

Charity Registration No. 1031482

Company Registration No. 02881225 (England and Wales)

THE ENVIRONMENT CENTRE (TEC)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

tc accounts • tax • legal • financial planning

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Christchurch
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THE ENVIRONMENT CENTRE (TEC)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr C R Rowland Ms A S Drakakis Mr A Howison Mr P James Mr I Nelson Dr A Whitehead MP
Other officers	A Goulden, Chief Executive A Brand, Finance Manager
Charity number	1031482
Company number	02881225
Principal address	Equity & Law House 14-15 Brunswick Place Southampton SO15 2AQ
Registered office	14-15 Brunswick Place Southampton Hampshire SO15 2AQ
Auditor	TC Group 10 Bridge Street Christchurch Dorset BH23 1EF

THE ENVIRONMENT CENTRE (TEC)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their report and financial statements for the year ended 31 March 2023.

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 2023

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 2022/23 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 2023

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 2023

Achievements and performance

- Assisted 4,131 households over the phone, by email and at community events/workshops
- Facilitated the installation of 241 large energy efficiency measures including external wall insulation, cavity wall insulation, loft insulation, solar PV, air source heat pumps and essential heating system repairs or replacements. The installation of these measures has resulted in an estimated lifetime energy bill savings of £1,136,624 and an estimated lifetime carbon savings of 1,740.46 tCO₂e.
- Launched our new website with 30,903 people taking part in 39,951 sessions seeking information and guidance
- Trained 506 frontline workers on energy and housing standards, and affordable warmth matters
- Developed a unique air quality video with Prof Stephen Holgate, UK Air Quality Champion, to highlight the health impacts of wood burning

Business Plan

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:

- Roll out our new and dramatically improved database. This has been designed to help streamline our operations, monitor workloads and reduce time spent on producing project reports for our partners. This should be operational early in the New Year
- Develop our home energy efficiency retrofit offer in partnership with a range of Local Authorities and Third Sector Organisations. Supporting households in the able to pay sector is seen as key to the objectives of the charity and delivering this service alongside our affordable warmth projects will provide consistency in the advice given and co-benefits in terms of the advice line and digital offering being accessible and relevant to all homeowners
- Continue to work with Southampton City Council on improving its Southampton Healthy Homes offer and support its Green City vision and initiatives. Southampton is investing significant resource into supporting fuel poor households in the city and through their discretionary funding tEC is able to support many more households that would otherwise be the case.
- Continue to successfully deliver Hitting the Cold Spots project and look for additional funding to expand the reach and scope of the scheme.
- Work with the other Local Authorities on their Net Zero plans particularly with regards to decarbonising housing
- 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
- 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 2023

- 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, renewable technologies, 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 relevant contacts

Risk management

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

- There is a potential that by seeking to deliver able to pay retrofit work alongside our existing affordable warmth and air quality projects that we will over extend ourselves. This is compounded by the fact that certain funding bodies do not allow sufficient mobilisation time or resource for project management and organisational costs.
- There is increasing competition from a number of organisations operating in the retrofit and fuel poverty arena. Whilst we don't view these as a particular risk at present there is the potential for them to dilute our message and, in the worst case, for vulnerable households not to receive the full range of support that is available to them through Local Authority and tEC managed schemes.
- Whilst a significant increase in the number of staff at tEC has allowed us to support many more vulnerable households it has had an impact on the team leads and particularly the SMT. Training, HR and ongoing support all take time away from other duties and create competing priorities.
- We are dealing with an increasing numbers of clients with complex needs that often require multiple interventions. This is extremely time consuming and often very difficult to manage in conjunction with other elements of our projects.
- The SMT and team leads are under some pressure. We work in a fast paced environment and run complicated multifaceted projects. Our finance manager for example currently only works 3 days a week and is having to deal with nearly double the number of staff and invoices than when she first joined tEC
- Burn out of certain key members of staff is a concern
- Hybrid working has now firmly bedded in and in the majority of cases brings with it benefits for both the organisation and employee. However it does also continue to present challenges in terms of how best to support staff members and how to monitor and review their work when they are at home.
- There still remain some 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 continues to be concern over the effects of the 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

