

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	11		3,107		4,152
Investments	12		1		1
			<u>3,108</u>		<u>4,153</u>
<b>Current assets</b>					
Debtors	13	152,469		183,989	
Cash at bank and in hand		212,624		172,909	
		<u>365,093</u>		<u>356,898</u>	
<b>Creditors: amounts falling due within one year</b>	14	(33,973)		(79,331)	
Net current assets			331,120		277,567
<b>Total assets less current liabilities</b>			<u>334,228</u>		<u>281,720</u>
<b>Income funds</b>					
Restricted funds	15		60,694		98,506
<u>Unrestricted funds</u>					
Designated funds	16	30,000		30,000	
General unrestricted funds		243,534		153,214	
			<u>273,534</u>		<u>183,214</u>
			<u>334,228</u>		<u>281,720</u>

**THE ENVIRONMENT CENTRE (TEC)**

**BALANCE SHEET (CONTINUED)**

**AS AT 31 MARCH 2022**

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 22 December 2022

Mr C R Rowland

Trustee

Company Registration No. 02881225

THE ENVIRONMENT CENTRE (TEC)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	21		39,696		22,335
<b>Investing activities</b>					
Purchase of tangible fixed assets		-		(3,620)	
Interest received		19		71	
<b>Net cash generated from/(used in) investing activities</b>			19		(3,549)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			39,715		18,786
Cash and cash equivalents at beginning of year			172,909		154,123
<b>Cash and cash equivalents at end of year</b>			212,624		172,909

**THE ENVIRONMENT CENTRE (TEC)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

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**1 Accounting policies**

**Charity information**

The Environment Centre (TEC) is a registered charity, registration number 1031482, company number 2881225, limited by guarantee in England and Wales. The registered office is Equity & Law House, 14-15 Brunswick Place, Southampton, SO15 2AQ.

**1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

**1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

**1.4 Incoming resources**

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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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**1 Accounting policies**

**(Continued)**

**1.5 Resources expended**

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

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

Governance costs include the costs attributable to the charity's compliance with constitutional and statutory requirements, including independent examination, strategic management and trustee's meeting and reimbursed expenses.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	33% straight line
Computers	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

**1.7 Fixed asset investments**

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

**1.8 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. Bank overdrafts are shown within borrowings in current liabilities.

**1.9 Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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**1 Accounting policies**

**(Continued)**

**1.10 Employee benefits**

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

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

**1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.12 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

**1.13 Taxation**

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

**1.14 Trade debtors**

Trade debtors are amounts due from customers for services performed in the ordinary course of business. trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms on receivables.

**1.15 Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of the business from suppliers. Accounts payable are classified as current liabilities if the charity does not have unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date, they are presented as non current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective method.

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

**2 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**3 Donations and legacies**

	Unrestricted funds	Restricted funds	Total	Total
	2022	2022	2022	2021
	£	£	£	£
Donations and gifts	600	19,550	20,150	5,600
Job retention scheme grant	-	-	-	18,311
	600	19,550	20,150	23,911
<b>For the year ended 31 March 2021</b>	<b>18,311</b>	<b>5,600</b>		<b>23,911</b>

**4 Charitable activities**

	2022	2021
	£	£
Environmental project activities	781,887	705,048
Analysis by fund		
Unrestricted funds	406,481	378,435
Restricted funds	375,406	326,613
	781,887	705,048

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

**5 Investments**

	Unrestricted funds	Total
	2022	2021
	£	£
Interest receivable	18	74

**6 Expenditure on charitable activities**

	Total 2022	Total 2021
	£	£
Staff costs	402,398	342,101
Depreciation and impairment	1,044	1,608
Other staff costs	5	-
Office expenses	22,486	18,371
Light and heat	1,027	707
Travel and subsistence	1,802	1,371
Repairs and maintenance (including rent and rates)	20,342	34,616
Advertising	20,244	9,072
Books, periodicals and project materials	274,747	298,865
Bank charges	378	382
Irrecoverable VAT	2,144	3,530
Bad debts	-	(18)
Computer and website costs	-	1,755
	<u>746,617</u>	<u>712,360</u>
Share of governance costs (see note 7)	2,930	17,855
	<u>749,547</u>	<u>730,215</u>
<b>Analysis by fund</b>		
Unrestricted funds	309,771	334,893
Restricted funds	439,776	395,322
	<u>749,547</u>	<u>730,215</u>

