

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED

England & Wales · Charity number 1070131

Details

Other names	MIDDLESBROUGH ENVIRONMENT CITY
Status	Registered
Legal form	Charitable company
Company number	03386853
Registered	1998-06-19
Register	View on the Charity Commission register

Contact

Address	Middlesbrough Environment City Sandy Flatts Lane Middlesbrough TS5 7YN
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Website	www.mencity.org.uk

Activities

Objects: · ADVANCE THE EDUCATION OF THE PUBLIC AND PROMOTE PUBLIC INVOLVEMENT IN ALL MATTERS CONCERNING ENVIRONMENTAL SUSTAINABILITY IN THE BOROUGH OF MIDDLESBROUGH AND THE WIDER TEES VALLEY AREA; · PRESERVE PROTECT AND ENHANCE THE ENVIRONMENT WITHIN THE BOROUGH OF MIDDLESBROUGH AND THE WIDER TEES VALLEY AREA; · PROTECT AND ENHANCE THE HEALTH AND WELL-BEING OF PEOPLE IN THE BOROUGH OF MIDDLESBROUGH AND THE WIDER TEES VALLEY AREA IN PARTICULAR BUT NOT EXCLUSIVELY BY PROVIDING INFORMATION, ADVICE AND SERVICES REGARDING PHYSICAL ACTIVITY, DIETARY HEALTH AND MENTAL WELL-BEING.

Activities: Middlesbrough Environment City is a community based charity that promotes healthy and sustainable lifestyles using the approach of One Planet Living. Each year the Charity undertakes over 40 projects that encourage local communities, residents and businesses to adopt more sustainable lifestyles, including through cycling, walking, food growing, healthy cooking and improving energy efficiency.

Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** MIDDLESBROUGH.
- Darlington
- Hartlepool
- Middlesbrough
- Redcar And Cleveland
- Stockton-on-tees

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£941,617	£1,432,133	£1,472,085	25
2024-03-31	£1,626,360	£1,195,124	£1,962,601	28
2023-03-31	£1,309,237	£1,309,212	£1,531,365	34
2022-03-31	£1,460,314	£1,395,962	£1,531,340	41
2021-03-31	£1,629,661	£1,203,373	£1,466,988	31

Trustees

Name	Role	Appointed
Samantha Jane Granger	Chair	2015-11-27
Biniam Araia		2022-01-17
Cllr Julia Rostron		2007-09-14
Dr Matthew Watson		2019-04-26
MR JOE MCMONAGLE		1998-06-08
Peter Gavigan		2023-07-06

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED

England & Wales - Charity number 1070131

Accounts

Report of the Trustees and
Financial Statements
for the Year Ended 31 March 2025
for
Middlesbrough Environment City Trust
Limited

Anderson Barrowcliff Limited
Statutory Auditors
Chartered Accountants
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX

**Middlesbrough Environment City Trust
Limited**

**Contents of the Financial Statements
for the Year Ended 31 March 2025**

	Page
Report of the Trustees	1 to 13
Report of the Independent Auditors	14 to 16
Statement of Financial Activities	17
Balance Sheet	18 to 19
Cash Flow Statement	20
Notes to the Cash Flow Statement	21
Notes to the Financial Statements	22 to 32

Middlesbrough Environment City Trust
Limited (Registered number: 03386853)

Report of the Trustees
for the Year Ended 31 March 2025

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2025. The trustees have adopted the provisions of 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)(effective 1 January 2019).

Objectives and activities

The Trustees present their objectives, activities and public benefit statement for the year, which set out the charitable purpose of Middlesbrough Environment City (MEC) and how this has been delivered during 2024/25.

MEC exists to promote sustainable development, improve health and wellbeing, and support communities to live healthier, more resilient and environmentally responsible lives. Our charitable objectives, as set out in our governing document, are delivered through practical programmes that address local needs and help create lasting change within our neighbourhoods.

The Trustees confirm that they have had due regard to the Charity Commission's guidance on public benefit when planning and delivering the charity's activities.

Our Purpose

MEC's purpose is to empower communities across Middlesbrough and the wider Tees Valley to adopt healthier, more sustainable lifestyles. We achieve this by:

- supporting residents to access affordable, nutritious food;
- improving health and wellbeing through cooking skills, nutrition and active lifestyles;
- increasing access to green space and community growing opportunities;
- building resilience through practical environmental education;
- addressing fuel poverty through home energy advice;
- promoting active travel and sustainable transport; and,
- strengthening community capacity through volunteering, partnerships and collaboration.

How We Deliver Our Purpose

MEC delivers these aims through a combination of:

- practical projects in communities, schools and green spaces;
- targeted support for vulnerable groups and households facing inequalities;
- education and skills programmes, including cooking, growing, climate action and active travel;
- environmental improvement work, supporting biodiversity, sustainable transport and low carbon living;
- co-ordination and partnership development, including hosting the Middlesbrough Food Partnership;
- volunteering opportunities, enabling people to contribute to their communities; and,
- advocacy and collaboration, working with local authorities, funders and partners to improve systems and increase impact.

Report of the Trustees
for the Year Ended 31 March 2025

Objectives and activities

Who We Support

MEC works with a wide range of residents, including:

- families experiencing food insecurity;
- people living with long-term health conditions;
- individuals affected by the cost-of-living crisis;
- young people and schools;
- communities experiencing poor access to green space;
- people facing fuel poverty;
- people from diverse ethnic backgrounds, refugees and new arrivals;
- volunteers seeking skills, wellbeing and community connection.

Across all programmes, MEC priorities those most affected by health inequalities, poverty and environmental disadvantage.

Public Benefit

Our work delivers public benefit by:

- improving health and nutrition;
- reducing food insecurity;
- supporting behaviour change linked to climate and sustainability;
- reducing social isolation and improving wellbeing;
- contributing to local environmental improvement;
- promoting community resilience and skills development;
- diverting waste and supporting a circular economy; and,
- enabling children and adults to travel safely and sustainably.

These benefits reach thousands of people each year and are aligned to local strategic priorities around health inequalities, climate action, community resilience and sustainable living.

Staff and Volunteers

MEC's work is delivered by a dedicated and skilled team who bring expertise, commitment and creativity to every programme we run. The Trustees would like to record their sincere thanks to all staff for their hard work, professionalism and adaptability throughout what has been a year of significant organisational change.

Our staff team continued to deliver high-quality support across cooking and nutrition, active travel, climate action, community growing, affordable warmth and partnership coordination. Their ability to respond to rising levels of community need, while maintaining high standards of delivery, has been central to MEC's impact in 2024/25.

We are also fortunate to work alongside a large number of committed volunteers, particularly within Communities Growing Together, Eco Shops, community gardening, events and peer-support roles. Volunteers contributed hundreds of hours throughout the year, supporting food-growing sessions, helping maintain green spaces, supporting Eco Shop operations, providing cooking demonstrations and engaging with community members. Their contribution continues to be a vital part of MEC's community presence and our ability to support local people.

During the year we strengthened our approach to staff management and development. This included work to modernise HR policies, clarify management structures, improve internal communication and begin developing clearer competency frameworks. The creation of the Deputy Chief Executive post from April 2025 reflects our commitment to further strengthening leadership capacity and providing consistent operational oversight.

MEC is committed to being a supportive, inclusive and values driven employer. Throughout 2024/25 we continued to invest in staff wellbeing through supervision, training and opportunities for reflective practice. Colleagues were encouraged to contribute to organisational development through staff meetings, working groups and informal feedback channels. Work also began on improving internal systems to ensure staff have the tools, clarity and support needed to deliver high-quality community work.

The dedication of our staff and volunteers ensures that MEC continues to make a positive and measurable difference to local communities. The Trustees place on record their deep appreciation for the commitment and resilience shown by all those who contribute to the charity's work.

**Middlesbrough Environment City Trust
Limited (Registered number: 03386853)**

**Report of the Trustees
for the Year Ended 31 March 2025**

Achievements and performance

2024/25 has been a significant year of transition and development for Middlesbrough Environment City (MEC). Against a backdrop of continued economic pressures, rising demand for services, cost-of-living challenges and changes within the local authority landscape, MEC has continued to deliver strong community impact while laying the foundations for organisational renewal.

A major development during the year was the appointment of a new Chief Executive in August 2024, bringing fresh leadership focus and initiating a period of assessment, engagement and early strategic scoping. Over the second half of the year, the CEO worked closely with staff, trustees and partners to understand MEC's strengths and challenges and to begin shaping the future direction of the charity.

During 2024/25 the Board also approved changes to strengthen MEC's management structure, recognising the need to enhance leadership capacity, improve accountability and support more effective delivery. This included approving the creation of a Deputy Chief Executive role in March 2025, scheduled for implementation at the start of the new financial year.

Alongside this, the charity began initial work to modernise policy frameworks, review financial and governance systems, and prepare for a more integrated organisational strategy. This preparatory work has laid the groundwork for deeper transformation to be delivered in 2025/26.

Strategic Context and External Environment

The external environment in which Middlesbrough Environment City operates continued to be demanding during 2024/25. Communities across Middlesbrough and the wider Tees Valley faced significant pressures linked to the cost-of-living crisis, public health inequalities, and the ongoing impacts of climate and environmental change. These challenges intensified demand for support across all areas of MEC's work, particularly in relation to:

1. food insecurity and access to affordable, healthy food;
2. fuel poverty and home energy advice;
3. cooking skills, nutrition and healthy lifestyle support;
4. active travel, environmental education and community engagement; and,
5. biodiversity, local growing and access to green space.

At the same time, the wider funding landscape remained volatile. Local authority budgets continued to tighten, competition for grant funding increased, and many households and voluntary sector partners experienced rising levels of need. For MEC, this meant operating within a context where:

1. needs are growing faster than available resources;
2. funders are seeking clearer evidence of impact and value;
3. community led solutions are becoming increasingly important; and,
4. charities must demonstrate strong governance and financial resilience.

These conditions reinforced the importance of MEC's role as a practical, place-based organisation delivering direct community benefit, whilst also highlighting the need for a more cohesive strategic framework to guide future work. Throughout the year, Trustees and senior staff monitored these external trends closely, ensuring the organisation remained responsive to emerging challenges and positioned to meet rising local demand.

This strategic context shaped the early scoping and diagnostic work undertaken during 2024/25 and underpins the organisation's plans for more substantial development and modernisation in 2025/26.

Mission, Vision and Strategic Development

During 2024/25 MEC began the early stages of a strategic refresh designed to strengthen the organisation's identity, clarify its long-term direction and ensure its work continues to respond effectively to local needs. Although the full strategy will be finalised and implemented during 2025/26, the foundations for this work were laid during the reporting year.

Following the appointment of a new Chief Executive in August 2024, the organisation undertook a focused period of assessment and engagement to understand current strengths, challenges and opportunities for future development.

This included early conversations with staff, trustees, volunteers, partners and communities to explore how MEC's purpose should evolve in response to local need. These discussions informed the initial scoping of a refreshed vision and mission for the organisation. However, this work remained in development during the reporting year, with formal approval of the new mission and vision taking place after 31 March 2025 as part of MEC's wider strategic planning process.

Middlesbrough Environment City Trust
Limited (Registered number: 03386853)

Report of the Trustees
for the Year Ended 31 March 2025

To provide clarity on the direction of travel, the refreshed statements, approved in October 2025, are set out below and will guide the charity's work from 2025/26 onwards:

Our Vision

A thriving, sustainable and equitable Tees Valley.

Our Mission

Middlesbrough Environment City empowers communities to live healthier and more sustainable lives. Through powerful, community-driven projects, practical education and supportive partnerships, we help build a society that cares for each other as well as the planet.

The exploratory work carried out during 2024/25 laid important foundations for these developments. It provided early insights into the organisational changes required, highlighted the importance of strengthening leadership capacity, and informed the Trustees' approval of a revised management structure to be implemented from 2025/26. Further strategic work, including finalisation of the Organisational Strategy 2025-27, will be delivered during the coming year.

Our Impact in 2024/25

Despite the challenging operating environment, MEC continued to deliver meaningful, measurable impact for communities across Middlesbrough and the wider Tees Valley. Our work remained rooted in practical sustainability, community participation and health and wellbeing, reaching diverse groups across neighbourhoods, schools, community hubs and green spaces.

The following sections provide a summary of activity across our core programme areas during 2024/25.

1. Connecting Communities and Reducing Inequalities

Lifestyle Choice (Healthy Living)

The Lifestyle Choice programme (formerly Healthy Living) supports residents to build cooking confidence, improve nutrition, and make healthier, affordable food choices. The service is funded through the Public Health SLA and focuses on people experiencing food insecurity and families with young children.

During 2024/25 MEC delivered:

- 474 participants supported through basic healthy cooking, budgeting and nutrition sessions.
- 127 participants engaged in targeted cooking sessions for families and parents.
- Training provided to Eco Shop volunteers on healthy weight messaging and signposting.
- Staff maintained up-to-date training on evidence based healthy eating guidance.
- Ongoing monitoring and collaboration with Public Health South Tees to improve delivery.

Participants reported increased confidence cooking from scratch, better budgeting skills, greater awareness of healthy eating and improved fruit and vegetable consumption.

The Lifestyle Choice programme contributes directly to Middlesbrough's public health priorities by supporting healthier eating, reducing inequalities and strengthening resilience in households experiencing food insecurity.

Eco Shops

MEC's network of Eco Shops continued to offer affordable, sustainable food to local communities, reducing food waste and easing cost-of-living pressures.

During 2024/25:

- 28 Eco Shops operated across Middlesbrough and wider Tees Valley.
- Around 1,000 people visited Eco Shops weekly.
- The network provided approximately 8,000 meal equivalents per week.
- A significant volume of surplus food was diverted from landfill, contributing directly to environmental impact targets.
- Eco Shop volunteers and customers also engaged in additional activities including cookery sessions, budgeting workshops and Healthy Start promotion.

**Middlesbrough Environment City Trust
Limited (Registered number: 03386853)**

**Report of the Trustees
for the Year Ended 31 March 2025**

Eco Shops remain one of MEC's most important and visible community offers, combining environmental sustainability with social support and affordability.

Middlesbrough Food Partnership (Good Food Middlesbrough)

Coordination and hosting by MEC in 2024/25

MEC continued to host and coordinate the Middlesbrough Food Partnership (Good Food Middlesbrough) throughout 2024/25, supporting collaboration across local organisations working to improve the town's food system. MEC's role includes partnership governance, administration, communications and network building, ensuring the partnership remains aligned to the Sustainable Food Places framework.

During the year MEC:

- Coordinated partnership activity and maintained the network's communication channels, including producing regular Good Food Middlesbrough newsletters to share updates, highlight partner stories and promote good food initiatives across the town.
- Supported partnership wide visibility, including communications relating to Middlesbrough achieving the Sustainable Food Places Gold Award (2024) and facilitating media engagement, such as BBC Look North's visit to partnership members in December 2024.
- Maintained hosting and administrative functions, including convening meetings, supporting relationship building, and ensuring a consistent and coordinated approach across organisations working on good food, sustainability and food insecurity.
- Strengthened stakeholder engagement, widening participation and supporting members to share news, events and opportunities across the network (evidenced by regular calls for stories and events in all newsletters throughout the year).

The focus in 2024/25 was to consolidate the partnership's achievements following the Gold Award, improve communication across the network and maintain co-ordination of the town's good food movement. This work provides the foundation for strengthening governance, clarifying collective priorities and continuing partnership development in 2025/26.

2. Supporting Wellbeing and Community Resilience

Heating on Prescription (Affordable Warmth Support Programme)

MEC delivered the Heating on Prescription programme during 2024/25, supporting residents whose health and wellbeing were affected by cold homes and fuel poverty. Delivered in partnership with Northern Gas Networks (VCMA), Charis, and respiratory teams across North and South Tees NHS Trusts, the programme aimed to reduce avoidable health complications by improving warmth, safety and energy resilience in vulnerable households.

Demand for support increased steadily throughout the year, with 756 residents directly assisted, alongside a further 200 indirect beneficiaries within affected households. The final quarter saw the highest volume of engagement, reflecting both seasonal pressures and increased awareness of the service among clinical referrers. Most beneficiaries lived in high-deprivation neighbourhoods (IMD 1) and were managing chronic conditions, particularly respiratory illness, where cold housing significantly exacerbates symptoms.

As the programme developed, referral pathways were strengthened through closer collaboration with secondary care. Respiratory teams across both hospital trusts played a key role in ensuring that clinically vulnerable patients were identified earlier and connected with the support available. Partnership working with Charis also enabled a more accessible process for residents with limited digital access, ensuring that no one was excluded from receiving assistance due to technology barriers.

Support provided through the programme included personalised home energy advice, access to fuel vouchers, carbon monoxide awareness, and onward referrals into additional community and welfare services. Early feedback indicates improvements in household warmth, reductions in stress linked to energy costs, and increased confidence in managing long-term health conditions. Several beneficiaries have agreed to contribute case studies to support wider learning and awareness.

A full independent evaluation, including an assessment of health outcomes and return on investment, is underway and will be completed by September 2025. Initial data suggests that the programme has made a meaningful contribution to respiratory health, energy security and preventative healthcare across the Tees Valley.

Middlesbrough Environment City Trust
Limited (Registered number: 03386853)

Report of the Trustees
for the Year Ended 31 March 2025

Climate Action Middlesbrough (CAM)

CAM continued to engage young people, families and communities in practical climate action across the town. CAM's programme combines environmental education, nature-based activities, community events and youth leadership, helping residents develop the skills and confidence to live more sustainably.

During 2024/25, CAM:

- Engaged thousands of young people, with over 5,000 involved to date through school workshops, Climate Action Clubs and youth-led activities.
- Supported multiple schools to improve their outdoor environments through the National Education Nature Park programme, installing wildlife planters and nature features at Beech Grove, Bankfields and Hollis Academy.
- Delivered major community engagement at the Festival of Thrift, reaching large numbers of residents through sustainable food demonstrations and climate education.
- Planted thousands of trees and hedgerow plants, including 2,396 trees during National Tree Week and further planting in early 2025, contributing to CAM's long-term target of 30,000 trees.
- Organised community litter picks and nature activities as part of the Great British Spring Clean, supporting residents to take action on local environmental issues.

CAM's work plays a central role in increasing environmental awareness, strengthening community resilience and supporting Middlesbrough's response to the climate emergency.

Communities Growing Together (CGT)

CGT continued to support residents across Middlesbrough to develop food-growing skills, improve wellbeing and connect with nature. Working across community gardens, allotments and green spaces, the programme offered practical training, supported volunteering and built local capacity for sustainable food growing.

During 2024/25 MEC delivered:

- 150 training and community sessions across food growing, seed saving, cooking and environmental skills.
- 375 attendees participating in sessions throughout the year.
- 507 volunteers, including 291 new volunteers, involved across CGT sites.
- Support for four main community growing sites, including Town Farm, Edible Forest Garden, Saltersgill and the development of the new Sandy Flatts Community Garden.
- Activity delivered in partnership with over 30 organisations, including Recovery Connections, De Paul, Groundwork Northeast and local refugee support groups.

CGT contributed to improved wellbeing, increased social connection and enhanced community food resilience. Participants reported feeling more confident, less isolated and more connected to their local community. Practical activities included planting, harvesting, composting, orchard care and shared cooking sessions using site-grown produce.

The year also saw further development of the regional Seed Sovereignty work, with volunteers contributing to local seed saving initiatives to strengthen long term food resilience.

Plans for 2025/26 include completing additional infrastructure at Sandy Flatts Community Allotments, further developing volunteer leadership, expanding inclusive sessions for diverse community groups and continuing the programme's collaboration with local partners to strengthen sustainable food growing opportunities across the town.

3. Promoting Sustainable Living and Active Travel

Bikeability and Learn to Ride

MEC continued to deliver Bikeability training across Middlesbrough and Stockton during 2024/25, enabling children to develop essential cycling, confidence and road safety skills. As Bikeability is commissioned and monitored on a financial year basis (April-March), the figures below represent the final combined SLA outputs for the period.