Mitigation Strategy

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

- The board and SMT continue to be mindful of staff capacity, particularly with the senior managers who have been working extremely hard on their own projects and also on a variety of additional initiatives to improve organisational processes. We will continue to monitor and look to recruit quickly where necessary. We may also need to consider additional support for the finance and office manager.
- The board and SMT are acutely aware of the need to carefully consider which projects to bid for and work on. There are many opportunities presently and we are committed not to chase funding or to agree to work which will put additional strain on staff. New projects must not only align with our charitable aims and business plan they must also be deliverable and not at the expense of staff well-being. Again the SMT will carefully monitor staff workload and capacity and look to redeploy and recruit quickly if more projects come on line.
- Emphasis has also been placed on partnership working with other TSO's to allow tEC to expand its operations and access alternative sources of funding.
- Strong emphasis continues to be placed on securing additional funding to deliver existing projects going forward and we continue to talk 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 will 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 projects coming online and continued hybrid working arrangements. The aim is for us all to feel confident with what we are doing and feel engaged and supported.
- We continue to follow COVID and flu 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 continue to work closely with Southampton City Council and other Hampshire Authorities to investigate opportunities of mutual benefit.
- The Chief Executive will continue to network and develop new business links with relevant individuals and organisations.

THE ENVIRONMENT CENTRE (TEC)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Financial review

The incoming resources for this accounting period amounted to £1,479,340 (2022 - £802,055) of which the operating surplus on activities was £147,333 (2022 - £52,508). 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 £481,561 (2022 - £334,228) of which £94,262 (2022- £60,694) represented restricted funds and £30,000 (2022 - £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: 24 January 2024

THE ENVIRONMENT CENTRE (TEC)

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

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THE ENVIRONMENT CENTRE (TEC)

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE ENVIRONMENT CENTRE (TEC)

Opinion

We have audited the financial statements of The Environment Centre (TEC) (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity 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 directors' 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.

THE ENVIRONMENT CENTRE (TEC)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ENVIRONMENT CENTRE (TEC)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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 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 our audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees report.

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

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

THE ENVIRONMENT CENTRE (TEC)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ENVIRONMENT CENTRE (TEC)

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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

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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

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

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

THE ENVIRONMENT CENTRE (TEC)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ENVIRONMENT CENTRE (TEC)

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the trustees and other management (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the legal and regulatory principles in the Charity SORP
- We considered the nature of the industry, the control environment and business performance, including the key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. These include Health and Safety, employment law, building insurance, public liability insurance and licencing. The Trustees use an external firm for Health and Safety and employment law, as they believe this will ensure up to date knowledge and systems are used.
- We considered and reviewed the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. These include the review of authorisation limits for bank transactions and authorisation for BACS payments.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. These include Health and Safety, Employment Law and Licencing. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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-forauditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

Other matters which we are required to address

The company was previously exempt from audit and hence the comparatives within these financial statements are unaudited.

THE ENVIRONMENT CENTRE (TEC)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ENVIRONMENT CENTRE (TEC)

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Dean Pullen FCCA (Senior Statutory Auditor)
for and on behalf of TC Group

Statutory Auditor
Office: Christchurch

24 January 2024

THE ENVIRONMENT CENTRE (TEC)

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Current financial year

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income from:							
Donations and grants	3	12,422	10,056	22,478	600	19,550	20,150
Charitable activities	4	637,778	817,371	1,455,149	406,481	375,406	781,887
Investments	5	1,713	-	1,713	18	-	18
Total income		651,913	827,427	1,479,340	407,099	394,956	802,055
Expenditure on:							
Charitable activities	6	533,826	798,181	1,332,007	309,771	439,776	749,547
Net incoming resources before transfers		118,087	29,246	147,333	97,328	(44,820)	52,508
Gross transfers between funds		(4,322)	4,322	-	(7,008)	7,008	-
Net income for the year/ Net movement in funds		113,765	33,568	147,333	90,320	(37,812)	52,508
Fund balances at 1 April 2022		273,534	60,694	334,228	183,214	98,506	281,720
Fund balances at 31 March 2023		387,299	94,262	481,561	273,534	60,694	334,228

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 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	10		11,230		3,107
Investments	11		1		1
			<u>11,231</u>		<u>3,108</u>
Current assets					
Debtors	12	306,818		152,469	
Cash at bank and in hand		222,156		212,624	
		<u>528,974</u>		<u>365,093</u>	
Creditors: amounts falling due within one year	13	(58,644)		(33,973)	
Net current assets			<u>470,330</u>		<u>331,120</u>
Total assets less current liabilities			<u>481,561</u>		<u>334,228</u>
Income funds					
Restricted funds	16		94,262		60,694
<u>Unrestricted funds</u>					
Designated funds	17	30,000		30,000	
General unrestricted funds		357,299		243,534	
			<u>387,299</u>		<u>273,534</u>
			<u>481,561</u>		<u>334,228</u>