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

**7 Governance costs**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Legal fees	-	2,840
Consultancy	18	12,000
Other accounting fees	62	65
Independent examiner's fee	2,850	2,950
Charitable activities	2,930	17,855
	<b>=====</b>	<b>=====</b>

**8 Trustees**

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

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

**9 Employees**

**Number of employees**

The average monthly number of employees during the year was:

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
	14	13
	<b>=====</b>	<b>=====</b>

**Employment costs**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	366,017	311,137
Social security costs	26,061	21,840
Other pension costs	10,320	9,124
	<b>=====</b>	<b>=====</b>
	<b>402,398</b>	<b>342,101</b>
	<b>=====</b>	<b>=====</b>

No employee received emoluments of more than £60,000 during the year. The total employee benefits of the key management personnel of the charity were £100,637 (2021 - £99,824).

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

**10 Other gains/(losses)**

	Unrestricted funds	Total
	2022	2021
	£	£
Foreign exchange gains	-	(62)
	<u>          </u>	<u>          </u>

**11 Tangible fixed assets**

	Fixtures and fittings	Computers	Total
	£	£	£
<b>Cost</b>			
At 1 April 2021	15,743	64,787	80,530
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2022	15,743	64,787	80,530
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation and impairment</b>			
At 1 April 2021	15,743	60,636	76,379
Depreciation charged in the year	-	1,044	1,044
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2022	15,743	61,680	77,423
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount</b>			
At 31 March 2022	-	3,107	3,107
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2021	-	4,152	4,152
	<u>          </u>	<u>          </u>	<u>          </u>

**12 Fixed asset investments**

	2020	£
<b>Cost or valuation</b>		
At 1 April 2021 & 31 March 2022		1
		<u>          </u>
<b>Carrying amount</b>		
At 31 March 2022		1
		<u>          </u>
At 31 March 2021		1
		<u>          </u>

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

**13 Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	57,877	98,383
Other debtors	88,239	61,767
Prepayments and accrued income	6,353	23,839
	<u>152,469</u>	<u>183,989</u>
	<u><u>152,469</u></u>	<u><u>183,989</u></u>

**14 Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other taxation and social security	7,914	41,456
Trade creditors	18,203	29,507
Accruals and deferred income	7,856	8,368
	<u>33,973</u>	<u>79,331</u>
	<u><u>33,973</u></u>	<u><u>79,331</u></u>

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				
	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 31 March 2022
	£	£	£	£	£
Hitting the Cold Spots - HHS2	50,291	39,880	(49,900)	-	40,271
Big Energy Saving Network	330	-	(406)	76	-
Clean Air Network	1,575	-	(1,485)	-	90
Resilient Community Fund	22,943	-	(15,376)	-	7,567
Raising Standards for Tenants	-	16,838	(22,149)	5,311	-
Southampton City Council	5,445	68,844	(74,288)	-	1
Innovation and Enforcement Grant	12,391	-	(2,218)	-	10,173
Carbon Offset Fund	389	47,982	(48,371)	-	-
Covid Winter Fund	5,142	-	(1,175)	(1,375)	2,592
Switched on Portsmouth	-	100,412	(103,258)	2,846	-
Eastleigh BC	-	1,000	(1,000)	-	-
HSG - Prepayment scheme	-	114,000	(114,150)	150	-
Francis Winham Foundation	-	6,000	(6,000)	-	-
	<u>98,506</u>	<u>394,956</u>	<u>(439,776)</u>	<u>7,008</u>	<u>60,694</u>

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Restricted funds

(Continued)

The specific purposes for which the funds are to be applied are as follows:

**Hitting the Cold Spots (HHS2/RDF/WCC)** - Ringfence funding for energy efficiency improvements, particularly boiler repairs and replacements, on behalf of Hampshire County Council.

**Big Energy Saving Network (BESN)** - Providing advice to vulnerable consumers on energy issues and training frontline workers to enable them to provide advice on energy issues to their clients.

**Clean Air Network (CAN)** - Co-facilitation of the Southampton Clean Air Network which brings together individuals and organisations committed to reducing air pollution in the city, so that they can support and share resources with each other, and encourage and inspire others to take action.