Across both areas, MEC trained over 1,600 children, including:

- 818 pupils in Middlesbrough completing their Bikeability journey.
- 775 pupils in Stockton completing their Bikeability journey.
- 29 children supported through Learn to Ride provision.

Schools continued to report high levels of satisfaction, and pupils demonstrated increased confidence, improved hazard awareness and greater willingness to choose active travel. Bikeability and Learn to Ride remain core components of MEC's work to promote active, healthy and sustainable travel across the Tees Valley.

Middlesbrough Environment City Trust
Limited (Registered number: 03386853)

Report of the Trustees
for the Year Ended 31 March 2025

Financial review

As part of the Trustees Report, the Trustees present an overview of the charity's financial performance for the year ending 31 March 2025.

Financial Overview

The 2024/25 financial year was one of transition for MEC, taking place against a challenging external backdrop of rising costs, increased demand for community support and uncertainty within the wider local authority funding landscape. Despite this, the charity maintained a stable financial position and continued to deliver high levels of community impact.

MEC's income for the year was drawn from a diverse mix of contracts, grants, service level agreements and charitable project funding. Importantly, 2024/25 was the first year in which MEC did not receive its historic core funding allocation, resulting in a reduction in income of approximately £140,000. Despite this change, the charity benefited from continued support from Middlesbrough Council, Public Health South Tees, national funders and other local partners.

Expenditure during the year reflected core project delivery across healthy eating, active travel, community growing, climate action, Eco Shops and partnership co-ordination. The loss of core funding contributed to a planned deficit budget for 2024/25, which the Trustees had approved on the basis of the charity's available reserves and the need to maintain service continuity for communities.

Through careful cost management, strengthened income generation efforts and active oversight by the Trustees, MEC maintained financial stability throughout the year and continued to deliver high levels of community impact.

The Trustees are satisfied that MEC remains a financially viable and resilient organisation with appropriate systems in place for financial management, oversight and internal control.

Reserves Policy

The Trustees review MEC's reserves position throughout the year as part of routine financial monitoring and formally assess the adequacy of reserves during the year-end planning process. The purpose of holding reserves is to ensure the charity can:

- meet its ongoing financial commitments;
- respond to unforeseen reductions in income or increases in expenditure;
- manage cashflow fluctuations arising from grant and contract payment cycles; and,
- maintain stability for staff, volunteers and service users in the event of financial uncertainty.

MEC holds both restricted and unrestricted funds. Restricted reserves are held for specific projects and cannot be used for general operating purposes.

The Trustees have set a policy that free (unrestricted) reserves should be maintained at a level sufficient to cover:

- three months of core operating costs, including staffing, premises and essential overheads; and
- any additional obligations linked to project close-down or transition should significant funding streams change unexpectedly.

The current level of free reserves is £378,310 (unrestricted funds £427,910 less fixed assets £49,600).

This represents a prudent level of reserves for a community-focused organisation operating in a variable funding environment.

The Trustees consider the current level of reserves to be appropriate and aligned to the charity's Reserves Policy. The position will continue to be monitored closely in 2025/26 as the organisation progresses through its wider programme of strategic and operational transformation.

Investment Policy

MEC does not hold investments for long-term financial return. The charity's funds are primarily applied to ongoing project delivery, community programmes and operational activities. Any surplus cash balances are held to support day-to-day operations, manage cashflow and maintain an appropriate level of reserves in line with the charity's Reserves Policy.

In setting its approach to investment, the Trustees have had regard to:

- the charity's duty to protect its assets;
- the need for liquidity to meet short-term expenditure commitments;
- the low-risk nature of MEC's financial strategy; and
- the Charity Commission's guidance on investment and financial stewardship.

Middlesbrough Environment City Trust
Limited (Registered number: 03386853)

Report of the Trustees
for the Year Ended 31 March 2025

The Board's policy is that:

- MEC will not engage in high-risk or speculative investment activity; available funds will be held in low-risk, interest-bearing deposit accounts where possible, while ensuring immediate access for operational needs;
- cash balances will be reviewed regularly by the Head of Finance and reported to Trustees as part of routine management accounts;
- any decision to invest funds beyond standard deposit arrangements would require explicit Trustee approval and an assessment of risk, return and ethical considerations.

During 2024/25 the charity held no investment assets other than cash deposits. The Trustees are satisfied that MEC's Investment Policy remains appropriate for the organisation's scale, risk appetite and the current financial environment.

Principal Risks and Uncertainties

The Trustees maintain an active approach to risk management and oversee a framework designed to identify, assess and manage the principal risks facing the charity. During 2024/25, this work remained a key priority as MEC continued to operate within a challenging external environment and undertook significant internal organisational development.

MEC's risk register is reviewed regularly by senior management and reported to the Board. The most significant areas of risk identified during the year were:

Financial and Funding Risks

MEC continues to rely on a diverse mix of contracts, grants and service level agreements. The wider funding environment remained uncertain during 2024/25, with increasing competition for grants, pressures on local authority budgets and rising delivery costs. Mitigations included:

- strengthened financial monitoring and forecasting;
- close communication with funders;
- diversification of income sources; and,
- maintaining adequate reserves in line with the Reserves Policy.

Governance and Organisational Capacity

2024/25 was a year of transition, with a new Chief Executive appointed and further leadership restructuring approved. This brought short-term risks around capacity, oversight and continuity. Mitigations included:

- approval of a revised management structure;
- investment in policy updates and governance systems;
- strengthened Trustee engagement and reporting processes;
- planned introduction of a Deputy CEO in 2025/26.

Workforce, Recruitment and Retention

Like many voluntary sector organisations, MEC experienced challenges related to recruitment, retention and wellbeing, particularly in a period of change. Mitigations included:

- reviewing HR policies;
- improving internal communication;
- investment in training and supervision;
- Safeguarding, Health and Safety and Compliance planned implementation of clearer competency and role frameworks.

Safeguarding, Health and Safety Compliance

MEC works with vulnerable groups, children, volunteers and the general public across multiple community settings. This brings inherent safeguarding and compliance risks. Mitigations included:

- maintaining robust safeguarding procedures;
- compulsory staff training and DBS checks;
- strengthened reporting processes;
- site risk assessments and updated health and safety protocols.

**Middlesbrough Environment City Trust
Limited (Registered number: 03386853)**

**Report of the Trustees
for the Year Ended 31 March 2025**

Operational Delivery Risks

External pressures, including cost-of-living impacts, supply chain issues, and the ability of partners or venues to host activities, created some uncertainty for project delivery. Mitigations included:

- flexible programme planning;
- strong relationships with community partners;
- clear contingency planning for programme adaptations.

IT, Data and Cyber Security Risks

As MEC manages increasing volumes of data through digital systems, risks relating to data security and system resilience remain relevant. Mitigations included:

- secure cloud-based systems;
- updated GDPR processes;
- restricted user access controls;
- ongoing IT support and monitoring.

Trustee Statement

The Trustees are satisfied that appropriate systems and controls are in place to manage the risks identified and that the charity remains resilient. Work to strengthen risk management will continue into 2025/26 as part of MEC's broader programme of organisational development.

Going Concern

The Trustees have considered the financial position of Middlesbrough Environment City, including reserves, cashflow, projected income and the wider funding environment. Although 2024/25 was a year of organisational transition and external pressures such as rising costs and uncertainty within public sector funding continued, the charity finished the year in a stable financial position.

MEC has a confirmed programme of contracted and grant-funded activity for 2025/26 and maintains reserves in line with its Reserves Policy. The charity continues to receive support from key partners and commissioners, and regular financial monitoring provides the Trustees with assurance that appropriate controls and oversight are in place.

Based on forecasts prepared by management, the Trustees are satisfied that the charity has adequate resources to continue operating for the foreseeable future and for at least 12 months from the date of approval of these financial statements. No material uncertainties have been identified that would cast doubt on the charity's ability to continue.

Accordingly, the financial statements have been prepared on a going concern basis.

Future Plans

Looking ahead to 2025/26, Middlesbrough Environment City will focus on consolidating the organisational changes initiated during 2024/25 while continuing to deliver high-quality environmental, health and community programmes. The charity remains committed to responding effectively to local needs, strengthening its internal systems and ensuring a resilient foundation for long-term impact.

A key priority for the coming year will be the implementation of MEC's new organisational strategy (2025-2027). This will provide a clearer framework for impact, guide operational decision making and enable the charity to focus on a defined set of strategic priorities linked to sustainability, health inequalities, food resilience, climate action and community wellbeing.

The charity's plans for 2025/26 include:

Strengthening Leadership and Governance

The new leadership structure, including the Deputy Chief Executive role, will be embedded to enhance operational oversight and strategic capacity. Work will continue to modernise policies, improve governance processes, and further refine risk management and compliance arrangements.

**Middlesbrough Environment City Trust
Limited (Registered number: 03386853)**

**Report of the Trustees
for the Year Ended 31 March 2025**

Improving Systems and Operational Infrastructure

MEC will continue its programme of internal development, including modernising financial systems, improving HR processes, enhancing data and monitoring practices and strengthening organisational policies. These improvements will support more consistent delivery and provide better evidence of impact.

Enhancing Core Programme Delivery

The organisation will build on existing strengths within key programme areas, including:

- Healthy living and nutrition programmes.
- Eco Shops and surplus food redistribution.
- Active travel and Bikeability training.
- Climate Action Middlesbrough and community engagement.
- Community growing and seed sovereignty initiatives.
- Partnership work through the Middlesbrough Food Partnership.

Programme development will focus on increasing reach, improving quality and deepening engagement with priority communities.

Building Financial Resilience

MEC will continue to diversify its funding base, strengthen the sustainability of core programmes and maintain a prudent reserves position. The charity will work proactively with local commissioners, funders and partners to secure medium-term funding for key areas of work.

Supporting Communities Through Change

With cost-of-living pressures and environmental challenges continuing to affect local residents, MEC will prioritise support for those facing inequality, food insecurity, fuel poverty and limited access to green space. This includes expanding inclusive opportunities for volunteering and community participation.

Trustees' Forward View

The Trustees remain committed to ensuring the charity's long-term sustainability and believe that the planned organisational developments, coupled with strong community demand and diverse programme delivery, position MEC well for the future. The focus for 2025/26 will be to build stability, strengthen governance and continue delivering meaningful impact across Middlesbrough and the wider Tees Valley.

**Middlesbrough Environment City Trust
Limited (Registered number: 03386853)**

**Report of the Trustees
for the Year Ended 31 March 2025**

Structure, governance and management

MEC is a charitable company limited by guarantee, incorporated in England and Wales and governed by its Articles of Association. The charity is led by a Board of Trustees who are also the Directors of the company for the purposes of the Companies Act.

Governance Structure

The Board is responsible for the strategic direction, governance oversight and overall stewardship of the charity. Trustees bring a range of experience across local government, community development, finance, health, environment and voluntary sector practice. The Board meets regularly throughout the year to review performance, monitor risk, oversee financial management and support the organisation's strategic development.

During 2024/25, MEC experienced several changes to Board membership as part of natural turnover and ongoing efforts to strengthen governance capacity. Induction processes ensure that new Trustees receive the necessary information about their legal duties, MEC's work and their role within the governance structure.

Trustee Recruitment, Induction and Training

Trustees are appointed in accordance with the charity's governing document. Recruitment is undertaken using skills-based criteria to ensure the Board maintains the expertise required to provide effective oversight. New Trustees are offered an induction programme, including briefings on MEC's activities, organisational policies, financial governance and safeguarding responsibilities. Ongoing training and development opportunities are provided as required.

Executive Management and Leadership

Day to day management of the charity is delegated to the Chief Executive, supported by the Executive Management Team (EMT). During 2024/25, MEC undertook important work to strengthen its management structure, including approving the creation of a Deputy Chief Executive role to take effect from April 2025. This reflects the Trustees' commitment to ensuring robust leadership capacity and clear operational oversight across the organisation.

The EMT is responsible for implementing strategy, managing staff, overseeing programme delivery and ensuring compliance with relevant legislation, policies and funder requirements.

Decision Making and Delegation

The Board has delegated certain responsibilities to the Chief Executive and EMT through a Scheme of Delegation and associated policies. Financial decisions are governed by authorised limits, budget approval processes and regular reporting to Trustees. All matters reserved for the Board, such as strategic planning, risk management, approval of annual budgets, major contracts and organisational changes, remain under Trustee control.

Risk Management

The Trustees are responsible for ensuring that MEC has effective systems in place to identify and manage risk. The Executive Management Team maintains a risk register which is reviewed regularly and reported to the Board. Further strengthening of governance systems began in 2024/25 as part of the charity's wider organisational development work.

Related Parties and Partnership Working

MEC works closely with a wide range of partners including Middlesbrough Council, Public Health South Tees, local community organisations, schools, environmental groups and regional networks. These partnerships are essential to delivering the charity's objectives and extending its reach. Trustees confirm that no related party transactions occurred during the year that require disclosure, other than those set out in the financial statements.

Reference and administrative details

Registered Company number
03386853 (England and Wales)

Registered Charity number
1070131

Middlesbrough Environment City Trust
Limited (Registered number: 03386853)

Report of the Trustees
for the Year Ended 31 March 2025

Registered office

Middlesbrough Environment City
Sandy Flatts Lane
Acklam
Middlesbrough
Yorkshire
TS5 7YN

Trustees

B T Araia
V Cunningham
Cllr P Gavigan
S J Granger - Chair
C Maughan
K J Mcmonagle
R K Mills (resigned 1.8.25)
J Rostron
M Watson - Vice-Chair
J A Garside (resigned 5.7.24)
B Glover (resigned 31.12.24)
T Grainge (resigned 19.4.24)
A L Rigg (resigned 18.10.24)

The directors of the charitable company are its trustees for the purposes of charity law.

Auditors

Anderson Barrowcliff Limited
Statutory Auditors
Chartered Accountants
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX

Bankers

Cooperative Bank
PO Box 250
Skelmersdale
Lancashire
WN8 6WT

Statement of trustees' responsibilities

The trustees (who are also the directors of Middlesbrough Environment City Trust Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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 charitable company will continue in business.

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

**Middlesbrough Environment City Trust
Limited (Registered number: 03386853)**

**Report of the Trustees
for the Year Ended 31 March 2025**

Statement of trustees' responsibilities - continued

In so far as the trustees are aware:


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

Auditors

The auditors, Anderson Barrowcliff Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

Approved by order of the board of trustees on 23/11/2025 and signed on its behalf by:



.....
S J Granger - Trustee

**Report of the Independent Auditors to the Trustees of
Middlesbrough Environment City Trust
Limited**

Opinion

We have audited the financial statements of Middlesbrough Environment City Trust Limited (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Report of the Independent Auditors to the Trustees of
Middlesbrough Environment City Trust
Limited

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors 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.

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

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

Based on our understanding of the charity, we have considered applicable laws and regulations which may be fundamental to the charity's ability to operate or to avoid a material penalty, and we considered the extent to which non-compliance might have a material effect on the financial statements. We considered management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate manual journal entries to manipulate financial performance, management bias in significant accounting estimates and any significant one-off or unusual transactions.

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Auditors' responsibilities for the audit of the financial statements

Audit procedures performed by the engagement team included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Challenging estimates and judgements made by management in their significant accounting estimates.
- Revenue recognition; agreeing a sample of revenue transactions to gain assurance over the occurrence and accuracy of revenue and also to ensure revenue has been recognised in the correct period.

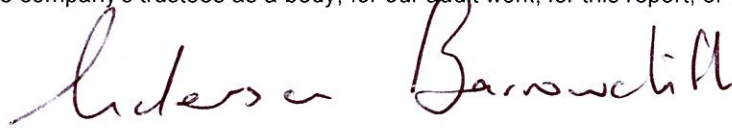
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed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

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

Report of the Independent Auditors to the Trustees of
Middlesbrough Environment City Trust
Limited

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Anderson Barrowcliff Limited
Statutory Auditors
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX

Date: 23/11/2025

Middlesbrough Environment City Trust
Limited

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 March 2025

	Notes	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	6,188	1	6,189	108,291
Charitable activities					
Encouraging the Prudent Use of Resources	5	-	342,955	342,955	461,234
Promoting Healthy Lifestyles		-	249,234	249,234	863,960
Encouraging Greater Use of Sustainable Transport		-	137,538	137,538	115,825
Contributing to Physical Environmental Improvements		-	-	-	9,890
Education and Awareness Raising		-	160,277	160,277	42,703
Investment income	4	45,424	-	45,424	24,457
Total		51,612	890,005	941,617	1,626,360
EXPENDITURE ON					
Charitable activities					
Encouraging the Prudent Use of Resources	6	-	422,353	422,353	421,634
Promoting Healthy Lifestyles		-	592,374	592,374	363,623
Encouraging Greater Use of Sustainable Transport		-	151,698	151,698	173,459
Contributing to Physical Environmental Improvements		-	-	-	20,799
Education and Awareness Raising		4,949	174,013	178,962	119,941
Core and Organisational Management		86,746	-	86,746	95,668
Total		91,695	1,340,438	1,432,133	1,195,124
NET INCOME/(EXPENDITURE)					
Transfers between funds	18	(40,083)	(450,433)	(490,516)	431,236
		(41,935)	41,935	-	-
Net movement in funds		(82,018)	(408,498)	(490,516)	431,236
RECONCILIATION OF FUNDS					
Total funds brought forward		509,930	1,452,671	1,962,601	1,531,365
TOTAL FUNDS CARRIED FORWARD		427,912	1,044,173	1,472,085	1,962,601

The notes form part of these financial statements

Middlesbrough Environment City Trust
Limited (Registered number: 03386853)

Balance Sheet
31 March 2025

	Notes	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
FIXED ASSETS					
Tangible assets	14	49,600	-	49,600	40,555
CURRENT ASSETS					
Debtors	15	276	52,565	52,841	70,609
Cash at bank and in hand		442,555	1,016,441	1,458,996	1,981,046
		<u>442,831</u>	<u>1,069,006</u>	<u>1,511,837</u>	<u>2,051,655</u>
CREDITORS					
Amounts falling due within one year	16	(64,521)	(24,831)	(89,352)	(129,609)
NET CURRENT ASSETS		<u>378,310</u>	<u>1,044,175</u>	<u>1,422,485</u>	<u>1,922,046</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>427,910</u>	<u>1,044,175</u>	<u>1,472,085</u>	<u>1,962,601</u>
NET ASSETS		<u>427,910</u>	<u>1,044,175</u>	<u>1,472,085</u>	<u>1,962,601</u>
FUNDS	18				
Unrestricted funds				427,910	509,930
Restricted funds				1,044,175	1,452,671
TOTAL FUNDS				<u>1,472,085</u>	<u>1,962,601</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2025.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each 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 charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

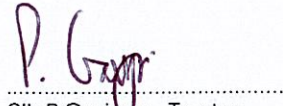
Middlesbrough Environment City Trust
Limited (Registered number: 03386853)

Balance Sheet - continued
31 March 2025

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

The financial statements were approved by the Board of Trustees and authorised for issue on 21/03/2025 and were signed on its behalf by:


S J Granger - Trustee


Cllr P Gavigan - Trustee

Middlesbrough Environment City Trust
Limited

Cash Flow Statement
for the Year Ended 31 March 2025

	Notes	2025 £	2024 £
Cash flows from operating activities			
Cash generated from operations	1	(546,436)	414,197
Net cash (used in)/provided by operating activities		<u>(546,436)</u>	<u>414,197</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(22,338)	(14,320)
Sale of tangible fixed assets		1,300	-
Interest received		45,424	24,457
Net cash provided by investing activities		<u>24,386</u>	<u>10,137</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		(522,050)	424,334
		<u>1,981,046</u>	<u>1,556,712</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,458,996</u></u>	<u><u>1,981,046</u></u>

The notes form part of these financial statements

Middlesbrough Environment City Trust
Limited

Notes to the Cash Flow Statement
for the Year Ended 31 March 2025

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £	2024 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(490,516)	431,236
Adjustments for:		
Depreciation charges	10,878	7,792
Loss on disposal of fixed assets	1,115	-
Interest received	(45,424)	(24,457)
Decrease/(increase) in debtors	17,768	(17,466)
(Decrease)/increase in creditors	(40,257)	17,092
Net cash (used in)/provided by operations	(546,436)	414,197

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.24 £	Cash flow £	At 31.3.25 £
Net cash			
Cash at bank and in hand	1,981,046	(522,050)	1,458,996
	1,981,046	(522,050)	1,458,996
Total	1,981,046	(522,050)	1,458,996

Middlesbrough Environment City Trust
Limited

Notes to the Financial Statements
for the Year Ended 31 March 2025

1. STATUTORY INFORMATION

Middlesbrough Environmental City Trust Limited is a private charitable company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found in the Trustees' Report.