The financial statements were approved by the Trustees on 24 January 2024

Mr C R Rowland
Trustee

Company Registration No. 02881225

THE ENVIRONMENT CENTRE (TEC)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	22		17,951		39,696
Investing activities					
Purchase of tangible fixed assets		(10,132)		-	
Interest received		1,713		19	
Net cash (used in)/generated from investing activities			(8,419)		19
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			9,532		39,715
Cash and cash equivalents at beginning of year			212,624		172,909
Cash and cash equivalents at end of year			222,156		212,624

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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.

The trustees have considered whether there are any critical judgements required in the preparation of these accounts and have concluded that there are none requiring disclosure.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2023 £	2023 £	2023 £	2022 £
Donations and gifts	972	10,056	11,028	20,150
Job retention scheme grant	11,450	-	11,450	-
	<u>12,422</u>	<u>10,056</u>	<u>22,478</u>	<u>20,150</u>
For the year ended 31 March 2022	<u>600</u>	<u>19,550</u>		<u>20,150</u>

4 Charitable activities

	2023 £	2022 £
Environmental project activities	<u>1,455,149</u>	<u>781,887</u>
Analysis by fund		
Unrestricted funds	637,778	406,481
Restricted funds	817,371	375,406
	<u>1,455,149</u>	<u>781,887</u>

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Investments

	Unrestricted funds	Total
	2023	2022
	£	£
Interest receivable	1,713	18

6 Expenditure on charitable activities

	Total 2023	Total 2022
	£	£
Staff costs	513,898	402,398
Depreciation and impairment	2,009	1,044
Other staff costs	-	5
Office expenses	19,611	22,486
Light and heat	2,406	1,027
Travel and subsistence	3,696	1,802
Repairs and maintenance (including rent and rates)	22,002	20,342
Advertising	28,771	20,244
Books, periodicals and project materials	728,632	274,747
Bank charges	485	378
Irrecoverable VAT	3,085	2,144
Bad debts	2,365	-
	1,326,960	746,617
Share of governance costs (see note 7)	5,047	2,930
	1,332,007	749,547
Analysis by fund		
Unrestricted funds	533,826	309,771
Restricted funds	798,181	439,776
	1,332,007	749,547

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Governance costs

	2023	2022
	£	£
Consultancy	236	18
Other accounting fees	61	62
Independent examiner's fee	-	2,850
Auditors remuneration	4,750	-
	<u>5,047</u>	<u>2,930</u>

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:

	2023	2022
	Number	Number
	21	14
	<u>21</u>	<u>14</u>

Employment costs

	2023	2022
	£	£
Wages and salaries	464,913	366,017
Social security costs	35,555	26,061
Other pension costs	13,430	10,320
	<u>513,898</u>	<u>402,398</u>

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 £102,954 (2022 - £100,637).

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Tangible fixed assets

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 April 2022	15,743	64,787	80,530
Additions	-	10,132	10,132
At 31 March 2023	15,743	74,919	90,662
Depreciation and impairment			
At 1 April 2022	15,743	61,680	77,423
Depreciation charged in the year	-	2,009	2,009
At 31 March 2023	15,743	63,689	79,432
Carrying amount			
At 31 March 2023	-	11,230	11,230
At 31 March 2022	-	3,107	3,107

11 Fixed asset investments

	2023
	£
Cost or valuation	
At 1 April 2022 & 31 March 2023	1
Carrying amount	
At 31 March 2023	1
At 31 March 2022	1

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	41,586	57,877
Other debtors	258,052	88,239
Prepayments and accrued income	7,180	6,353
	<u>306,818</u>	<u>152,469</u>

13 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other taxation and social security	31,789	7,914
Trade creditors	15,451	18,203
Accruals and deferred income	11,404	7,856
	<u>58,644</u>	<u>33,973</u>

14 Government grants

Government grants and support are recognised under the accruals basis and recognised in the period to which the income relates.

15 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £13,430 (2022 - £10,320).