**Resilient Community Fund (SSEN)** - A 2 year project designed to reach out to multiple vulnerable and disadvantaged communities in Hampshire, who might not otherwise be able to access help and advice. tEC supports households in these communities with face-to-face energy advice at outreach events or through referrals from engaged services. By reaching out to these communities we aim to reduce their risk of fuel poverty and support them with staying warm and well in their homes.

**Raising Standards for Tenants (RST)** - To improve housing conditions for vulnerable residents living in the worst performing privately rented properties. We will do this by raising awareness of Minimum Energy Efficiency Standards (MEES) and housing health and safety rating system (HHSRS) amongst tenants and landlords, as well as increasing energy literacy and empowering tenants to act.

**Southampton City Council (SCC)** - Heating and installation at various addresses on behalf of Southampton City Council.

**Innovation and Enforcement Grant-** To raise property standards by ensuring that all properties being rented out not only meet the Minimum Energy Efficiency Standards (MEES) but are free from any category one and two hazards as defined by housing health and safety rating system (HHSRS), with a particular focus on heating and insulation of the property.

**Carbon Offset Fund-** All major developments in Southampton should (as far as is reasonably practicable) comply with the city's ambition for new builds to be Zero Carbon. The primary aim of the Carbon Offset Scheme is to achieve significant carbon reductions on site and to get as close to zero carbon as possible. Once all efforts have been made to achieve this standard any additional calculated carbon emissions will be offset by paying into a carbon offset fund. Offset payments are then collected from developers at an agreed rate using the Section 106 mechanism and ring fenced for carbon reduction/fuel poverty interventions for low income or vulnerable households. tEC administers this fund on behalf of Southampton City Council and is paid a management fee for doing so.

**Covid Winter Fund** - Delivery of utility voucher support on behalf of Portsmouth City Council (Covid Winter Fund).

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Restricted funds

(Continued)

**Switched on Portsmouth (SOP)** - A two year project designed to reach out to vulnerable and disadvantaged communities in Portsmouth to reduce their risk of fuel poverty and support them to stay warm and well in their home. It will complement, and extend the reach of existing activities through a single point of contact for affordable warmth advice and support in the city.

**Eastleigh BC** - A contribution towards the cost of energy efficiency heating improvements for Eastleigh residents at risk of fuel poverty.

**HSG - Prepayment scheme** - Delivery of utility voucher support on behalf of Portsmouth City Council (Household Support Grant).

**Francis Wiham Foundation** - A charitable trust that we apply to, on behalf of older residents for heating/energy efficiency works.

16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		Balance at 31 March 2022
	Balance at 1 April 2021	Income resources	
	£	£	£
Designated	30,000	-	30,000
	<u>30,000</u>	<u>-</u>	<u>30,000</u>
	<u><u>30,000</u></u>	<u><u>-</u></u>	<u><u>30,000</u></u>

The designated fund represents amounts designated by the board in respect of a future office move and dilapidations, staff training and development, upgrade of the company vehicle and match funding.

There is no specific date of expected expenditure for the designated fund.

**THE ENVIRONMENT CENTRE (TEC)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

**17 Analysis of net assets between funds**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>2022</b>	<b>2021</b>
			<b>£</b>	<b>£</b>
Fund balances at 31 March 2022 are represented by:				
Tangible assets	3,107	-	3,107	4,152
Investments	1	-	1	1
Current assets/(liabilities)	270,426	60,694	331,120	277,567
	<u>273,534</u>	<u>60,694</u>	<u>334,228</u>	<u>281,720</u>

**18 Operating lease commitments**

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Within one year	13,610	14,639
Between two and five years	31,757	45,367
	<u>45,367</u>	<u>60,006</u>

**19 Related party transactions**

There were no related party transactions during the current or prior year.

**20 Charity status**

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

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

21 Cash generated from operations	2022 £	2021 £
Surplus/(deficit) for the year	52,508	(1,182)
Adjustments for:		
Investment income recognised in statement of financial activities	(18)	(74)
Foreign exchange differences	-	62
Depreciation and impairment of tangible fixed assets	1,044	1,608
Movements in working capital:		
Decrease/(increase) in debtors	31,520	(22,189)
(Decrease)/increase in creditors	(45,358)	44,110
<b>Cash generated from operations</b>	<b>39,696</b>	<b>22,335</b>

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