The financial statements are presented in sterling which is the functional currency of the charitable company and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared on a going concern basis under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to the accounts. The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Income

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.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Direct charitable expenditure includes the direct costs of the activities and depreciation on related assets. Where such costs relate to more than one functional cost category, they have been split on an appropriate basis.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 50% on cost, 33% on cost, 25% on cost and 10% on cost
Motor vehicles	- 25% on cost and 10% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Middlesbrough Environment City Trust
Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of one year or less from the date of acquisition or opening of the deposit or similar account.

Financial instruments

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

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

3. DONATIONS AND LEGACIES

	2025	2024
	£	£
Donations	6,189	108,291
	<u>6,189</u>	<u>108,291</u>
Included within donation above:	2025	2024
	£	£
Other Sundry Income	189	6445
Middlesbrough Council - Salaries (Donations in kind)	-	78,846
Middlesbrough Council - Rent (Donations in kind)	6,000	6,000
Middlesbrough Council - Utilities (Donations in kind)	-	17,000
	<u>6,189</u>	<u>108,291</u>

4. INVESTMENT INCOME

	2025	2024
	£	£
Deposit account interest	45,424	24,457
	<u>45,424</u>	<u>24,457</u>

Middlesbrough Environment City Trust
Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2025 £	2024 £
Grants	Encouraging the Prudent Use of Resources	342,955	461,234
Grants	Promoting Healthy Lifestyles	249,234	863,960
Grants	Encouraging Greater Use of Sustainable Transport	58,414	54,068
Shopmobility Income	Encouraging Greater Use of Sustainable Transport	578	2,821
Hartlepool Bikeability	Encouraging Greater Use of Sustainable Transport	22,415	18,600
Stockton Bikeability	Encouraging Greater Use of Sustainable Transport	56,131	40,336
Gardening Services	Contributing to Physical Environmental Improvements	-	9,890
Grants	Education and Awareness Raising	160,277	45,677
Training Income	Education and Awareness Raising	-	(2,974)
		890,004	1,493,612
		890,004	1,493,612

Grants received, included in the above, are as follows:

	2025 £	2024 £
Redress	7,544	133,665
Climate Action Programme	335,412	327,569
Sustainable Food Cities	8,800	16,545
Public Health (Lifestyle Choice)	114,255	114,322
YGT Expenses	5,639	4,500
Boro Active Explorers	-	26,219
Tees Hub Eco Shop Online Dashboard	20,339	34,175
Rooted in Nature	-	20,729
YGT Administrator	52,109	23,529
Project Kitchen	-	420
NIHR & SMI	5,101	27,256
Communities Growing Together	62,500	37,500
Tees Valley Heating on Prescription	-	558,765
Department for Transport	58,414	48,328
Big Local Expenses	160,277	45,677
Stockton Pedestrian Training	-	280
Hartlepool Pedestrian Training	-	5,460
	830,390	1,424,939
	830,390	1,424,939

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7) £	Grant funding of activities (see note 8) £	Support costs (see note 9) £	Totals £
Encouraging the Prudent Use of Resources	406,270	-	16,083	422,353
Promoting Healthy Lifestyles	559,168	16,640	16,566	592,374
Encouraging Greater Use of Sustainable Transport	149,825	-	1,873	151,698
Education and Awareness Raising	147,536	22,390	9,036	178,962
Core and Organisational Management	625	-	86,121	86,746
	1,263,424	39,030	129,679	1,432,133
	1,263,424	39,030	129,679	1,432,133

Middlesbrough Environment City Trust
Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2025	2024
	£	£
Staff costs	578,636	606,504
Consumables	54,783	28,727
Materials	1,574	1,035
Contractors	354,887	122,577
Other Project Costs	9,797	16,571
Project Support Costs	46,988	69,314
Payments to Partners	216,759	153,240
	<u>1,263,424</u>	<u>997,968</u>

8. GRANTS PAYABLE

	2025	2024
	£	£
Promoting Healthy Lifestyles	16,640	25,030
Education and Awareness Raising	22,390	41,282
	<u>39,030</u>	<u>66,312</u>

	2025	2024
	£	£
Grants to institutions:		
- Senior Over 50's Club	480	380
- Trinity Centre	-	322
- Ecoshop set up	16,640	25,520
- North Ormesby FC	500	500
- North Ormesby School	1,000	-
- Sue Green	-	100
- Janet Clancey	-	100
- North Ormesby Hub	-	39,390
- Saint Alponsus Church	20,000	-
- Kids Cabin	410	-
	<u>39,030</u>	<u>66,312</u>

9. SUPPORT COSTS

	Management	Governance	Totals
	£	costs £	£
Encouraging the Prudent Use of Resources	6,381	9,702	16,083
Promoting Healthy Lifestyles	7,601	8,965	16,566
Encouraging Greater Use of Sustainable			
Transport	1,873	-	1,873
Education and Awareness Raising	4,855	4,181	9,036
Core and Organisational Management	4,664	81,457	86,121
	<u>25,374</u>	<u>104,305</u>	<u>129,679</u>

Middlesbrough Environment City Trust
Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

9. **SUPPORT COSTS - continued**

Support costs, included in the above, are as follows:

Management

	Encouraging the Prudent Use of Resources £	Promoting Healthy Lifestyles £	Encouraging Greater Use of Sustainable Transport £
Other staff costs	4,064	7,440	1,873
Volunteer and trainee costs	-	20	-
Promotion and Information	2,317	141	-
Depreciation of tangible assets	-	-	-
Loss on sale of tangible fixed assets	-	-	-
	6,381	7,601	1,873
		2025	2024

	Education and Awareness Raising £	Core and Organisational Management £	Total activities £	Total activities £
Other staff costs	4,360	-	17,737	12,187
Volunteer and trainee costs	-	-	20	98
Promotion and Information	495	19	2,972	2,224
Depreciation of tangible assets	-	3,530	3,530	5,055
Loss on sale of tangible fixed assets	-	1,115	1,115	-
	4,855	4,664	25,374	19,564

Governance costs

	Encouraging the Prudent Use of Resources £	Promoting Healthy Lifestyles £	Education and Awareness Raising £
Wages	-	-	-
Auditors' remuneration	5,702	7,370	4,181
Accountancy fees	-	-	-
Other staff costs	-	-	-
Consumables	-	-	-
Materials	-	-	-
Contractors	-	-	-
Other Project Costs	-	-	-
Project Support Costs	4,000	1,595	-
Depreciation of tangible fixed assets	-	-	-
	9,702	8,965	4,181

Middlesbrough Environment City Trust
Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

9. SUPPORT COSTS - continued

Governance costs - continued

	Core and Organisational Management £	2025 Total activities £	2024 Total activities £
Wages	24,914	24,914	72,675
Auditors' remuneration	-	17,253	15,612
Accountancy fees	1,264	1,264	2,054
Other staff costs	20,714	20,714	995
Consumables	669	669	1,099
Materials	-	-	68
Contractors	3,752	3,752	5,544
Other Project Costs	-	-	6,561
Project Support Costs	22,796	28,391	3,935
Depreciation of tangible fixed assets	7,348	7,348	2,737
	81,457	104,305	111,280

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2025 £	2024 £
Auditors' remuneration	17,253	15,612
Depreciation - owned assets	10,878	7,792
Deficit on disposal of fixed assets	1,115	-
	29,246	23,404

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2025 nor for the year ended 31 March 2024.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2025 nor for the year ended 31 March 2024.

12. STAFF COSTS

	2025 £	2024 £
Seconded staff (donation in kind)	-	78,846
Wages and salaries	541,231	544,442
Social security costs	37,740	32,001
Other pension costs	24,579	23,890
	603,550	679,179

The total amount of employee benefits received by key management personnel is £97,390 (2024 - £168,946). The Charity considers its key management personnel comprise the Chief Executive, Office and Data Manager, and Head of Finance.

Total redundancy and termination payments included with other staff costs in the year amounted to £22,587 (2024: £Nil).

Middlesbrough Environment City Trust
Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

12. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2025	2024
Seconded staff	-	2
Project and support staff	25	26
	<u>25</u>	<u>28</u>

No employees received emoluments in excess of £60,000.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	108,291	-	108,291
Charitable activities			
Encouraging the Prudent Use of Resources	-	461,234	461,234
Promoting Healthy Lifestyles	-	863,960	863,960
Encouraging Greater Use of Sustainable Transport	5,740	110,085	115,825
Contributing to Physical Environmental Improvements	-	9,890	9,890
Education and Awareness Raising	(2,974)	45,677	42,703
Investment income	24,457	-	24,457
Total	<u>135,514</u>	<u>1,490,846</u>	<u>1,626,360</u>
EXPENDITURE ON			
Charitable activities			
Encouraging the Prudent Use of Resources	-	421,634	421,634
Promoting Healthy Lifestyles	-	363,623	363,623
Encouraging Greater Use of Sustainable Transport	14,605	158,854	173,459
Contributing to Physical Environmental Improvements	-	20,799	20,799
Education and Awareness Raising	1,114	118,827	119,941
Core and Organisational Management	95,668	-	95,668
Total	<u>111,387</u>	<u>1,083,737</u>	<u>1,195,124</u>
NET INCOME	24,127	407,109	431,236
Transfers between funds	37,695	(37,695)	-
Net movement in funds	61,822	369,414	431,236
RECONCILIATION OF FUNDS			
Total funds brought forward	448,108	1,083,257	1,531,365
TOTAL FUNDS CARRIED FORWARD	<u><u>509,930</u></u>	<u><u>1,452,671</u></u>	<u><u>1,962,601</u></u>

**Middlesbrough Environment City Trust
Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2025**

14. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 April 2024	32,756	71,104	103,860
Additions	22,338	-	22,338
Disposals	-	(6,100)	(6,100)
	<hr/>	<hr/>	<hr/>
At 31 March 2025	55,094	65,004	120,098
DEPRECIATION			
At 1 April 2024	6,195	57,110	63,305
Charge for year	7,348	3,530	10,878
Eliminated on disposal	-	(3,685)	(3,685)
	<hr/>	<hr/>	<hr/>
At 31 March 2025	13,543	56,955	70,498
NET BOOK VALUE			
At 31 March 2025	<u>41,551</u>	<u>8,049</u>	<u>49,600</u>
At 31 March 2024	<u>26,561</u>	<u>13,994</u>	<u>40,555</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade debtors	276	15,482
Prepayments and accrued income	52,565	55,127
	<hr/>	<hr/>
	52,841	70,609
	<hr/>	<hr/>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade creditors	17,367	18,961
Social security and other taxes	9,510	8,239
Other creditors	3,805	57,715
Deferred income	24,831	19,509
Accrued expenses	33,839	25,185
	<hr/>	<hr/>
	89,352	129,609
	<hr/>	<hr/>

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2025 £	2024 £
Within one year	6,986	6,986
Between one and five years	25,287	26,274
In more than five years	6,000	12,000
	<hr/>	<hr/>
	38,273	45,260
	<hr/>	<hr/>

Middlesbrough Environment City Trust
Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

18. MOVEMENT IN FUNDS

	At 1.4.24 £	Net movement in funds £	Transfers between funds £	At 31.3.25 £
Unrestricted funds				
General fund	312,867	(35,423)	150,466	427,910
Designated Fund - Education and Awareness Raising	78,831	(4,662)	(74,169)	-
Designated Fund - Encouraging Greater Use of Sustainable Transport	118,232	-	(118,232)	-
	<u>509,930</u>	<u>(40,085)</u>	<u>(41,935)</u>	<u>427,910</u>
Restricted funds				
Encouraging the Prudent Use of Resources	303,732	(78,253)	25,266	250,745
Promoting Healthy Lifestyles	984,181	(343,140)	-	641,041
Encouraging Greater Use of Sustainable Transport	143,391	(15,302)	16,463	144,552
Contributing to Physical Environment Improvements	1,405	-	-	1,405
Education and Awareness Raising	19,962	(13,736)	206	6,432
	<u>1,452,671</u>	<u>(450,431)</u>	<u>41,935</u>	<u>1,044,175</u>
TOTAL FUNDS	<u><u>1,962,601</u></u>	<u><u>(490,516)</u></u>	<u><u>-</u></u>	<u><u>1,472,085</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	51,611	(87,034)	(35,423)
Designated Fund - Education and Awareness Raising	1	(4,663)	(4,662)
	<u>51,612</u>	<u>(91,697)</u>	<u>(40,085)</u>
Restricted funds			
Encouraging the Prudent Use of Resources	342,954	(421,207)	(78,253)
Promoting Healthy Lifestyles	249,234	(592,374)	(343,140)
Encouraging Greater Use of Sustainable Transport	137,540	(152,842)	(15,302)
Education and Awareness Raising	160,277	(174,013)	(13,736)
	<u>890,005</u>	<u>(1,340,436)</u>	<u>(450,431)</u>
TOTAL FUNDS	<u><u>941,617</u></u>	<u><u>(1,432,133)</u></u>	<u><u>(490,516)</u></u>

Middlesbrough Environment City Trust
Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	237,389	37,080	38,399	312,868
Designated Fund - Education and Awareness Raising	82,849	(4,088)	70	78,831
Designated Fund - Encouraging Greater Use of Sustainable Transport	127,870	(8,865)	(774)	118,231
	<u>448,108</u>	<u>24,127</u>	<u>37,695</u>	<u>509,930</u>
Restricted funds				
Encouraging the Prudent Use of Resources	304,069	39,600	(39,937)	303,732
Promoting Healthy Lifestyles	474,677	500,337	9,167	984,181
Encouraging Greater Use of Sustainable Transport	190,399	(48,769)	1,761	143,391
Contributing to Physical Environment Improvements	1,405	(10,909)	10,909	1,405
Education and Awareness Raising	112,707	(73,150)	(19,595)	19,962
	<u>1,083,257</u>	<u>407,109</u>	<u>(37,695)</u>	<u>1,452,671</u>
TOTAL FUNDS	<u><u>1,531,365</u></u>	<u><u>431,236</u></u>	<u><u>-</u></u>	<u><u>1,962,601</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	132,748	(95,668)	37,080
Designated Fund - Education and Awareness Raising	(2,974)	(1,114)	(4,088)
Designated Fund - Encouraging Greater Use of Sustainable Transport	5,740	(14,605)	(8,865)
	<u>135,514</u>	<u>(111,387)</u>	<u>24,127</u>
Restricted funds			
Encouraging the Prudent Use of Resources	461,234	(421,634)	39,600
Promoting Healthy Lifestyles	863,960	(363,623)	500,337
Encouraging Greater Use of Sustainable Transport	110,085	(158,854)	(48,769)
Contributing to Physical Environment Improvements	9,890	(20,799)	(10,909)
Education and Awareness Raising	45,677	(118,827)	(73,150)
	<u>1,490,846</u>	<u>(1,083,737)</u>	<u>407,109</u>
TOTAL FUNDS	<u><u>1,626,360</u></u>	<u><u>(1,195,124)</u></u>	<u><u>431,236</u></u>

Middlesbrough Environment City Trust
Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2025

19. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a contributory defined contribution pension scheme for all employees. The charge for the year amounted to £24,579 (2024: £23,890). The amount outstanding at 31 March 2025 was £2,782 (2024: £3,929).

20. RELATED PARTY DISCLOSURES

The charity provided funding to a project partner £19,339 (2024: £61,483) to 5 July 2024, with £Nil (2024: £1,980) included within creditors at the balance sheet date. J A Garside, a trustee of the charity to 5 July 2024, is the CEO of the above project partner, Tees Valley Wildlife Trust.

During the year the charity provided funding to a project partner £18,494 (2024: £19,582) to 5 July 2024, with £Nil (2024: £953) included within creditors at the balance sheet date. B Araia, a trustee of the charity, is also a Trustee of the above project partner, The Other Perspective CIC.

During the year the charity incurred expenditure amounting to £5,423, and received income amounting to £50,854 from Middlesbrough Borough Council an entity of which Trustee P Gavigan is an executive member. The amount due to the charity at the year end amounted to £48.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED

England & Wales - Charity number 1070131

Accounts

Charity registration number 1070131

Company registration number 03386853 (England and Wales)

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
CONTENTS

	Page
Trustees' report	1 - 9
Statement of trustees' responsibilities	10
Independent auditor's report	11 - 13
Statement of financial activities	14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17 - 36

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Cllr J Rostron
V Cunningham
L E Hammond
B Glover
K J McMonagle
J A Garside
R K Mills
S J Granger
Dr M Watson
A L Rigg
B Cooper
B T Araia
C Dodds
L Papprell
C Maughan
Mr T Grainge
Mr P Gavigan
C Maughan

(Appointed 6 July 2023)
(Appointed 25 March 2024)

Charity number

1070131

Company number

03386853

Registered office

Sandy Flatts Lane
Acklam
Middlesbrough
United Kingdom
TS5 7YN

Auditor

Azets Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
United Kingdom
TS22 5TB

Bankers

Co-operative Bank
PO Box 250
Skelmerdale
Lancashire
United Kingdom
WN8 6WT

Solicitors

Middlesbrough Council
PO Box 99A
Town Hall
Middlesbrough
United Kingdom
TS1 2QQ

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT)
FOR THE YEAR ENDED 31 MARCH 2024

The Trustees of Middlesbrough Environment City Trust Ltd (MEC) are pleased to present their annual report for the year ending 31st March 2024, together with the financial statements.

Charity Details

The following people were trustees of MEC during the year:

Cllr J Rostron
K J McMonagle
S J Granger
P Gavigan

V Cunningham
J A Garside
Dr M Watson
B T Araia

B Glover
R K Mills
A L Rigg
C Maughan

Registered Office:

Sandy Flatts Lane, Acklam, Middlesbrough, TS5 7TN

Auditors:

Azets Audit Services, Wynyard Park House, Wynyard Avenue,
Wynyard, Stockton-on-Tees, TS22 5TB

Bankers:

The Co-operative Bank plc, Customer Services, PO Box 250, Skelmersdale.
WN8 6WT

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)" (effective 1 January 2019).

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Objectives and activities

Purposes and Activities of MEC

MEC's charitable objects are to:

- (a) Advance the education of the public and promote public involvement in all matters concerning environmental sustainability in the borough of Middlesbrough and the wider Tees Valley area.
- (b) Preserve, protect and enhance the environment within the borough of Middlesbrough and the wider Tees Valley area.
- (c) Protect and enhance the health and well-being of people in the borough of Middlesbrough and the wider Tees Valley area in particular but not exclusively by providing information, advice and services regarding physical activity, dietary health and mental well-being.

Following a pandemic, cost of living crisis and the financial difficulties experienced by many local councils it is fair to say that we are emerging from a season of significant turbulence and entering a time of exciting transition. Turbulence, which can be a cause for discomfort and tension, is also often the bedfellow of transformation. It can challenge the hitherto 'received wisdom' opening doorways to new ideas, new approaches and to people and groups who are exploring new approaches to deliver the same or better benefits to the individuals and communities we serve.

In anticipation of beginning a period of transformation an interim CEO was appointed to begin this process and, importantly, to identify and appoint a permanent CEO with the vision, experience and determination to guide MEC and to see it prosper through this period of transition and transformation. This appointment has been made.

In a nutshell our current and future initiatives will continue with their focus on health, wellbeing and sustainability for individuals, communities, the environment and the economy in and beyond the Tees Valley. However, rather than following one of the older frameworks we realise that in the highly interconnected world in which we live the success of any element within our purpose is to an extent dependent upon each of the other aspects of our work. This requires a more dynamic understanding and approach to ensuring that the delivery of our objectives creates an impact resulting in positive and sustainable changes in our continually changing environment.