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 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:

	Balance at 1 April 2021 £	Movement in funds			Balance at 1 April 2022 £	Movement in funds			Transfers £	Balance at 31 March 2023 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £		
Hitting the Cold Spots - HHS2	50,291	39,880	(49,900)	-	40,271	29,500	(26,058)	-	-	43,713
Big Energy Saving Network	330	-	(406)	76	-	-	-	-	-	-
Clean Air Network	1,575	-	(1,485)	-	90	-	-	(90)	-	-
Resilient Community Fund	22,943	-	(15,376)	-	7,567	-	(7,754)	187	-	-
Raising Standards for Tenants	-	16,838	(22,149)	5,311	-	-	-	-	-	-
Southampton City Council	5,445	68,844	(74,288)	-	1	149,933	(147,328)	-	-	2,606
Innovation and Enforcement Grant	12,391	-	(2,218)	-	10,173	-	(7,665)	-	-	2,508
Carbon Offset Fund	389	47,982	(48,371)	-	-	130,660	(127,804)	-	-	2,856
Covid Winter Fund	5,142	-	(1,175)	(1,375)	2,592	-	-	-	-	2,592
Switched on Portsmouth	-	100,412	(103,258)	2,846	-	-	(4,118)	4,118	-	-
Eastleigh BC	-	1,000	(1,000)	-	-	-	-	-	-	-
HSG - Prepayment scheme	-	114,000	(114,150)	150	-	-	-	-	-	-
Francis Winham Foundation	-	6,000	(6,000)	-	-	10,056	(10,056)	-	-	-
HCC - C4C Grant	-	-	-	-	-	400,000	(383,362)	-	-	16,638
HSF3 - Capital	-	-	-	-	-	40,700	(21,274)	-	-	19,426
Hampshire Energy Advice Service	-	-	-	-	-	66,578	(62,655)	-	-	3,923
Public Health	-	-	-	-	-	-	(107)	107	-	-
	98,506	394,956	(439,776)	7,008	60,694	827,427	(798,181)	4,322	-	94,262

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 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.

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 2023

16 Restricted funds

(Continued)

Carbon Offset Fund- All major developments in Southampton should (as far as is reasonably practicable) comply with the cities 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.

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.

Hampshire Energy Advice Service - Hampshire Energy Advice Service (HEAS) support vulnerable households across Hampshire who are struggling to keep warm and well. The project aims to increase the provision of affordable warmth advice across the region to meet the significant increase in demand as a result of the energy crisis. Through our proposed activities we will directly support 3,800 households over the phone, via email, with face-to-face energy advice at events & one-to-one appointments. It will enhance collaboration between partners, maximize efficiency and build capacity to tackle fuel poverty across Hampshire. In addition we will provide practical support through distributing energy saving packs to those most in need.

HCC C4c Grant - The Hampshire County Council Connect for Communities grant was to provide practical support for low income and vulnerable households.

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Restricted funds

(Continued)

HSF3 - Capital - The grant was awarded for project work relating to Household Support Fund 3 (1st October 2022 – 31st March 2023), energy and keep warm support targeted towards vulnerable households – particularly those with older people and/or disabled occupants. The grant was used to provide practical items/measures to households and for TEC staff costs directly related to the purchasing and distribution of items, and the administration and reporting requirements of this funding.

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 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		Movement in funds		
	Balance at 1 April 2021	Incoming resources	Balance at 1 April 2022	Incoming resources	Balance at 31 March 2023
	£	£	£	£	£
Designated	30,000	-	30,000	-	30,000
	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>30,000</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.

18 Analysis of net assets between funds

	Unrestricted	Restricted	Total	Total
	£	£	2023	2022
	£	£	£	£
Fund balances at 31 March 2023 are represented by:				
Tangible assets	7,956	3,274	11,230	3,107
Investments	1	-	1	1
Current assets/(liabilities)	379,342	90,988	470,330	331,120
	<u>387,299</u>	<u>94,262</u>	<u>481,561</u>	<u>334,228</u>

19 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:

	2023	2022
	£	£
Within one year	13,974	13,610
Between two and five years	18,147	31,757
	<u>32,121</u>	<u>45,367</u>

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Operating lease commitments **(Continued)**

20 Related party transactions

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

21 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.

22 Cash generated from operations	2023	2022
	£	£
Surplus for the year	147,333	52,508
Adjustments for:		
Investment income recognised in statement of financial activities	(1,713)	(18)
Depreciation and impairment of tangible fixed assets	2,009	1,044
Movements in working capital:		
(Increase)/decrease in debtors	(154,349)	31,520
Increase/(decrease) in creditors	24,671	(45,358)
Cash generated from operations	17,951	39,696