MEC has previously adopted the 'One Planet Living' approach and has, historically, overseen the implementation of One Planet Living in Middlesbrough. The period of transition in which we have found ourselves has prompted, perhaps even necessitated, plans to reframe our strategy into a more flexible approach to both understand the challenges we all face and how best to articulate possible solutions.

Although we are beginning the move away from a more rigid templated structure of 'One Planet Living' we remain fully committed to the underlying principles but feel they are better articulated through a more flexible 'ecosystem' approach which we will continue to develop over the next financial year.

The principles we remain committed to are:

- Engaging Communities in Climate Change and Encouraging More Prudent Use of Resources
- Promoting Healthier Lifestyles
- Encouraging Greater Use of Sustainable Transport
- Contributing to Physical Environmental Improvements
- Education and Awareness-raising

Perhaps the best way to illustrate the ways we have worked out these principles during the year are real life examples and pictures of 'projects in action'.

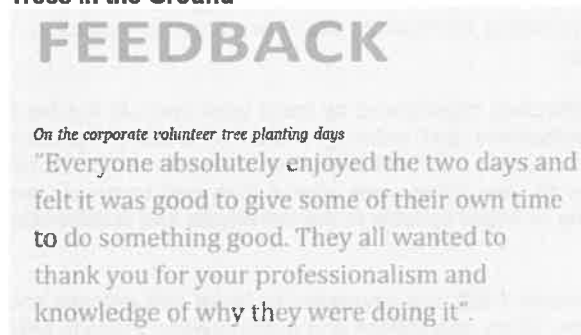
MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

MEC Activities and impact

MEC: Climate Action Middlesbrough

We doubled our output for engaging with young people and schools. Our Climate Action Clubs have been hugely popular, with schools on a waiting list to start. Our lessons and assemblies have helped arm young people with the knowledge they need to take the climate action message home to their families.

Trees in the Ground



We saw our output for tree planting increasing by the biggest number yet - almost 8000 trees in one quarter alone. Sites included schools, public land and nature reserves including RSPB Salthome and Blue Bell Beck.

Engaging with Business



Volunteers from Cummins, Barclays and Wates group joined us at green spaces across Middlesbrough to meet our season's aim to plant 5,000 trees in the ground, and to create natural habitat for wildlife and people. This year, we decided to plant a hedge along a busy road in central Middlesbrough which will create a wildlife corridor as well as a visual and sound barrier for people using the small greenspace, footpath and cycle path next to the road. The first day with Cummins resulted in a good start with 350 trees planted – 70 metres of hedge.

For the next event, Cummins asked if we could accommodate a larger group of over 20 volunteers. Since we had a long stretch still to plant along the road verge, we agreed to continue the planting of the hedge. At the end of the day, Cummins employees had planted another 1000 trees and extended the hedge to 470 metres!

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance

Hope Hack Event

We were invited to be the Environmental Facilitators at a Hope Collective/ Cleveland Police event which was designed to give young people the opportunity to voice their concerns about current issues and explore innovative solutions to these issues. The event was well attended with young people discussing the issues that were important to them in this arena, which they presented to the audience following much discussion.



Wear it, don't waste it

March saw our hugely successful campaign to reduce old clothing going to landfill; and provide free clothing to those in need.

Altogether, we supported over 200 people.

Community Action

We have seen a record number of community action across Middlesbrough, including allotment days, food training and workshops. CAM is collaborating with a new project, Communities Growing Together, to further the outcomes and impact for both.



MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024



The Middlesbrough Food Partnership (MFP) has continued its collaboration with key stakeholders and broadened its network to include more voluntary, community, and social enterprise (VCSE) organisations. We have been actively involved in several initiatives, including the Good Food Local North East pilot and Dynamic Food Procurement, and we secured a small grant from Thirteen to support food-based projects within the community.

In a significant collaborative effort, Teesside University, NHS Tees Esk and Wear Valley, and MEC worked together on an NIHR-funded project titled increasing accessibility of affordable healthy food to adults living with Severe Mental Illness in Middlesbrough - Responding to community needs: Exploring the eco-shop model as a means of addressing food insecurity which reached regional news.

Additionally, during this time, the MFP has been working towards achieving the Sustainable Food Places Gold Award. This process included submitting an application and hosting a two-day visit from the Sustainable Food Places team.

The new Sandy Flatts Community Garden, a space for locals to come and learn how to grow food, get exercise and socialize, has been developed from a boggy, weedy field in January to a productive shared allotment space.

Communities Growing Together



In 6 months we have had over 35 volunteers working with us, some are regulars who come most weeks and also attend the seasonal cookery training we run alongside the growing.

As well as the physical and mental health benefits, the project also helps ease social isolation and we are running an end of season social meal for the volunteers here at MEC in November.

One of our volunteer groups, Bridge Hill Day Service for adults with learning disabilities, sent this feedback:

'The groups really enjoyed being given the chance to help transform the plot. From seeing it on the first session, to the changes made on the 3rd, they were really impressed with what can be achieved in such a short amount of time.'

**MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**



During the year MEC supported the opening of 6 new Eco Shops in schools and community settings within the Tees Valley area taking the total of Eco Shops to 31. Our partnership with FareShare NE provided 122 kilos of surplus food to Eco Shops which otherwise would have gone to landfill. The number of Eco Shop visitors averaged over 1,235 per week which represents the provision of 9,880 meals per week.



We continued to work closely with funders to and together facilitated the purchase of fridge and freezers to Eco Shops enabling them to prolong the shelf life of stock and offer a greater choice of, and access, to affordable food. MEC worked with Teesside University to carry out a research project around the provision and use of social supermarkets that involved participation from over 200 young people.

Community Engagement

Here are a number of examples of various communities were involved in MEC programs:

Eco Shop cooking classes including a communal meal

Food self-sufficiency workshops

NHS Health Champions conference

Over 180 people participating in 'climate friendly' cookery sessions, using ingredients from our Eco Shops.

At the HeadStart Conference, hosted by Teesside University we ran workshops covering wellbeing, improving confidence, celebrating success, and the environment & energy saving.

Our achievements, through our partnerships, programs, projects and community engagement, evidence the successes and 'real life' impact of MEC as we strive to effectively and efficiently deliver benefits in line with our core objectives.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED

A COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Structure, Governance and Management

Governing Document

MEC is a company limited by guarantee governed by its Memorandum and Articles of Association incorporated 13th May 1997.

Appointment of Trustees

MEC is managed by a Board of Management made up of the directors of the charitable company and who are also its trustees for the purposes of charity law.

As set out in the Articles of Association, the Board of Management must consist of not less than three and a maximum number of 16. Trustees of the Board of Management are drawn from the public, private, academic, voluntary and community sectors of Middlesbrough.

Nominations for new members are made to the Board of Management for approval. There is an active recruitment process by the Trustees to encourage new members onto the Board of Management as vacancies arise.

Members of the Board of Management are subject to rotation. At the Annual General Meeting, one third of the Board members retire, these being the longest serving members. Retiring members are eligible for reappointment. The Board of Management has undertaken a skills audit to assess the strengths of the Board and identify skills needs. This will be used in the recruitment process for new members as well as informing future training for trustees.

A Director is appointed to manage the day-to-day operations of MEC. A management team comprising the Director, Senior Projects Officer, Partnership Liaison Officer and Finance Officer report to the Board of Management.

Related Parties

MEC delivers most of its objectives through partnership working with other voluntary organisations, government agencies, statutory bodies and Local Authorities. Of these, Middlesbrough Council nominates four representatives to the Board of Management. No other organisation currently appoints representatives to the Board of Management.

Middlesbrough Council seconds two core members of staff to MEC, namely the Director, Senior Projects Officer. The relationship between the Council and MEC is documented in a Memorandum of Understanding, which is negotiated each year between the two parties. When seconded, the staff act only in the interest of the charity.

Risk Management Strategy

The Trustees undertake a risk review on an annual basis as part of the business planning process. The information is used to develop a risk register which records the procedures and systems that MEC will implement to mitigate the risks that have been identified and to minimise the impact on the charity should the risks materialise.

Other significant areas of risk are identified in the Business Plan, continuing to deliver the aims and objectives of the Charity in the current period of austerity and at a time of increasing demand for the services of the charity; maintaining a diversity of income sources; increasing regulation; and dealing with the loss of key staff. MEC has developed a wide funding base which is not overdependent on one source of income; the Trustees see maintaining this broad base as a priority. Staff have a wide base of skills and extensive experience. Systems are in place to aid the retention of staff, including staff supervision and appraisal systems. The Trustees are also aware of those government policy areas that impact on the work of the organisation and monitor these.

Financial Risks and Fraud

Each year the Trustees undertake an assessment of financial risks as part of the overall Risk Management Strategy, which forms part of the annual business planning process. Particular attention is drawn to the risk of fraud. From the assessment, the principal risks are identified and appropriate measures introduced to reduce these risks.

Serious Incidents

In line with Charity Commission guidance, the Trustees will report any serious incidents both to the Charity Commission and in the Annual Report. There have been no serious incidents to report in the year 2023/24.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Financial review

Overall Performance

MEC continued to maintain a sound financial position during the year, with funding received from a variety of sources including grants and contracts. The charity benefited from the close working relationship with Middlesbrough Council, especially through the in-kind support provided by the seconded staff.

Results

The net surplus of funds for the year was £431,236, which constitutes £369,414 unspent but committed restricted funds and £61,822 of unrestricted funds. The Trustees propose that the balance of the net surplus be transferred to the reserves.

Investment Powers and Policy

The Trustees, noting the nature of the charity's project programme, which includes significant sums of grant paid in arrears, and the Financial Reserves Policy, have operated a policy of maintaining available funds in an interest-bearing deposit account with competitive levels of interest. In addition, some unrestricted funds were placed, during the year, in short-term investments funds yielding a higher return, with the interest reinvested into the charitable activities of the organisation.

Reserves Policy

MEC has in place a Reserves Policy, which forms part of its Financial Regulations. The Trustees review both the policy and the level of reserves annually. MEC will maintain sufficient unrestricted reserves to ensure the Charity can address the following potential outgoings:

- Sufficient funds to cover the running costs of the charity for a period of six months, assuming that all external sources of funding cease. This is considered sufficient time to access other external funding if this is available.
- Funds to cover all redundancy costs and notice periods either incurred as projects end or at the end of the six-month period.
- Funds to cover all other winding up costs of the charity at the end of the six-month period.
- A contingency against project overspends and short-term cash flow difficulties resulting, for example, from the payment of grants or other earned income in arrears.

The actual amount of free reserves required to meet these potential outgoings is calculated at the start of each financial year. In their most recent review, the Trustees concluded that the level of free reserve needed by MEC is £408,506. The current level of free reserves is £312,868.

Plans for future periods

MEC must still focus its attention on the longer term, and the more significant threat from the climate and ecological crises along with rising energy costs.

The Trustees are very aware of the challenges resulting from cuts in public expenditure, impacting directly on the operation of the Charity as well as significantly increasing demand for its services. They recognise the need for the expedient use of resources to be combined with an imaginative vision that seeks to find innovative ways to address the challenges of sustainable living in Middlesbrough and improving Quality of Life for the town's communities. They will remain vigilant in the management of resources in such challenging times.

MEC is already delivering cycling, walking and affordable warmth initiatives in the adjoining borough of Stockton-on-Tees, Redcar & Cleveland and Hartlepool. Further opportunities will be investigated for partnership working across the wider Tees Valley area.


The work of the Charity has been boosted through the inclusion of a partnership of local organisations, led by MEC, in the first tranche of projects supported by the National Lottery Community Fund Climate Action Programme. This initiative continues to support the engagement of communities, especially young people, in tackling climate change at a local level.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Management Committee.



S J Granger
Trustee

Date: 17/12/24

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2024

The management committee, who are also the directors of Middlesbrough Environment City Trust Limited 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 management committee 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 management committee 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The management committee 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT

TO THE MANAGEMENT COMMITTEE OF MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED

Opinion

We have audited the financial statements of Middlesbrough Environment City Trust Limited (the 'charity') for the year ended 31 March 2024 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 2024 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The management committee are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MANAGEMENT COMMITTEE OF MIDDLESBROUGH ENVIRONMENT CITY
TRUST LIMITED**

Responsibilities of management committee

As explained more fully in the statement of trustees' responsibilities, the management committee, 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 management committee 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 management committee 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 management committee either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MANAGEMENT COMMITTEE OF MIDDLESBROUGH ENVIRONMENT CITY
TRUST LIMITED**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services**

20/12/2024
.....

Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
United Kingdom
TS22 5TB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income from:							
Donations and legacies	3	108,291	-	108,291	144,664	-	144,664
Charitable activities	4	2,766	1,490,846	1,493,612	53,254	1,107,713	1,160,967
Investments	5	24,457	-	24,457	3,606	-	3,606
Total income		135,514	1,490,846	1,626,360	201,524	1,107,713	1,309,237
Expenditure on:							
Charitable activities	6	111,387	1,083,737	1,195,124	182,140	1,127,072	1,309,212
Net incoming resources before transfers		24,127	407,109	431,236	19,384	(19,359)	25
Gross transfers between funds		37,695	(37,695)	-	(77,800)	77,800	-
Net income for the year/ Net movement in funds		61,822	369,414	431,236	(58,416)	58,441	25
Fund balances at 1 April 2023		448,108	1,083,257	1,531,365	506,524	1,024,816	1,531,340
Fund balances at 31 March 2024		509,930	1,452,671	1,962,601	448,108	1,083,257	1,531,365

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.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
AS AT 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	11		40,555		34,027
Current assets					
Debtors	12	70,609		53,143	
Cash at bank and in hand		1,981,046		1,556,712	
		<u>2,051,655</u>		<u>1,609,855</u>	
Creditors: amounts falling due within one year	13	<u>(129,609)</u>		<u>(112,517)</u>	
Net current assets			<u>1,922,046</u>		<u>1,497,338</u>
Total assets less current liabilities			<u><u>1,962,601</u></u>		<u><u>1,531,365</u></u>
Income funds					
Restricted funds	15		1,452,671		1,083,257
<u>Unrestricted funds</u>					
Designated funds		210,720		69,762	
General unrestricted funds		<u>299,210</u>		<u>378,346</u>	
			<u>509,930</u>		<u>448,108</u>
			<u><u>1,962,601</u></u>		<u><u>1,531,365</u></u>


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 2024, although an audit has been carried out under section 144 of the Charities Act 2011.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.


The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, 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 Management Committee on 17/12/24



 B Glover
 Trustee



 S J Granger
 Trustee

Company registration number 03386853

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	19		414,197		54,663
Investing activities					
Purchase of tangible fixed assets		(14,320)		(28,095)	
Proceeds from disposal of tangible fixed assets		-		7,122	
Investment income received		24,457		3,606	
Net cash generated from/(used in) investing activities			10,137		(17,367)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			424,334		37,296
Cash and cash equivalents at beginning of year			1,556,712		1,519,416
Cash and cash equivalents at end of year			1,981,046		1,556,712

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED

A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Middlesbrough Environment City Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Sandy Flatts Lane, Acklam, Middlesbrough, TS5 7YN, United Kingdom.

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 2019). 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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the management committee have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the management committee 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 management committee in furtherance of their charitable objectives.

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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

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.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Direct charitable expenditure includes the direct costs of the activities and depreciation on related assets. Where such costs relate to more than one functional cost category, they have been split on an appropriate basis.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, 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:

Plant and equipment	10%-25% 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 the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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.

1.9 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors' and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

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.

Pension contributions in respect of defined contribution schemes are recognised as the contributions fall due. Two members of staff are members of a defined benefit scheme, however it is not possible to ascertain the scheme assets and liabilities attributable to the charity, therefore this has been accounted for on the same basis as the defined contribution scheme.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the management committee 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 2024	Unrestricted 2023
	£	£
Other Sundry Income	6,445	9,710
Middlesbrough Council - Salaries (Donation in Kind)	78,846	134,954
Middlesbrough Council - Rent (Donation in Kind)	6,000	-
Middlesbrough Council - Utilities (Donation in Kind)	17,000	-
	<u>108,291</u>	<u>144,664</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

4 Charitable activities

Summary

	Restricted	Unrestricted	Total 2024	Total 2023
	£	£	£	£
Income for Encouraging the Prudent Use of Resources	461,234	-	461,234	504,608
Income for Promoting Healthy Lifestyles	863,960	-	863,960	343,356
Income for Encouraging Greater Use of Sustainable Transport	110,085	5,740	115,825	171,721
Income for Contributing to Physical Environmental Improvements	9,890	-	9,890	33,873
Income for Education and Awareness Raising	45,677	(2,974)	42,703	107,409
	<u>1,490,846</u>	<u>2,766</u>	<u>1,493,612</u>	<u>1,160,967</u>
	Restricted	Unrestricted	Total 2023	
	£	£	£	
Income for Encouraging the Prudent Use of Resources	504,068	-	504,068	
Income for Promoting Healthy Lifestyles	343,356	-	343,356	
Income for Encouraging Greater Use of Sustainable Transport	132,091	39,630	171,721	
Income for Contributing to Physical Environmental Improvements	33,873	-	33,873	
Income for Education and Awareness Raising	93,785	13,624	107,409	
	<u>1,107,173</u>	<u>53,254</u>	<u>1,160,427</u>	

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

4 Charitable activities **(Continued)**

Income for Encouraging the Prudent Use of Resources

	Restricted	Unrestricted	Total	Total
	£	£	2024	2023
	£	£	£	£
Staying Put Eco Grant	-	-	-	540
Warm Homes	-	-	-	13,093
Redress	133,665	-	133,665	76,514
Climate Action Programme	327,569	-	327,569	404,461
Big Local Fuel Vouchers	-	-	-	10,000
	<u>461,234</u>	<u>-</u>	<u>461,234</u>	<u>504,608</u>

	Restricted	Unrestricted	Total
	£	£	2023
	£	£	£
Staying Put Echo Grant	540	-	540
Warm Homes	13,093	-	13,093
Redress	76,514	-	76,514
Climate Action Programme	404,461	-	404,461
Big Local Fuel Vouchers	10,000	-	10,000
	<u>504,068</u>	<u>-</u>	<u>504,608</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

4 Charitable activities

(Continued)

Income for Promoting Healthy Lifestyles

	Restricted	Unrestricted	Total	Total
			2024	2023
	£	£	£	£
Public Health (Lifestyle Choice)	114,322	-	114,322	114,255
Sustainable Food Cities	16,545	-	16,545	39,558
You've Got This	-	-	-	8,211
YGT Expenses	4,500	-	4,500	-
Boro Active Explorers	26,219	-	26,219	23,267
Tees Hub Eco Shop Online Dashboard	34,175	-	34,175	31,536
Rooted in Nature	20,729	-	20,729	39,734
Growing Active YGT	-	-	-	66,795
YGT Administrator	23,529	-	23,529	20,000
Project Kitchen	420	-	420	-
NIHR & SMI	27,256	-	27,256	-
Communities Growing Together	37,500	-	37,500	-
Tees Valley Heating on Prescription	558,765	-	558,765	-
	<u>863,960</u>	<u>-</u>	<u>863,960</u>	<u>343,356</u>

	Restricted	Unrestricted	Total
			2023
	£	£	
Public Health (Lifestyle Choice)	114,255	-	114,255
Sustainable Food Cities	39,558	-	39,558
You've Got This	8,211	-	8,211
Boro Active Explorers	23,267	-	23,267
Tees Hub Eco Shop Online Dashboard	31,536	-	31,536
Rooted in Nature	39,734	-	39,734
Growing Active YGT	66,795	-	66,795
YGT Administrator	20,000	-	20,000
	<u>343,356</u>	<u>-</u>	<u>343,356</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

4 Charitable activities

(Continued)

Income for Encouraging Greater Use of Sustainable Transport

	Restricted	Unrestricted	Total	Total
	£	£	2024	2023
	£	£	£	£
Department for Transport (Bikeability)	48,328	-	48,328	73,231
Local Sustainable Transport Fund (Bike Academy)	-	-	-	16,885
Stockton Pedestrian Training	-	280	280	6,030
Hartlepool Pedestrian Training	-	5,460	5,460	33,600
Shopmobility income	2,821	-	2,821	5,745
Hartlepool Bikeability	18,600	-	18,600	16,620
Stockton Bikeability	40,336	-	40,336	19,610
	<u>110,085</u>	<u>5,740</u>	<u>115,825</u>	<u>171,721</u>

	Restricted	Unrestricted	Total
	£	£	2023
	£	£	£
Department for Transport (Bikeability)	73,231	-	73,231
Local Sustainable Transport Fund (Bike Academy)	16,885	-	16,885
Stockton Pedestrian Training	-	6,030	6,030
Hartlepool Pedestrian Training	-	33,600	33,600
Shopmobility income	5,745	-	5,745
Hartlepool Bikeability	16,620	-	16,620
Stockton Bikeability	19,610	-	19,610
	<u>132,091</u>	<u>39,630</u>	<u>171,721</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

4 Charitable activities

(Continued)

Income for Contributing to Physical Environmental Improvements

	Restricted	Unrestricted	Total 2024	Total 2023
	£	£	£	£
Gardening Services	9,890	-	9,890	20,200
ESF Growing to Work	-	-	-	13,673
	<u>9,890</u>	<u>-</u>	<u>9,890</u>	<u>33,873</u>

	Restricted	Unrestricted	Total 2023
	£	£	
Gardening Services	20,200	-	20,200
ESF Growing to Work	13,673	-	13,673
	<u>33,873</u>	<u>-</u>	<u>33,873</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

4 Charitable activities

(Continued)

Income for Education and Awareness Raising

	Restricted	Unrestricted	Total	Total
	£	£	2024	2023
	£	£	£	£
Training income	-	(2,974)	(2,974)	13,624
Big Local Expenses	45,677	-	45,677	81,353
Jellystone Park Expenses	-	-	-	(3,172)
CommUNITY Actions	-	-	-	5,290
Kick Start Programme	-	-	-	10,314
	<u>45,677</u>	<u>(2,974)</u>	<u>42,703</u>	<u>107,409</u>

	Restricted	Unrestricted	Total
	£	£	2023
	£	£	
Training income	-	13,624	13,624
Big Local Expenses	81,353	-	81,353
Jellystone Park Expenses	(3,172)	-	(3,172)
CommUNITY Actions	5,290	-	5,290
Kick Start Programme	10,314	-	10,314
	<u>93,785</u>	<u>13,624</u>	<u>107,409</u>

5 Investments

	2024	2023
	£	£
Interest receivable	<u>24,457</u>	<u>3,606</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

6 Charitable activities

	Encouraging prudent use of resources	Promoting healthy lifestyles	Encouraging sustainable transport	Contributing to physical environment	Education, awareness raising	Governance	Total 2024	Total 2023
	£	£	£	£	£	£	£	£
Staff costs	143,106	279,962	133,330	19,037	31,069	72,675	679,179	671,659
Depreciation and impairment	850	-	-	370	3,835	2,737	7,792	3,684
Grants payable	-	25,030	-	-	41,282	-	66,312	8,372
Payments to partners	153,240	-	-	-	-	-	153,240	281,878
Other staff costs	3,753	4,995	2,690	135	614	995	13,182	14,761
Volunteer and trainee costs	6	92	-	-	-	-	98	5,589
Promotion and information	1,222	834	168	-	-	-	2,224	4,388
Consumables	6,124	8,311	2,787	106	11,399	1,099	29,826	40,639
Materials	128	72	-	-	835	68	1,103	15,408
Contractors	84,812	13,095	2,445	-	22,225	5,544	128,121	147,629
Other project costs	3,485	628	8,163	1,151	3,144	6,561	23,132	24,530
Project support costs	19,849	25,289	20,048	-	4,128	3,935	73,249	75,400
Accountancy fees	5,059	5,315	3,828	-	1,410	2,054	17,666	15,275
	<u>421,634</u>	<u>363,623</u>	<u>173,459</u>	<u>20,799</u>	<u>119,941</u>	<u>95,668</u>	<u>1,195,124</u>	<u>1,309,212</u>
Analysis by fund								
Unrestricted funds	-	-	14,605	-	1,114	95,668	111,387	
Restricted funds	<u>421,634</u>	<u>363,623</u>	<u>158,854</u>	<u>20,799</u>	<u>118,827</u>	<u>-</u>	<u>1,083,737</u>	
	<u>421,634</u>	<u>363,623</u>	<u>173,459</u>	<u>20,799</u>	<u>119,941</u>	<u>95,668</u>	<u>1,195,124</u>	

Included within accountancy fees is the audit fee totalling £10,750 (2023 - £9,050).

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

6 Charitable activities	(Continued)						
	Encouraging prudent use of resources	Promoting healthy lifestyles	Encouraging sustainable transport	Contributing to physical environment	Education, awareness raising	Governance	Total 2023
	£	£	£	£	£	£	£
Staff costs	122,516	192,627	101,362	28,226	96,308	130,620	671,659
Depreciation and impairment	850	-	475	370	1,473	516	3,684
Grants payable	-	1,330	-	-	7,042	-	8,372
Payments to partners	232,776	36,855	-	12,247	-	-	281,878
Other staff costs	2,738	6,098	3,078	95	1,978	774	14,761
Volunteer and trainee costs	30	28	-	5,501	-	30	5,589
Promotion and information	869	1,429	1,302	-	244	544	4,388
Consumables	12,058	7,138	953	1,760	16,960	1,770	40,639
Materials	575	6,842	442	625	5,664	1,260	15,408
Contractors	89,505	23,768	3,931	4,871	25,317	237	147,629
Other project costs	3,256	3,788	8,347	1,446	5,623	2,070	24,530
Project support costs	16,730	29,867	18,485	1,265	2,894	6,159	75,400
Accountancy fees	1,792	6,459	4,127	-	750	2,147	15,275
	<u>483,695</u>	<u>316,229</u>	<u>142,502</u>	<u>56,406</u>	<u>164,253</u>	<u>146,127</u>	<u>1,309,212</u>
Analysis by fund							
Unrestricted funds	-	-	27,227	-	8,786	146,127	182,140
Restricted funds	<u>483,695</u>	<u>316,229</u>	<u>115,275</u>	<u>56,406</u>	<u>155,467</u>	<u>-</u>	<u>1,127,072</u>
	<u>483,695</u>	<u>316,229</u>	<u>142,502</u>	<u>56,406</u>	<u>164,253</u>	<u>146,127</u>	<u>1,309,212</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

7 Grants payable

	2024	2023
	£	£
Grants to institutions:		
- Senior Over 50s Club	380	-
- Trinity Youth	-	2,542
- Trinity Centre	322	500
- Ecoshop set up	25,520	1,330
- North Ormesby School	-	3,000
- North Ormesby FC	500	500
- NORAC	-	500
- NO Hub	500	-
- Sue Green	100	-
- Janet Clancey	100	-
- North Ormesby Hub	38,890	-
	<u>66,312</u>	<u>8,372</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

7 Grants payable

(Continued)

Trinity Youth

Funding to support a parent and toddler group.

Trinity Centre

Funding for a a book club event.

Eco Shop

Funding provided to; Ubuntu Multicultural Centre, Streets Ahead, Park End Primary School, Marton Community Group, Corpus Christi Primary School, Berwick Hills Primary School, Whale Hill Primary School, Kader Academy, Unity City Academy, Coulby Newham, TV Together, Community First Support Network, Active Tees Valley, Gioneer Credit Union, Genesis Project, Tees Valley Womens Centre, Hemlington Hall, Health Village CIC, St Johns, Beech Grove, St Hildas, James Cook University Hospital and Beckon Hill to the set up of Eco Shops.

North Ormesby School

Funding to provide branded sweatshirts for pupils.

North Ormesby FC

Funding for new training equipment.

NORAC

Funding to purchase webcams and security pens.

NO Hub

To cover the cost of a messy play event.

Janet Clancey

Contribution to neighbourhood tidy up and plants.

Back Alley Makeover / S Green

To cover the cost of planters and compost.

Senior Over 50s Club

To provide banners and decorations for a community street party.

North Ormesby Hub

To install a new kitchen.

8 Management Committee

None of the management committee (or any persons connected with them) received any remuneration, expenses or benefits from the charity during the year.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
Seconded staff	2	3
Project staff	26	31
	<u>28</u>	<u>34</u>

Employment costs

	2024	2023
	£	£
Seconded staff (donation in kind)	78,846	135,400
Wages and salaries	544,442	495,553
Social security costs	32,001	22,514
Other pension costs	23,890	18,192
	<u>679,179</u>	<u>671,659</u>

There were no employees whose annual remuneration was £60,000 or more.

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

11 Tangible fixed assets

	Plant and equipment
	£
Cost	
At 1 April 2023	89,540
Additions	14,320
	<u>103,860</u>
At 31 March 2024	
Depreciation and impairment	
At 1 April 2023	55,513
Depreciation charged in the year	7,792
	<u>63,305</u>
At 31 March 2024	
Carrying amount	
At 31 March 2024	<u>40,555</u>
At 31 March 2023	<u>34,027</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

12 Debtors	2024	2023
Amounts falling due within one year:	£	£
Trade debtors	15,482	49,513
Prepayments and accrued income	55,127	3,630
	<u>70,609</u>	<u>53,143</u>

13 Creditors: amounts falling due within one year	2024	2023
Notes	£	£
Other taxation and social security	8,239	6,970
Deferred income	19,509	-
Trade creditors	18,961	7,527
Other creditors	57,715	49,606
Accruals	25,185	48,414
	<u>129,609</u>	<u>112,517</u>

14 Deferred income	2024	2023
	£	£
Other deferred income	19,509	-

The above relates to restricted grant income which has been received to contribute towards the costs of overheads for the following year.

Deferred income is included in the financial statements as follows:

	2024	2023
	£	£
Deferred income is included within:		
Current liabilities	19,509	-
Movements in the year:		
Deferred income at 1 April 2023	-	10,000
Released from previous periods	-	(10,000)
Resources deferred in the year	19,509	-
Deferred income at 31 March 2024	<u>19,509</u>	<u>-</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

15 Movement in 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 31 March 2024 £
	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	
Encouraging the Prudent Use of Resources	304,069	461,234	(421,634)	(39,937)	303,732
Promoting Healthy Lifestyles	474,677	863,960	(363,623)	9,167	984,181
Encouraging Greater Use of Sustainable Transport	190,399	110,085	(158,854)	1,761	143,391
Contributing to Physical Environmental Improvements	1,405	9,890	(20,799)	10,909	1,405
Education and Awareness Raising	112,707	45,677	(118,827)	(19,595)	19,962
Total Restricted Funds	1,083,257	1,490,846	(1,083,737)	(37,695)	1,452,671
Unrestricted funds					
General funds	237,389	132,748	(95,668)	38,399	312,868
Designated Funds:					
-Premises fund	-	-	-	-	-
-Education and Awareness Raising	82,849	(2,974)	(1,114)	70	78,831
-Encouraging Greater Use of Sustainable Transport	127,870	5,740	(14,605)	(774)	118,231
Total funds	1,531,365	1,626,360	(1,195,124)	-	1,962,601

The transfers between funds have arisen following a full review of fund balances by management at the year end.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

15 Movement in Funds

(Continued)

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 31 March 2023 £
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	
Encouraging the Prudent Use of Resources	264,864	504,608	(483,695)	18,292	304,069
Promoting Healthy Lifestyles	438,648	343,356	(316,229)	8,902	474,677
Encouraging Greater Use of Sustainable Transport	148,752	132,091	(115,276)	24,832	190,399
Contributing to Physical Environmental Improvements	6,161	33,873	(56,405)	17,776	1,405
Education and Awareness Raising	166,391	93,785	(155,467)	7,998	112,707
Total Restricted Funds	1,024,816	1,107,713	(1,127,072)	77,800	1,083,257
Unrestricted funds					
General funds	436,762	148,270	(146,127)	(201,516)	237,389
Designated Funds:					-
-Premises fund	-	-	-	-	-
-Education and Awareness Raising	18,301	13,624	(8,786)	59,710	82,849
-Encouraging Greater Use of Sustainable Transport	51,461	39,630	(27,227)	64,006	127,870
Total funds	1,531,340	1,309,237	(1,309,212)	-	1,531,365

16 Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total £
Fund balances at 31 March 2024 are represented by:			
Tangible assets	13,993	26,562	40,555
Current assets/(liabilities)	1,438,678	483,368	1,922,046
	1,452,671	509,930	1,962,601

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

16 Analysis of net assets between funds

(Continued)

	Restricted funds £	Unrestricted funds £	Total £
Fund balances at 31 March 2023 are represented by:			
Tangible assets	19,048	14,979	34,027
Current assets/(liabilities)	1,064,209	433,129	1,497,338
	<u>1,083,257</u>	<u>448,108</u>	<u>1,531,365</u>

17 Operating lease commitments

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

	2024 £	2023 £
Within one year	6,914	6,914
Between two and five years	26,286	27,200
In over five years	24,000	30,000
	<u>57,200</u>	<u>64,114</u>

18 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2024 £	2023 £
Aggregate compensation	168,946	189,943

Key management personnel includes £78,846 which relates to those seconded from Middlesbrough Council. Cost is recognised in line with the donation in kind as per the requirements of Statement of Recommended Practice for Charities.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

18 Related party transactions

(Continued)

Transactions with related parties

During the year the charity provided funding to a project partner totalling £61,483 (2023 - £79,096), with £1,980 (2023 - £16,546) included within creditors at the balance sheet date. A Trustee of the charity is the CEO of the above project partner, Tees Valley Wildlife Trust.

During the year the charity provided funding to a project partner totalling £19,582 (2023 - £29,682), with £953 (2023 - £6,283) included within creditors at the balance sheet date. A Trustee of the charity is also a Trustee of the above project partner, The Other Perspective CIC.

19 Cash generated from operations	2024	2023
	£	£
Surplus for the year	431,236	25
Adjustments for:		
Investment income recognised in statement of financial activities	(24,457)	(3,606)
Depreciation and impairment of tangible fixed assets	7,792	3,684
Movements in working capital:		
(Increase)/decrease in debtors	(17,466)	70,208
(Decrease) in creditors	(2,417)	(5,648)
Increase/(decrease) in deferred income	19,509	(10,000)
Cash generated from operations	414,197	54,663
20 Analysis of changes in net funds		
The charity had no debt during the year.		

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED

England & Wales - Charity number 1070131

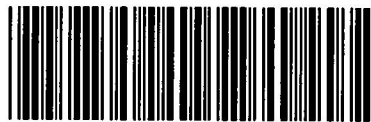
Accounts

Charity registration number 1070131

Company registration number 03386853 (England and Wales)

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
CONTENTS

	Page
Trustees' report	1 - 9
Statement of trustees' responsibilities	10
Independent auditor's report	11 - 13
Statement of financial activities	14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17 - 38

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees of Middlesbrough Environment City Trust Ltd (MEC) are pleased to present their annual report detailing the charity's achievements during the year ending 31st March 2023, together with the financial statements.

Charity Details

The following people were trustees of MEC during the year:

Cllr Julia Rostron	Lynne Hammond	Joe McMonagle	Jeremy Garside
Val Cunningham	Samantha Granger	Russell Mills	Brian Glover
Matt Watson	Lesley Rigg	Bini Araia	Cllr Barrie Cooper
Cllr Carolyn Dodds	(December 2022)		
Catherine Maughan	(January 2023)		
Laurissa Pappill	(February 2023)		

Cllr Ron Arundale	(Resigned November 2022)
Keith Lewis	(Resigned December 2022)

Director: Brian Simpson from 1st May 2021

Registered Company Number: 3386853
Registered Charity Number: 1070131

Registered Office: Sandy Flatts Lane, Acklam, Middlesbrough, TS5 7TN

Auditors: Azets Audit Services, Wynyard Park House, Wynyard Avenue,
Wynyard, Stockton-on-Tees, TS22 5TB

Bankers: The Co-operative Bank plc, Customer Services, PO Box 250, Skelmersdale.
WN8 6WT

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)" (effective 1 January 2019).

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities

Purposes and Activities of MEC

MEC's charitable objects are to:

(a) Advance the education of the public and promote public involvement in all matters concerning environmental sustainability in the borough of Middlesbrough and the wider Tees Valley area.

(b) Preserve, protect and enhance the environment within the borough of Middlesbrough and the wider Tees Valley area.

(c) Protect and enhance the health and well-being of people in the borough of Middlesbrough and the wider Tees Valley area in particular but not exclusively by providing information, advice and services regarding physical activity, dietary health and mental well-being.

MEC uses the One Planet Living approach to sustainable living. Middlesbrough Council has adopted a Green Strategy based on the One Planet Living model, developed by international charity BioRegional, as a simple means of describing sustainable living in ten easy to understand principles. If everyone on Earth consumed resources at the same rate as people in the UK, three planets would be needed to sustain everyone. There is a need to reduce the consumption of resources to a level that can be sustained by one planet, whilst also improving peoples Quality of Life. The model demonstrates the economic and social benefits of sustainable living.

MEC oversees the implementation of One Planet Living in Middlesbrough amongst local communities, adding significant value to the approach within Middlesbrough Council and its public services.

MEC's work is divided into five themes:

Theme 1 Engaging Communities in Climate Change and Encouraging More Prudent Use of Resources

Climate and ecological emergencies are still the greatest challenges facing us locally, nationally and globally, including risks to public health, social cohesion and the economy. The climate emergency still commands a high public profile from flooding in Pakistan and the US to wildfires in Spain and Portugal, the summer of 2022 has seen one climate disaster after another. MEC continues to engage and enable communities to both adapt to climate change and help reduce further impacts.

Reducing the use of the planet's resources is at the heart of tackling climate change and achieving One Planet Living. MEC delivers projects aimed at reducing energy consumption, deriving energy from sustainable sources, supporting recycling, allotments and composting. These activities provide excellent opportunities for residents to save money and improve their well-being through healthy eating and energy efficiency measures.

Theme 2 Promoting Healthier Lifestyles

MEC is proactive in tackling health inequalities in Middlesbrough to improve Quality of Life and encourage sustainable living, working closely with Public Health South Tees. There is a strong link between this theme and theme 3 below, through encouraging walking and cycling activity. MEC is involved in projects that improve access to healthy exercise for all, encourage food growing and promote healthy eating.

Theme 3 Encouraging Greater Use of Sustainable Transport

The delivery of Bikeability cycle training in schools and workplaces throughout the Tees Valley is at the heart of the safe cycling training programme, which is complemented with cycle maintenance training with young people's groups, unemployed people, community organisations and people with special needs. All MEC Cycle Trainers have the new 1st4sport qualification and the cycle mechanics are Cytec trained.

Theme 4 Contributing to Physical Environmental Improvements

MEC focuses on supporting other partners to deliver environmental improvements. The Charity has, in recent years, also delivered a range of small community-led improvement schemes, biodiversity and heritage projects. Through the "You've Got This" programme MEC are working with many groups in the South Tees Area especially North Ormesby, South Bank and Grangetown.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Theme 5 Education and Awareness-raising

The final theme supports the others and underpins community engagement in the One Planet Living programme. Activities include coordinating Middlesbrough's Fairtrade programme, delivery of Forest Schools and participating in major cultural events.

The "Green Hub" based in Middlesbrough bus station actively encourages residents to visit for information on sustainability, healthy living, eco shops, affordable warmth and includes the delivery of the Shopmobility service.

The Charity's base on the Nature's World site with a long-term lease and an area of land attached to the premises is greatly increasing the opportunities for the organisation and its partners to deliver land-based educational activities that promote sustainable living. There are now two CIC's on-site Barefoot Kitchen and The Flower Patch.

Achievements During the Year – Bringing Public Benefit

Theme 1 Engaging Communities in Climate Change and Encouraging More Prudent Use of Resources

MEC has been a key partner supporting the development of Middlesbrough's Green Strategy, participating in the core strategic group and the Health & Happiness theme-based working group. A partnership of local organisations led by MEC and including Tees Valley Wildlife Trust, The Linx Project, Actes, The Other Perspective, Thirteen and Middlesbrough Council, has been supported through the first round of the National Lottery Community Fund Climate Action Programme. This invaluable support has enabled the partnership to take a whole system approach to community engagement in tackling climate change, maximizing community leadership in both decision-making and action on climate change locally.

MEC continued to chair and support the South Tees Affordable Warmth Partnership as well as delivering a wide range of initiatives to alleviate the injustice of fuel poverty. The South Tees Affordable Warmth Partnership works across both Middlesbrough and Redcar & Cleveland, implementing the Affordable Warmth Action Plan. This includes improving the energy efficiency of homes, increasing household income and helping residents to reduce their energy bills through behavior change.

The role of the Partnership and the work of MEC in tackling fuel poverty took on additional relevance this year as the cost of energy rose and will significantly increase in future years.

MEC provided advice to households on home energy efficiency, including through a dedicated affordable warmth freephone number. This has created a single point of access hub for affordable warmth support as recommended by the National Institute for Health and Care Excellence.

Further work was undertaken to maintain and update the UNO database held by MEC. This provides valuable data on the energy efficiency of properties in Middlesbrough, helping to target support to the most vulnerable people and the homes with the greatest need. We work closely with Middlesbrough Council and their housing stock departments to keep this information up to date and to ensure the best approach when engaging different households in the Middlesbrough area.

This year the Affordable Warmth team attended 26 community events, giving advice, free lightbulbs and MEC thermometer info cards, supported 1,286 family homes with £49 fuel vouchers in Middlesbrough and supported 679 single households with £28 fuel vouchers in Middlesbrough.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Theme 2 Promoting Healthier Lifestyles

The promotion of healthy living is a significant area of MEC's work, with a close association with cycling and walking under Theme 3 and affordable warmth under Theme 1. This work has received significant support through Public Health South Tees, which has enabled a substantial programme to continue, supporting our most disadvantaged communities and tackling health inequalities.

MEC continued to coordinate the Middlesbrough Food Action Plan delivered through the Food Partnership and with financial support from Sustainable Food Places. The Sustainable Food Places Silver Award was achieved and Middlesbrough is now working towards Gold, with an action plan in place. MEC also supported the Food Power Alliance in Middlesbrough, implementing an action plan to address food insecurity. The plan covers the main areas of redistribution of surplus food, holiday hunger, maximising income and linking with affordable warmth.

The work of the Food Power Alliance remains significantly important in supporting Middlesbrough's residents' access to affordable and healthy food as they recover from the pandemic. MEC and its partners continue to develop the Eco Shop model with Fareshare Northeast (who collect and distribute food from the supply chain). Eco Shops are volunteer run facilities in schools and community venues that help tackle food waste through making surplus food available at an affordable price to communities that would otherwise have gone to landfill, 115 ton was diverted by Fairshare Northeast this year. There are currently 30 Eco Shops in the Middlesbrough area averaging 1363 customers per week with the food distribution equaling 10,900 meals per week.

A focus this year has been to establish a Tees Food Hub – a surplus redistribution centre in Middlesbrough, in partnership with FareShare NE. This will greatly increase the capacity for food deliveries locally, allowing the expansion of Eco Shops, as well as supporting other emergency food provision. The Food Hub lease was completed in December 2022 with food deliveries starting in April 2023. This will have a positive impact on the carbon footprint as the food will be coming from a central point for groups receiving deliveries Tees wide. Vans will be making much shorter deliveries (currently coming from Newcastle) and will increase capacity for new organisations to receive surplus food.

The You've Got This programme continued throughout the year, funded by Sport England and with Redcar & Cleveland Council as lead organisation. This innovative initiative, part of the national Local Delivery Pilot programme, is testing ways of engaging with inactive people, supporting them to become more active in both Middlesbrough and Redcar & Cleveland. Boro Active Explorers and Growing Active is funded through this Programme discussed under Theme 5.

Theme 3 Encouraging Greater Use of Sustainable Transport

MEC has been involved in cycling activities in the Tees Valley and especially Middlesbrough for around 20 years. Cycle maintenance sessions are held free of charge to help keep cycles in a road worthy condition for cyclists. The Green Hub promotes cycling with information and maps detailing cycle routes in the Tees Valley.

MEC deliver Bikeability Level 1 and Level 2 to primary schools in Middlesbrough, Stockton & Hartlepool, Bikeability encourages safe cycling and is a skill for life. The trainers also provide pedestrian training encouraging safe walking to school.

MEC this year purchased its second electric vehicle and updated the policy that all replacement vehicles will be electric.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Financial review

Overall Performance

MEC continued to maintain a sound financial position during the year, with funding received from a variety of sources including grants and contracts. The charity continued to benefit from the close working relationship with Middlesbrough Council, especially through the in-kind support provided by the seconded staff.

Results

The net surplus of funds for the year was £25, which constitutes a deficit of £19,359 unspent but committed restricted funds and £19,384 of unrestricted funds. The Trustees propose that the balance of the net surplus be transferred to the reserves.

Investment Powers and Policy

The Trustees, noting the nature of the charity's project programme, which includes significant sums of grant paid in arrears, and the Financial Reserves Policy, have operated a policy of maintaining available funds in an interest-bearing deposit account with competitive levels of interest. In addition, some unrestricted funds were placed, during the year, in short-term investments funds yielding a higher return, with the interest reinvested into the charitable activities of the organisation.

Reserves Policy

MEC has in place a Reserves Policy, which forms part of its Financial Regulations. The Trustees review both the policy and the level of reserves annually. MEC will maintain sufficient unrestricted reserves to ensure the Charity can address the following potential outgoings:

- Sufficient funds to cover the running costs of the charity for a period of six months, assuming that all external sources of funding cease. This is considered sufficient time to access other external funding if this is available.
- Funds to cover all redundancy costs and notice periods either incurred as projects end or at the end of the six-month period.
- Funds to cover all other winding up costs of the charity at the end of the six-month period.
- A contingency against project overspends and short-term cash flow difficulties resulting, for example, from the payment of grants or other earned income in arrears.

The actual amount of free reserves required to meet these potential outgoings is calculated at the start of each financial year. In their most recent review, the Trustees concluded that the level of free reserve needed by MEC is £408,506. The current level of free reserves is £237,388.

Plans for Future Periods

MEC must still focus its attention on the longer term, and the more significant threat from the climate and ecological crises along with rising energy costs.

The Trustees are very aware of the challenges resulting from cuts in public expenditure, impacting directly on the operation of the Charity as well as significantly increasing demand for its services. They recognise the need for the expedient use of resources to be combined with an imaginative vision that seeks to find innovative ways to address the challenges of sustainable living in Middlesbrough and improving Quality of Life for the town's communities. They will remain vigilant in the management of resources in such challenging times.

MEC is already delivering cycling, walking and affordable warmth initiatives in the adjoining borough of Stockton-on-Tees, Redcar & Cleveland and Hartlepool. Further opportunities will be investigated for partnership working across the wider Tees Valley area.

MEC is already delivering cycling, walking and affordable warmth initiatives in the adjoining borough of Stockton-on-Tees, Redcar & Cleveland and Hartlepool. Further opportunities will be investigated for partnership working across the wider Tees Valley area.

The work of the Charity has been boosted through the inclusion of a partnership of local organisations, led by MEC, in the first tranche of projects supported by the National Lottery Community Fund Climate Action Programme. This initiative will support the engagement of communities, especially young people, in tackling climate change at a local level, linking closely with Middlesbrough's new Green Strategy.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management

Governing Document

MEC is a company limited by guarantee governed by its Memorandum and Articles of Association incorporated 13th May 1997.

Cllr J Rostron
V Cunningham
L E Hammond
B Glover
K J McMonagle

(Resigned 9 December 2022)

J A Garside
R K Mills
S J Granger
Dr M Watson

(Resigned 9 December 2022)

R Arundale
A L Rigg
B Cooper
B T Araia
C Dodds
L Papprell
C Maughan

(Appointed 9 January 2023)

(Appointed 27 February 2023)

(Appointed 13 January 2023)

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Appointment of Trustees

MEC is managed by a Board of Management made up of the directors of the charitable company and who are also its trustees for the purposes of charity law.

As set out in the Articles of Association, the Board of Management must consist of not less than three. There is no maximum number of members on the Board of Management. Trustees of the Board of Management are drawn from the public, private, academic, voluntary and community sectors.

Nominations for new members are made to the Board of Management for approval. There is an active recruitment process by the Trustees to encourage new members onto the Board of Management as vacancies arise.

Members of the Board of Management are subject to rotation. At the Annual General Meeting, one third of the Board members retire, these being the longest serving members. Retiring members are eligible for reappointment. The Board of Management has undertaken a skills audit to assess the strengths of the Board and identify skills needs. This will be used in the recruitment process for new members as well as informing future training for trustees.

Trustee Induction and Training

New Trustees undertake an induction to brief them on their legal obligations under charity and company law and the management and operation of MEC. A thorough induction pack is provided and includes items such as the governing document, key policies and procedures, Board of Management meeting minutes and audited accounts. New Trustees undertake their induction at MEC's premises, providing an opportunity to meet employees and discuss projects and activities.

MEC encourages further training for Trustees, either internally or through external providers, where this helps them to undertake their role. In addition, relevant updates on matters such as charity law are provided at quarterly Trustees' meetings and through circulation of the Charity Commission's newsletter "Charity Commission News".

Organisation

The Trustees administer MEC. The Board of Management meets four times each year. In addition, the Honorary Officers meet on a further four occasions during the year to discuss the work of the organisation. Sub-groups are convened to deal with specific issues arising in the work of the organisation.

A Director is appointed to manage the day-to-day operations of MEC. A management team comprising the Director, Senior Projects Officers, Partnership Liaison Officer and Finance Officer report to the Board of Management.

Related Parties

MEC delivers most of its objectives through partnership working with other voluntary organisations, government agencies, statutory bodies and Local Authorities. Of these, Middlesbrough Council nominates four representatives to the Board of Management. No other organisation currently appoints representatives to the Board of Management.

Middlesbrough Council seconds three core members of staff to MEC, namely the Director, Senior Projects Officer and Partnership Liaison Officer, there will only be two from 1st April 2023. The relationship between the Council and MEC is documented in a Memorandum of Understanding, which is negotiated each year between the two parties. When seconded, the staff act only in the interest of the charity.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Risk Management Strategy

The Trustees undertake a risk review on an annual basis as part of the business planning process. The information is used to develop a risk register which records the procedures and systems that MEC will implement to mitigate the risks that have been identified and to minimise the impact on the charity should the risks materialise.

Other significant areas of risk are identified in the Business Plan, continuing to deliver the aims and objectives of the Charity in the current period of austerity and at a time of increasing demand for the services of the charity; maintaining a diversity of income sources; increasing regulation; and dealing with the loss of key staff. MEC has developed a wide funding base which is not overdependent on one source of income; the Trustees see maintaining this broad base as a priority. Staff have a wide base of skills and extensive experience. Systems are in place to aid the retention of staff, including staff supervision and appraisal systems. The Trustees are also aware of those government policy areas that impact on the work of the organisation and monitor these.

Financial Risks and Fraud

Each year the Trustees undertake an assessment of financial risks as part of the overall Risk Management Strategy, which forms part of the annual business planning process. Particular attention is drawn to the risk of fraud. From the assessment, the principal risks are identified and appropriate measures introduced to reduce these risks.

Serious Incidents

In line with Charity Commission guidance, the Trustees will report any serious incidents both to the Charity Commission and in the Annual Report. There have been no serious incidents to report in the year 2022/23.

Disclosure of information to auditor

Each of the management committee has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Management Committee.



Cllr J Rostron
Trustee
Dated: 11/12/23



B Glover
Trustee
Dated: 11/12/23

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2023

The management committee, who are also the directors of Middlesbrough Environment City Trust Limited 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 management committee 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 management committee are required to:

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

The management committee 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT

TO THE MANAGEMENT COMMITTEE OF MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED

Opinion

We have audited the financial statements of Middlesbrough Environment City Trust Limited (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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The management committee are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MANAGEMENT COMMITTEE OF MIDDLESBROUGH ENVIRONMENT CITY
TRUST LIMITED**

Responsibilities of management committee

As explained more fully in the statement of trustees' responsibilities, the management committee, 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 management committee 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 management committee 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 management committee either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MANAGEMENT COMMITTEE OF MIDDLESBROUGH ENVIRONMENT CITY
TRUST LIMITED**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

11/12/2023
.....

Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
United Kingdom
TS22 5TB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
<u>Income and endowments from:</u>					
Donations and legacies	3	144,664	-	144,664	141,710
Charitable activities	4	53,254	1,107,713	1,160,967	1,316,003
Investments	5	3,606	-	3,606	1,414
Other income	6	-	-	-	1,187
Total income		201,524	1,107,713	1,309,237	1,460,314
<u>Expenditure on:</u>					
Charitable activities	7	182,140	1,127,072	1,309,212	1,395,962
Net incoming/(outgoing) resources before transfers		19,384	(19,359)	25	64,352
Gross transfers between funds		(77,800)	77,800	-	-
Net (expenditure)/income for the year/ Net movement in funds		(58,416)	58,441	25	64,352
Fund balances at 1 April 2022		506,524	1,024,816	1,531,340	1,466,988
Fund balances at 31 March 2023		448,108	1,083,257	1,531,365	1,531,340

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.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	12		34,027		16,739
Current assets					
Debtors	13	53,143		123,351	
Cash at bank and in hand		1,556,712		1,519,416	
		<u>1,609,855</u>		<u>1,642,767</u>	
Creditors: amounts falling due within one year	14	<u>(112,517)</u>		<u>(128,166)</u>	
Net current assets			1,497,338		1,514,601
Total assets less current liabilities			<u>1,531,365</u>		<u>1,531,340</u>
Income funds					
Restricted funds	16		1,083,257		1,024,816
<u>Unrestricted funds</u>					
Designated funds		210,720		69,762	
General unrestricted funds		<u>237,388</u>		<u>436,762</u>	
			448,108		506,524
			<u>1,531,365</u>		<u>1,531,340</u>

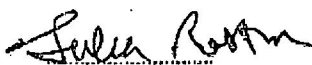
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

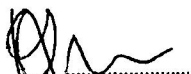
The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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 Management Committee on 11 December 2023



Cllr J Rostron
Trustee



B Glover
Trustee

Company registration number 03386853

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	20		54,663		130,912
Investing activities					
Purchase of tangible fixed assets		(28,095)		(19,399)	
Proceeds from disposal of tangible fixed assets		7,122		-	
Investment income received		3,606		1,414	
Net cash used in investing activities			(17,367)		(17,985)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			37,296		112,927
Cash and cash equivalents at beginning of year			1,519,416		1,406,489
Cash and cash equivalents at end of year			<u>1,556,712</u>		<u>1,519,416</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Middlesbrough Environment City Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Sandy Flatts Lane, Acklam, Middlesbrough, TS5 7YN, United Kingdom.

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 2019). 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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the management committee have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the management committee 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 management committee in furtherance of their charitable objectives.

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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

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.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Direct charitable expenditure includes the direct costs of the activities and depreciation on related assets. Where such costs relate to more than one functional cost category, they have been split on an appropriate basis.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, 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:

Plant and equipment	25% 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 the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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.

1.9 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

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.

Pension contributions in respect of defined contribution schemes are recognised as the contributions fall due. Two members of staff are members of a defined benefit scheme, however it is not possible to ascertain the scheme assets and liabilities attributable to the charity, therefore this has been accounted for on the same basis as the defined contribution scheme.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
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 management committee 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 2023	Unrestricted 2022
	£	£
Other Sundry Income	9,264	9,710
Middlesbrough Council - Salaries (Donation in Kind)	135,400	132,000
	<u>144,664</u>	<u>141,710</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

Summary

	Restricted	Unrestricted	Total	Total
	£	£	2023	2022
	£	£	£	£
Income for Encouraging the Prudent Use of Resources	504,608	-	504,608	443,172
Income for Promoting Healthy Lifestyles	343,356	-	343,356	252,860
Income for Encouraging Greater Use of Sustainable Transport	132,091	39,630	171,721	175,136
Income for Contributing to Physical Environmental Improvements	33,873	-	33,873	91,990
Income for Education and Awareness Raising	93,785	13,624	107,409	352,845
	<u>1,107,713</u>	<u>53,254</u>	<u>1,160,967</u>	<u>1,316,003</u>
	<u>1,107,713</u>	<u>53,254</u>	<u>1,160,967</u>	<u>1,316,003</u>
	Restricted	Unrestricted	Total	
	£	£	2022	
	£	£	£	
Income for Encouraging the Prudent Use of Resources	443,172	-	443,172	
Income for Promoting Healthy Lifestyles	252,860	-	252,860	
Income for Encouraging Greater Use of Sustainable Transport	114,326	60,810	175,136	
Income for Contributing to Physical Environmental Improvements	91,990	-	91,990	
Income for Education and Awareness Raising	339,119	13,726	352,845	
	<u>1,241,467</u>	<u>74,536</u>	<u>1,316,003</u>	
	<u>1,241,467</u>	<u>74,536</u>	<u>1,316,003</u>	

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

(Continued)

Income for Encouraging the Prudent Use of Resources

	Restricted	Unrestricted	Total	Total
	2023	2022	2023	2022
	£	£	£	£
BEIS (Big Energy Saving Network)	-	-	-	6,491
Staying Put Eco Grant	540	-	540	-
Middlesbrough Council (Fuel Vouchers)	-	-	-	31,601
Warm Homes	13,093	-	13,093	39,353
Redress	76,514	-	76,514	106,374
Climate Action Programme	404,461	-	404,461	259,353
Big Local Fuel Vouchers	10,000	-	10,000	-
	<u>504,608</u>	<u>-</u>	<u>504,608</u>	<u>443,172</u>

	Restricted	Unrestricted	Total
	2022	2022	2022
	£	£	£
BEIS (Big Energy Saving Network)	6,491	-	6,491
Middlesbrough Council (Fuel Vouchers)	31,601	-	31,601
Warm Homes	39,353	-	39,353
Redress	106,374	-	106,374
Climate Action Programme	259,353	-	259,353
	<u>443,172</u>	<u>-</u>	<u>443,172</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

(Continued)

Income for Promoting Healthy Lifestyles

	Restricted	Unrestricted	Total	Total
	2023	2023	2023	2022
	£	£	£	£
You've Got This (Type 2 Diabetes)	-	-	-	55,000
Public Health (Lifestyle Choice)	114,255	-	114,255	118,943
Sustainable Food Cities	39,558	-	39,558	21,958
Roots and Branches	-	-	-	-
You've Got This	8,211	-	8,211	(13,759)
Ageing Better Middlesbrough (Food and Friendship)	-	-	-	-
YGT Expenses	-	-	-	2,000
Grow your own at Home	-	-	-	-
FIG Slowcooking	-	-	-	-
Boro Active Explorers	23,267	-	23,267	22,851
Virtual Eco Shops	-	-	-	2,106
Food Emergency Grants	-	-	-	-
Tees Hub Eco Shop Online Dashboard	31,536	-	31,536	24,756
Rooted in Nature	39,734	-	39,734	19,005
Growing Active YGT	66,795	-	66,795	-
YGT Administrator	20,000	-	20,000	-
	<u>343,356</u>	<u>-</u>	<u>343,356</u>	<u>252,860</u>

	Restricted	Unrestricted	Total
	2022	2022	2022
	£	£	£
You've Got This (Type 2 Diabetes)	55,000	-	55,000
Public Health (Lifestyle Choice)	118,943	-	118,943
Sustainable Food Cities	21,958	-	21,958
Roots and Branches	-	-	-
You've Got This	(13,759)	-	(13,759)
Ageing Better Middlesbrough (Food and Friendship)	-	-	-
YGT Expenses	2,000	-	2,000
Grow your own at Home	-	-	-
FIG Slowcooking	-	-	-
Boro Active Explorers	22,851	-	22,851
Virtual Eco Shops	2,106	-	2,106
Food Emergency Grants	-	-	-
Tees Hub Eco Shop Online Dashboard	24,756	-	24,756
Rooted in Nature	19,005	-	19,005
	<u>252,860</u>	<u>-</u>	<u>252,860</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

(Continued)

Income for Encouraging Greater Use of Sustainable Transport

	Restricted	Unrestricted	Total 2023	Total 2022
	£	£	£	£
Department for Transport (Bikeability)	73,231	-	73,231	81,147
Local Sustainable Transport Fund (Bike Academy)	16,885	-	16,885	28,871
Stockton Pedestrian Training	-	6,030	6,030	28,380
Hartlepool Pedestrian Training	-	33,600	33,600	32,430
Local Sustainable Transport Fund (Redcar)	-	-	-	-
Shopmobility income	5,745	-	5,745	4,058
Dr Bike Service	-	-	-	250
Hartlepool Bikeability	16,620	-	16,620	-
Stockton Bikeability	19,610	-	19,610	-
	<u>132,091</u>	<u>39,630</u>	<u>171,721</u>	<u>175,136</u>

	Restricted	Unrestricted	Total 2022
	£	£	£
Department for Transport (Bikeability)	81,147	-	81,147
Local Sustainable Transport Fund (Bike Academy)	28,871	-	28,871
Stockton Pedestrian Training	-	28,380	28,380
Hartlepool Pedestrian Training	-	32,430	32,430
Local Sustainable Transport Fund (Redcar)	-	-	-
Shopmobility income	4,058	-	4,058
Dr Bike Service	250	-	250
	<u>114,326</u>	<u>60,810</u>	<u>175,136</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

(Continued)

Income for Contributing to Physical Environmental Improvements

	Restricted	Unrestricted	Total	Total
			2023	2022
	£	£	£	£
Gardening Services	20,200	-	20,200	17,516
Green Shoots	-	-	-	68,080
ESF Growing to Work	13,673	-	13,673	6,394
	<u>33,873</u>	<u>-</u>	<u>33,873</u>	<u>91,990</u>

	Restricted	Unrestricted	Total
			2022
	£	£	
Gardening Services	17,516	-	17,516
Green Shoots	68,080	-	68,080
ESF Growing to Work	6,394	-	6,394
	<u>91,990</u>	<u>-</u>	<u>91,990</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

(Continued)

Income for Education and Awareness Raising

	Restricted	Unrestricted	Total	Total
	£	£	2023	2022
	£	£	£	£
National Lottery Community Fund (One Planet Pioneers)	-	-	-	-
Training income	-	13,624	13,624	13,726
OPP Income	-	-	-	58,146
Nutritional Standards (UNICEF)	-	-	-	-
Big Local Expenses	81,353	-	81,353	91,353
Jellystone Park Expenses	(3,172)	-	(3,172)	3,172
CommUNITY Actions	5,290	-	5,290	73,693
Kick Start Programme	10,314	-	10,314	112,755
	<u>93,785</u>	<u>13,624</u>	<u>107,409</u>	<u>352,845</u>

	Restricted	Unrestricted	Total
	£	£	2022
	£	£	
National Lottery Community Fund (One Planet Pioneers)	-	-	-
Training income	-	13,726	13,726
OPP Income	58,146	-	58,146
Nutritional Standards (UNICEF)	-	-	-
Big Local Expenses	91,353	-	91,353
Jellystone Park Expenses	3,172	-	3,172
CommUNITY Actions	73,693	-	73,693
Kick Start Programme	112,755	-	112,755
	<u>339,119</u>	<u>13,726</u>	<u>352,845</u>

5 Investments

	2023	2022
	£	£
Interest receivable	<u>3,606</u>	<u>1,414</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

6 Other income

	Total Unrestricted funds	
	2023	2022
	£	£
Coronavirus Job Retention Scheme	-	1,187
	<u> </u>	<u> </u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

7 Charitable activities

	Encouraging prudent use of resources	Promoting healthy lifestyles	Encouraging sustainable transport	Contributing to physical environment	Education, awareness raising	Governance	Total 2023	Total 2022
	£	£	£	£	£	£	£	£
Staff costs	122,516	192,627	101,362	28,226	96,308	130,620	671,659	807,278
Depreciation and impairment	850	-	475	370	1,473	516	3,684	5,985
Grants payable	-	1,330	-	-	7,042	-	8,372	35,894
Payments to partners	232,776	36,855	-	12,247	-	-	281,878	211,282
Other staff costs	2,738	6,098	3,078	95	1,978	774	14,761	28,695
Volunteer and trainee costs	30	28	-	5,501	-	30	5,589	8,104
Promotion and information	869	1,429	1,302	-	244	544	4,388	7,063
Consumables	12,058	7,138	953	1,760	16,960	1,770	40,639	26,026
Materials	575	6,842	442	625	5,664	1,260	15,408	20,268
Contractors	89,505	23,768	3,931	4,871	25,317	237	147,629	100,986
Other project costs	3,256	3,788	8,347	1,446	5,623	2,070	24,530	63,833
Project support costs	16,730	29,867	18,485	1,265	2,894	6,159	75,400	67,257
Accountancy fees	1,792	6,459	4,127	-	750	2,147	15,275	12,789
	<u>483,695</u>	<u>316,229</u>	<u>142,502</u>	<u>56,406</u>	<u>164,253</u>	<u>146,127</u>	<u>1,309,212</u>	<u>1,395,962</u>
Analysis by fund								
Unrestricted funds	-	-	27,227	-	8,786	146,127	182,140	
Restricted funds	<u>483,695</u>	<u>316,229</u>	<u>115,275</u>	<u>56,406</u>	<u>155,467</u>	<u>-</u>	<u>1,127,072</u>	
	<u>483,695</u>	<u>316,229</u>	<u>142,502</u>	<u>56,406</u>	<u>164,253</u>	<u>146,127</u>	<u>1,309,212</u>	

Included within accountancy fees is the audit fee totalling £9,050 (2022 - £7,000).

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

7 Charitable activities

(Continued)

	Encouraging prudent use of resources	Promoting healthy lifestyles	Encouraging sustainable transport	Contributing to physical environment	Education, awareness raising	Governance	Total 2022
	£	£	£	£	£	£	£
Staff costs	128,453	160,999	106,432	86,202	197,352	127,840	807,278
Depreciation and impairment	354	2,373	2,850	154	254	-	5,985
Grants payable	-	-	-	-	35,894	-	35,894
Payments to partners	158,185	13,193	-	28,567	11,337	-	211,282
Other staff costs	2,227	4,378	6,876	5,754	8,540	920	28,695
Volunteer and trainee costs	106	-	-	7,947	51	-	8,104
Promotion and information	1,093	2,182	549	714	2,467	58	7,063
Consumables	1,125	3,447	3,219	3,919	13,407	909	26,026
Materials	1,539	4,064	301	5,322	8,969	73	20,268
Contractors	44,998	21,011	5,723	17,684	11,230	340	100,986
Other project costs	44,837	1,836	4,413	2,476	3,260	7,011	63,833
Project support costs	12,241	16,280	12,144	4,386	12,944	9,262	67,257
Accountancy fees	2,599	1,251	3,494	810	810	3,825	12,789
	<u>397,757</u>	<u>231,014</u>	<u>146,001</u>	<u>163,935</u>	<u>306,515</u>	<u>150,238</u>	<u>1,395,460</u>
Analysis by fund							
Unrestricted funds	-	-	29,472	-	1,098	201,164	231,734
Restricted funds	<u>282,932</u>	<u>455,852</u>	<u>53,633</u>	<u>38,040</u>	<u>141,182</u>	<u>-</u>	<u>971,639</u>
	<u>282,932</u>	<u>455,852</u>	<u>83,105</u>	<u>38,040</u>	<u>142,280</u>	<u>201,164</u>	<u>1,203,373</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

8 Grants payable

	2023	2022
	£	£
Grants to institutions:		
- N.O. Junior Soccer	-	250
- White Feather project	-	250
- J Pierre	-	100
- Youth Focus	-	34,344
- Trinity Youth Project	-	250
- Pavillion Play Group	-	250
- Back Alley Makeover	-	100
- Senior Over 50s Club	-	250
- R Green	-	100
- Trinity Youth	2,542	-
- Trinity Centre	500	-
- Ecoshop set up	1,330	-
- North Ormesby School	3,000	-
- North Ormesby FC	500	-
- NORAC	500	-
	<u>8,372</u>	<u>35,894</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

8 Grants payable

(Continued)

Trinity Youth

Funding to support a parent and toddler group.

Trinity Centre

Funding for a Christmas tree.

Eco Shop

Funding provided to; Ubuntu Multicultural Centre, Streets Ahead, Park End Primary School, Marton Community Group, Corpus Christi Primary School, Berwick Hills Primary School and Beckon Hill to the set up of Eco Shops.

North Ormesby School

Funding to provide branded sweatshirts for pupils.

North Ormesby FC

Funding to provide a new football kit.

NORAC

Funding to purchase webcams and security pens.

N.O. Junior Soccer

To cover the cost of equipment and referee fees.

White Feather project

To provide food for the community shop.

J Pierre

To cover the cost of fencing and posts to replace vandalised fence.

Youth Focus

For the delivery of youth work by youth workers.

Trinity Youth Project

A community based outing to play bowling.

Pavillion Play Group

To cover the cost of play equipment.

Back Alley Makeover / R Green

To cover the cost of planters and compost.

Senior Over 50s Club

To provide banners and decorations for a community street party.

9 Management Committee

None of the management committee (or any persons connected with them) received any remuneration, expenses or benefits from the charity during the year.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Seconded staff	3	3
Project staff	31	39
	<u>34</u>	<u>41</u>

Employment costs

	2023	2022
	£	£
Seconded staff (donation in kind)	135,400	132,000
Wages and salaries	495,553	618,789
Social security costs	22,514	34,100
Other pension costs	18,192	22,389
	<u>671,659</u>	<u>807,278</u>

There were no employees whose annual remuneration was £60,000 or more.

11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

12 Tangible fixed assets

	Plant and equipment
	£
Cost	
At 1 April 2022	79,264
Additions	28,095
Disposals	(17,819)
At 31 March 2023	<u>89,540</u>
Depreciation and impairment	
At 1 April 2022	62,526
Depreciation charged in the year	3,684
Eliminated in respect of disposals	(10,697)
At 31 March 2023	<u>55,513</u>
Carrying amount	
At 31 March 2023	<u>34,027</u>
At 31 March 2022	<u>16,739</u>

13 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	49,513	34,820
Prepayments and accrued income	3,630	88,531
	<u>53,143</u>	<u>123,351</u>

14 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other taxation and social security	6,970	9,449
Deferred income	-	10,000
Trade creditors	7,527	12,284
Other creditors	49,606	49,048
Accruals	48,414	47,385
	<u>112,517</u>	<u>128,166</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

15 Deferred income

	2023	2022
	£	£
Other deferred income	-	10,000
	<u> </u>	<u> </u>

The above relates to restricted grant income which has been received to contribute towards the costs of overheads for the following year.

Deferred income is included in the financial statements as follows:

	2023	2022
	£	£
Deferred income is included within:		
Current liabilities	-	10,000
	<u> </u>	<u> </u>
Movements in the year:		
Deferred income at 1 April 2022	10,000	10,000
Released from previous periods	(10,000)	-
	<u> </u>	<u> </u>
Deferred income at 31 March 2023	-	10,000
	<u> </u>	<u> </u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

16 Movement in 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 31 March 2023 £
	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	
Encouraging the Prudent Use of Resources	264,864	504,608	(483,695)	18,292	304,069
Promoting Healthy Lifestyles	438,648	343,356	(316,229)	8,902	474,677
Encouraging Greater Use of Sustainable Transport	148,752	132,091	(115,276)	24,832	190,399
Contributing to Physical Environmental Improvements	6,161	33,873	(56,405)	17,776	1,405
Education and Awareness Raising	166,391	93,785	(155,467)	7,998	112,707
Total Restricted Funds	1,024,816	1,107,713	(1,127,072)	77,800	1,083,257
Unrestricted funds					
General funds	436,762	148,270	(146,127)	(201,516)	237,389
Designated Funds:					
-Premises fund	-	-	-	-	-
-Education and Awareness Raising	18,301	13,624	(8,786)	59,710	82,849
-Encouraging Greater Use of Sustainable Transport	51,461	39,630	(27,227)	64,006	127,870
Total funds	1,531,340	1,309,237	(1,309,212)	-	1,531,365

The transfers between funds have arisen following a full review of fund balances by management at the year end.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

16 Movement in Funds

(Continued)

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 31 March 2022 £
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	
Encouraging the Prudent Use of Resources	172,351	443,172	(397,757)	47,098	264,864
Promoting Healthy Lifestyles	423,241	252,860	(231,013)	(6,440)	438,648
Encouraging Greater Use of Sustainable Transport	154,273	114,326	(119,063)	(784)	148,752
Contributing to Physical Environmental Improvements	71,954	91,990	(163,934)	6,151	6,161
Education and Awareness Raising	146,275	339,119	(301,724)	(17,279)	166,391
Total Restricted Funds	968,094	1,241,467	(1,213,491)	28,746	1,024,816
Unrestricted funds					
General funds	443,965	144,311	(150,239)	(1,275)	436,762
Designated Funds:					-
-Premises fund	-	-	-	-	-
-Education and Awareness Raising	9,368	13,726	(4,793)	-	18,301
-Encouraging Greater Use of Sustainable Transport	45,561	60,810	(27,439)	(27,471)	51,461
Total funds	1,466,988	1,460,314	(1,395,962)	-	1,531,340

17 Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total £
Fund balances at 31 March 2023 are represented by:			
Tangible assets	19,048	14,979	34,027
Current assets/(liabilities)	1,064,209	433,129	1,497,338
	1,083,257	448,108	1,531,365

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

17 Analysis of net assets between funds

(Continued)

	Restricted funds £	Unrestricted funds £	Total £
Fund balances at 31 March 2022 are represented by:			
Tangible assets	16,739	-	16,739
Current assets/(liabilities)	1,008,077	506,524	1,514,601
	<u>1,024,816</u>	<u>506,524</u>	<u>1,531,340</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, which fall due as follows:

	2023 £	2022 £
Within one year	6,914	6,000
Between two and five years	27,200	24,000
In over five years	30,000	30,000
	<u>64,114</u>	<u>60,000</u>

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	<u>189,943</u>	<u>185,279</u>

Key management personnel includes £135,400 which relates to those seconded from Middlesbrough Council. Cost is recognised in line with the donation in kind as per the requirements of Statement of Recommended Practice for Charities.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

19 Related party transactions **(Continued)**

Transactions with related parties

During the year the charity provided funding to a project partner totalling £79,096 (2022 - £54,372), with £16,546 (2022 - £16,818) included within creditors at the balance sheet date. A Trustee of the charity is the CEO of the above project partner, Tees Valley Wildlife Trust.

During the year the charity provided funding to a project partner totalling £29,682 (2022 - £44,048), with £6,283 (2021 - £282) included within creditors at the balance sheet date. A Trustee of the charity (appointed 17 January 2022) is also a Trustee of the above project partner, The Other Perspective CIC.

20 Cash generated from operations	2023	2022
	£	£
Surplus for the year	25	64,352
Adjustments for:		
Investment income recognised in statement of financial activities	(3,606)	(1,414)
Depreciation and impairment of tangible fixed assets	3,684	5,985
Movements in working capital:		
Decrease in debtors	70,208	38,420
(Decrease)/increase in creditors	(5,648)	23,569
(Decrease) in deferred income	(10,000)	-
Cash generated from operations	54,663	130,912

21 Analysis of changes in net funds
The charity had no debt during the year.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED

England & Wales - Charity number 1070131

Accounts

Charity Registration No. 1070131

Company Registration No. 03386853 (England and Wales)

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED

A COMPANY LIMITED BY GUARANTEE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION

Management Committee

Cllr J Rostron
V Cunningham
L E Hammond
B Glover
K J McMonagle
K A Lewis
J A Garside
R K Mills
S J Granger
J Stevenson
Dr M Watson
Cllr R Arundale
A L Rigg
B Cooper (Appointed 18 June 2021)
B T Araia (Appointed 17 January 2022)

Charity number 1070131

Company number 03386853

Registered office Sandy Flatts Lane
Acklam
Middlesbrough
United Kingdom
TS5 7YN

Auditor Azets Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
United Kingdom
TS22 5TB

Bankers Co-operative Bank
PO Box 250
Skelmerdale
Lancashire
United Kingdom
WN8 6WT

Solicitors Middlesbrough Council
PO Box 99A
Middlesbrough
United Kingdom
TS1 2QQ

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
CONTENTS

	Page
Trustees' report	1 - 10
Statement of trustees' responsibilities	11
Independent auditor's report	12 - 15
Statement of financial activities	16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19 - 39

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees of Middlesbrough Environment City Trust Ltd (MEC) are pleased to present their annual report detailing the charity's achievements during the year ending 31st March 2022, together with the financial statements.

Charity Details

The following people were trustees of MEC during the year:

Cllr Julia Rostron	Lynne Hammond	Joe McMonagle	Jeremy Garside
Val Cunningham	Samantha Granger	Keith Lewis	Russell Mills
Brian Glover	Matt Watson	Lesley Rigg	Bini Araia
Cllr Barrie Cooper	Cllr Ron Arundale		

Janet Stevenson (resigned November 2021)

Director: Brian Simpson from 1st May 2021

Registered Company Number: 3386853
Registered Charity Number: 1070131

Registered Office: Sandy Flatts Lane, Acklam, Middlesbrough, TS5 7TN

Auditors: Azets Audit Services, Wynyard Park House, Wynyard Avenue,
Wynyard, Stockton-on-Tees, TS22 5TB

Bankers: The Co-operative Bank plc, Customer Services, PO Box 250, Skelmersdale.
WN8 6WT

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities

Purposes and Activities of MEC

MEC's charitable objects are to:

- a. advance the education of the public and promote public involvement in all matters concerning environmental sustainability in the borough of Middlesbrough and the wider Tees Valley area;
- b. preserve protect and enhance the environment within the borough of Middlesbrough and the wider Tees Valley area;
- c. protect and enhance the health and well-being of people in the borough of Middlesbrough and the wider Tees Valley area in particular but not exclusively by providing information, advice and services regarding physical activity, dietary health and mental well-being.

MEC uses the One Planet Living approach to sustainable living. Middlesbrough Council has adopted a Green Strategy based on the One Planet Living model, developed by international charity BioRegional, as a simple means of describing sustainable living in ten easy to understand principles. If everyone on Earth consumed resources at the same rate as people in the UK, three planets would be needed to sustain everyone. There is a need to reduce the consumption of resources to a level that can be sustained by one planet, whilst also improving Quality of Life. The model demonstrates the economic and social benefits of sustainable living.

MEC oversees the implementation of One Planet Living in Middlesbrough amongst local communities, adding significant value to the approach within Middlesbrough Council and its public services.

MEC's work is divided into five themes:

Theme 1 - Engaging Communities in Climate Change and Encouraging More Prudent Use of Resources

The climate and ecological emergencies are still the greatest challenges facing us locally, nationally and globally, including risks to public health, social cohesion and the economy. The climate emergency still commands a high public profile, even at a time when the more immediate concern of the Covid-19 pandemic remains at the forefront of public consciousness. MEC continues to engage and enable communities to both adapt to climate change and help reduce further impacts.

Reducing the use of the planet's resources is at the heart of tackling climate change and achieving One Planet Living. MEC delivers projects aimed at reducing energy consumption, deriving energy from sustainable sources, supporting recycling and composting. These activities provide excellent opportunities for residents to save money and improve well-being through energy efficiency measures.

Theme 2 - Promoting Healthier Lifestyles

MEC is proactive in tackling health inequalities in Middlesbrough to improve Quality of Life and encourage sustainable living, working closely with Public Health South Tees and the Live Well Centre. There is a strong link between this theme and Theme 3 below, through encouraging walking and cycling activity. MEC is involved in projects that improve access to healthy exercise for all, encourage food growing and promote healthy eating. Activities link sustainable living to addressing long term conditions such as Type 2 Diabetes and Cardiovascular Disease.

Theme 3 - Encouraging Greater Use of Sustainable Transport

The delivery of Bikeability cycle training in schools and workplaces throughout the Tees Valley is at the heart of the safe cycling training programme, which is complemented with cycle maintenance training with young people's groups, unemployed people, community organisations and people with special needs. All MEC Cycle Trainers have the new 1st4sport qualification and are some of the first in the Northeast area.

Theme 4 - Contributing to Physical Environmental Improvements

MEC focuses on supporting other partners to deliver environmental improvements. The Charity has, in recent years, also delivered a range of small community-led improvement schemes, biodiversity and heritage projects. Through the "Green Shoots" project improvements were made to many of the becks in Middlesbrough and Middle Marsh nature reserve in North Ormesby.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Theme 5 - Education and Awareness-raising

The final theme supports the others and underpins community engagement in the One Planet Living programme. Activities include coordinating Middlesbrough's Fairtrade programme, delivery of Forest Schools and participating in major cultural events.

The new "Green Hub" based in Middlesbrough bus station actively encourages residents to visit for information on sustainability, healthy living, eco shops, affordable warmth and includes the delivery of the Shopmobility service.

The Charity's base on the Nature's World site with a longer-term lease and an area of land attached to the premises is greatly increasing the opportunities for the organization and its partners to deliver land-based educational activities that promote sustainable living.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements During the Year – Bringing Public Benefit

Theme 1 - Engaging Communities in Climate Change and Encouraging More Prudent Use of Resources

MEC has been a key partner supporting the development of Middlesbrough's Green Strategy, participating in the core strategic group and the Health & Happiness theme-based working group. A partnership of local organisations led by MEC and including Tees Valley Wildlife Trust, The Linx Project, Actes, The Other Perspective, Thirteen and Middlesbrough Council, has been supported through the first round of the National Lottery Community Fund Climate Action Programme. This invaluable support has enabled the partnership to take a whole system approach to community engagement in tackling climate change, maximizing community leadership in both decision-making and action on climate change locally.

MEC continued to chair and support the South Tees Affordable Warmth Partnership as well as delivering a wide range of initiatives to alleviate the injustice fuel poverty. The South Tees Affordable Warmth Partnership works across both Middlesbrough and Redcar & Cleveland, implementing the Affordable Warmth Action Plan. This includes improving the energy efficiency of homes, increasing household income and helping residents to reduce their energy bills through behavior change.

The role of the Partnership and the work of MEC in tackling fuel poverty took on additional relevance this year as the cost of energy rose and will significantly increase in future years.

MEC provided advice to households on home energy efficiency, including through a dedicated affordable warmth freephone number. This has created a single point of access hub for affordable warmth support as recommended by the National Institute for Health and Care Excellence.

Warm Homes Tees Valley, a consortium led by Stockton-on-Tees Council, began delivering a two-year project funded through the Warm Homes Fund. The scheme ran to 2022 and enabled fuel poor households not currently on the gas network to access either full gas central heating systems or air source heat pumps at no cost to the householder. A targeted approach to engaging communities, focusing on clusters of properties that are not on the gas network and working closely with trusted local partners, including ward councilors to promote the scheme. New heating systems and air source heat pumps are now in the process of being installed. In addition, the project gave energy efficiency advice to 275 households and trained 403 staff from 70 organisations, we also reached 5302 community members through events, targeted door knocking and group sessions.

Cosy Homes, funded by the Energy Redress scheme, is providing energy advice in Redcar and Cleveland, levelling-up support across the South Tees area. The project has now come to end but the scheme had supported 1575 households (exceeding our target of 1200), trained 158 front-line staff and distributed £9,900 in fuel vouchers to vulnerable households.

Other emergency support in response to Covid from both Energy redress and Middlesbrough Council delivered a further 963 fuel vouchers, valued at over £46,000 to support vulnerable households through the pandemic. We also received funding from Redcar and Cleveland council for £30,000 (MEC received a £3000 fee) to deliver fuel vouchers across Redcar and East Cleveland. We issued another 550 vouchers across 386 households.

The Warm Welcome scheme, in partnership with Ageing Better Middlesbrough, provided energy efficiency advice and signposting for people over 50, with a particular focus on those facing isolation. Over the two years of the initiative, support was given to 140 people, with 92 front-line staff trained in identifying people in fuel poverty and making referrals for support.

The BESN Big Energy Saving Network supported the provision of advice to vulnerable residents on energy efficiency and tariff switching. Tariff switching and energy efficiency advice was provided to 303 people, with three events undertaken for Big Energy Saving Week including a sustained social media campaign around different energy queries. Due to past success with the BESN projects, we were allocated another £14,000 to deliver the provision again this year without having to apply.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Further work was undertaken to maintain and update the UNO database held by MEC. This provides valuable data on the energy efficiency of properties in Middlesbrough, helping to target support to the most vulnerable people and the homes with the greatest need. We work closely with Middlesbrough Council and their housing stock departments to keep this information up to date and to ensure the best approach when engaging different households in the Middlesbrough area.

We are also in the process of securing another £10,000 in partnership with Redcar and Cleveland Council for Northern Gas Networks funding to work in the Redcar and East Cleveland community. The bid has been successful and gone to the next round. This will further support our Affordable Warmth activity in Redcar and East Cleveland.

Theme 2 - Promoting Healthier Lifestyles

The promotion of healthy living is a significant area of MEC's work, with a close association with cycling and walking under Theme 3 and affordable warmth under Theme 1. This work has received significant support through Public Health South Tees, which has enabled a substantial programme to continue, supporting our most disadvantaged communities and tackling health inequalities.

MEC continued to coordinate the Middlesbrough Food Action Plan delivered through the Food Partnership and with financial support from Sustainable Food Places. The Sustainable Food Places Silver Award was achieved and Middlesbrough is now working towards Gold, with an action plan now in place. MEC also supported the Food Power Alliance in Middlesbrough, implementing an action plan to address food insecurity. The plan covers the main areas of redistribution of surplus food, holiday hunger, maximising income and linking with affordable warmth.

The work of the Food Power Alliance remains significantly important in supporting Middlesbrough's residents' access affordable and healthy food as they recover from the pandemic. MEC and its partners continue to develop the Eco Shop model with FareShare Northeast (who collect and distribute food from the supply chain). Eco Shops are volunteer run facilities in schools and community venues that help tackle food waste through making surplus food available at an affordable price to communities that would otherwise have gone to landfill. There are now twenty-four Eco Shops across the town, with four community Eco Shops and four school Eco Shops established within the year. The establishment of more Eco Shops, particularly those in community venues, allowed MEC to scale back and cease the Virtual Eco Shop (deliveries of surplus food to people who were self-isolating or unable to leave their homes for other reasons).

A focus of the year has been to try and establish a Tees Food Hub – a surplus redistribution centre in Middlesbrough, in partnership with FareShare NE. This will greatly increase the capacity for food deliveries locally, allowing the expansion of Eco Shops, as well as supporting other emergency food provision. Unfortunately, due to a variety of issues with the building, this has been delayed, with a planned opening in 2022.

The year ended with two successful funding applications to Sustainable Food Places. MEC received a grant for a Food for the Planet campaign – working with anchor institutions to reduce the amount of carbon in their menus through serve less (and better quality) meat and increasing plant-based meals. A partnership between the Middlesbrough, Newcastle and Durham food partnerships also received a grant for a pilot campaign on how to stimulate a good food economy.

The You've Got This programme continued throughout the year, funded by Sport England and with Redcar & Cleveland Council as lead organisation. This innovative initiative, part of the national Local Delivery Pilot programme, is testing ways of engaging with inactive people, supporting them to become more active in both Middlesbrough and Redcar & Cleveland. The project works with target groups within the population including people living with Type 2 Diabetes, people awaiting surgery and users of commercial weight management services. Boro Active Explorers is funded through this Programme discussed under Theme 5.

MEC continued to support health improvements amongst its own staff through the Northeast Better Health at Work Award, which started in October 2009. With the commitment of its Health Champions, MEC reaffirmed Continuing Excellence, acting as an exemplar to other businesses in the region.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Theme 3 - Encouraging Greater Use of Sustainable Transport

MEC has been involved in cycling activities in the Tees Valley and especially Middlesbrough for around 20 years. MEC's cycling and walking projects form part of the Let's Go Tees Valley programme, managed by Darlington Borough Council on behalf of Tees Valley Combined Authority with funding from the Department for Transport Access Fund.

Cycle maintenance and safe cycling training funded through the DfT Access Fund supported cyclists at a reduced level throughout the year, with cycle maintenance workshops taking place across Middlesbrough and Redcar and Cleveland. These were complemented by one-to-one Dr Bike sessions and on-line courses which assisted cyclists in keeping their bikes on the road for daily exercise and other essential purposes.

MEC deliver Bikeability to primary schools in Middlesbrough & Hartlepool and are looking to expand in the Tees Valley area. Bikeability encourages safe cycling and is a skill for life. The trainers also provide pedestrian training encouraging safe walking to school.

Theme 4 - Contributing to Physical Environmental Improvements

MEC was successful in obtaining a grant through the government's Green Recovery Challenge Fund to work with under-represented groups including young people and ethnic minority communities on improving and maintaining Middlesbrough's natural places and local nature reserves. The project, which commenced in February 2021 for twelve months, provide placements for young people through the government's Kickstart programme, providing valuable training and employment opportunities for young people.

Significant progress was also made during the year on the development of MEC's own grounds at the nature's World site to benefit the activities of the Charity. A Forest School delivery area has been developed that provides a safe, secure venue for outdoor activities. Thanks to the in-kind support of BAM Nuttall, who provided staff and machinery, the allotment area was cleared of scrub and is now being prepared to become a farm share area in partnership with Barefoot Kitchen.

Theme 5 - Education and Awareness-raising

Middlesbrough became a Fairtrade Town in March 2007, with MEC taking a lead role in developing the bid to the Fairtrade Foundation, working through a Fairtrade Partnership. MEC continued to support the initiative through providing coordination for the Steering Group, organising a series of awareness-raising events linked particularly to Fairtrade Fortnight and maintaining the database of Fairtrade outlets. The Partnership's on-going efforts to highlighting this global aspect to sustainable living was recognized by reaccreditation of Fairtrade Town status in March 2021.

One Planet Pioneers, a five-year National Lottery Community Fund Our Bright Future project came to an end. The initiative improved the life chances of young people by broadening and enhancing their skills and experience through engagement in designing, developing and implementing environmental sustainability initiatives. The project was being delivered by a partnership that also includes Tees Valley Wildlife Trust (TVWT), Actes and Teesside University. MEC and TVWT both provided practical volunteering and apprenticeships for young people, with TVWT also running the John Muir Award, developing young people's understanding of the natural world. Actes supported the programme through coordinating a Youth Panel and guiding programme delivery. Actes also ran a peer mentoring programme, training young people to support other participants on One Planet Pioneers.

Kickstart trainees were employed for the remainder of the programme, providing young people with valuable work experience. A legacy tree planting project designed by the young people was implemented across the town.

Funding through the You've Got this Sport England Local Delivery Pilot delivery commenced on Boro Active Explorers, a collaborative project to develop and sustain the Forest School model on site, in schools and communities.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Financial review

Overall Performance

MEC continued to maintain a sound financial position during the year, with funding received from a variety of sources including grants and contracts. The charity continued to benefit from the close working relationship with Middlesbrough Council, especially through the in-kind support provided by the seconded staff.

Results

The net surplus of funds for the year was £64,352 which constitutes £56,722 unspent but committed restricted funds and £7,630 of unrestricted funds. The Trustees propose that the balance of the net surplus be transferred to the reserves.

Investment Powers and Policy

The Trustees, noting the nature of the charity's project programme, which includes significant sums of grant paid in arrears, and the Financial Reserves Policy, have operated a policy of maintaining available funds in an interest-bearing deposit account with competitive levels of interest. In addition, some unrestricted funds were placed, during the year, in short term investments funds yielding a higher return, with the interest reinvested into the charitable activities of the organisation.

Reserves Policy

MEC has in place a Reserves Policy, which forms part of its Financial Regulations. The Trustees review both the policy and the level of reserves annually. MEC will maintain sufficient unrestricted reserves to ensure the Charity can address the following potential outgoings:

- Sufficient funds to cover the running costs of the charity for a period of six months, assuming that all external sources of funding cease. This is considered sufficient time to access other external funding if this is available.
- Funds to cover all redundancy costs and notice periods either incurred as projects end or at the end of the six-month period.
- Funds to cover all other winding up costs of the charity at the end of the six-month period.
- A contingency against project overspends and short-term cash flow difficulties resulting, for example, from the payment of grants or other earned income in arrears.

The actual amount of free reserves required to meet these potential outgoings is calculated at the start of each financial year. In their most recent review, the Trustees concluded that the level of free reserve needed by MEC is £408,506. The current level of free reserves is £436,762.

Plans for Future Periods

MEC must still focus its attention on the longer term, and the more significant threat from the climate and ecological crises along with rising energy costs.

The Trustees are very aware of the challenges resulting from cuts in public expenditure, impacting directly on the operation of the Charity as well as significantly increasing demand on its services. They recognise the need for the expedient use of resources to be combined with an imaginative vision that seeks to find innovative ways to address the challenges of sustainable living in Middlesbrough and improving Quality of Life for the town's communities. They will remain vigilant in the management of resources in such challenging times.

MEC is already delivering cycling, walking and affordable warmth initiatives in the adjoining borough of Stockton-on-Tees, Redcar & Cleveland and Hartlepool. Further opportunities will be investigated for partnership working across the wider Tees Valley area.

The work of the Charity has been boosted through the inclusion of a partnership of local organisations, led by MEC, in the first tranche of projects supported by the National Lottery Community Fund Climate Action Programme. This initiative will support the engagement of communities, especially young people, in tackling climate change at a local level, linking closely with Middlesbrough's new Green Strategy.

Structure, governance and management

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Governing Document

MEC is a company limited by guarantee governed by its Memorandum and Articles of Association incorporated 13th May 1997.

Cllr J Rostron
V Cunningham
L E Hammond
B Glover
K J McMonagle
K A Lewis
J A Garside
R K Mills
S J Granger
J Stevenson
Dr M Watson
Cllr R Arundale
Cllr D McCabe
A L Rigg
B Cooper
B T Araia

(Resigned 21 May 2021)

(Appointed 18 June 2021)

(Appointed 17 January 2022)

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Appointment of Trustees

MEC is managed by a Board of Management made up of the directors of the charitable company and who are also its trustees for the purposes of charity law.

As set out in the Articles of Association, the Board of Management must consist of not less than three. There is no maximum number of members on the Board of Management. Trustees of the Board of Management are drawn from the public, private, academic, voluntary and community sectors.

Nominations for new members are made to the Board of Management for approval. There is an active recruitment process by the Trustees to encourage new members onto the Board of Management as vacancies arise.

Members of the Board of Management are subject to rotation. At the Annual General Meeting, one third of the Board members retire, these being the longest serving members. Retiring members are eligible for reappointment. The Board of Management has undertaken a skills audit to assess the strengths of the Board and identify skills needs. This will be used in the recruitment process for new members as well as informing future training for trustees.

Trustee Induction and Training

New Trustees undertake an induction to brief them on their legal obligations under charity and company law and the management and operation of MEC. A thorough induction pack is provided and includes items such as the governing document, key policies and procedures, Board of Management meeting minutes and audited accounts. New Trustees undertake their induction at MEC's premises, providing an opportunity to meet employees and discuss projects and activities.

MEC encourages further training for Trustees, either internally or through external providers, where this helps them to undertake their role. In addition, relevant updates on matters such as charity law are provided at quarterly Trustees' meetings and through circulation of the Charity Commission's newsletter "Charity Commission News".

Organisation

The Trustees administer MEC. The Board of Management meets four times each year. In addition, the Honorary Officers meet on a further four occasions during the year to discuss the work of the organisation. Sub-groups are convened to deal with specific issues arising in the work of the organisation.

A Director is appointed to manage the day-to-day operations of MEC. A management team comprising the Director, Senior Projects Officer, Partnership Liaison Officer and Finance Officer report to the Board of Management.

Related Parties

MEC delivers most of its objectives through partnership working with other voluntary organisations, government agencies, statutory bodies and Local Authorities. Of these, Middlesbrough Council nominates four representatives to the Board of Management. No other organisation currently appoints representatives to the Board of Management.

Middlesbrough Council seconds three core members of staff to MEC, namely the Director, Senior Projects Officer and Partnership Liaison Officer. The relationship between the Council and MEC is documented in a Memorandum of Understanding, which is negotiated each year between the two parties. When seconded, the staff act only in the interest of the charity.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Risk Management Strategy

The Trustees undertake a risk review on an annual basis as part of the business planning process. The information is used to develop a risk register which records the procedures and systems that MEC will implement to mitigate the risks that have been identified and to minimise the impact on the charity should the risks materialise.

Other significant areas of risk are identified in the Business Plan, continuing to deliver the aims and objectives of the Charity in the current period of austerity and at a time of increasing demand for the services of the charity; maintaining a diversity of income sources; increasing regulation; and dealing with the loss of key staff. MEC has developed a wide funding base which is not over dependent on one source of income; the Trustees see maintaining this broad base as a priority. Staff have a wide base of skills and extensive experience. Systems are in place to aid the retention of staff, including staff supervision and appraisal systems. The Trustees are also aware of those government policy areas that impact on the work of the organisation and monitor these.

Financial Risks and Fraud

Each year the Trustees undertake an assessment of financial risks as part of the overall Risk Management Strategy, which forms part of the annual business planning process. Particular attention is drawn to the risk of fraud. From the assessment, the principal risks are identified and appropriate measures introduced to reduce these risks.

Serious Incidents

In line with Charity Commission guidance, the Trustees will report any serious incidents both to the Charity Commission and in the Annual Report. There have been no serious incidents to report in the year 2021/22.

Disclosure of information to auditor

Each of the management committee has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Management Committee.



Cllr J Rostron
Trustee
Dated: 14 October 2022



B Glover
Trustee
Dated: 14 October 2022

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022

The management committee, who are also the directors of Middlesbrough Environment City Trust Limited 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 management committee 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 management committee 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The management committee 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT

TO THE MANAGEMENT COMMITTEE OF MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED

Opinion

We have audited the financial statements of Middlesbrough Environment City Trust Limited (the 'charity') for the year ended 31 March 2022 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 2022 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The management committee are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MANAGEMENT COMMITTEE OF MIDDLESBROUGH ENVIRONMENT CITY
TRUST LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of management committee

As explained more fully in the statement of trustees' responsibilities, the management committee, 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 management committee 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 management committee 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 management committee either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MANAGEMENT COMMITTEE OF MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

**Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services**

16/11/22
.....

Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
United Kingdom
TS22 5TB

**MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MANAGEMENT COMMITTEE OF MIDDLESBROUGH ENVIRONMENT CITY
TRUST LIMITED**

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
<u>Income and endowments from:</u>					
Donations and legacies	3	141,710	-	141,710	133,418
Charitable activities	4	74,536	1,241,467	1,316,003	1,425,365
Investments	5	1,414	-	1,414	3,210
Other income	6	1,187	-	1,187	67,668
Total income		218,847	1,241,467	1,460,314	1,629,661
<u>Expenditure on:</u>					
Charitable activities	7	182,471	1,213,491	1,395,962	1,203,373
Net incoming resources before transfers		36,376	27,976	64,352	426,288
Gross transfers between funds		(28,746)	28,746	-	-
Net income for the year/ Net movement in funds		7,630	56,722	64,352	426,288
Fund balances at 1 April 2021		498,894	968,094	1,466,988	1,040,700
Fund balances at 31 March 2022		506,524	1,024,816	1,531,340	1,466,988

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.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	11		16,739		3,324
Current assets					
Debtors	12	123,351		161,771	
Cash at bank and in hand		1,519,416		1,406,489	
		<u>1,642,767</u>		<u>1,568,260</u>	
Creditors: amounts falling due within one year	13	<u>(128,166)</u>		<u>(104,596)</u>	
Net current assets			1,514,601		1,463,664
Total assets less current liabilities			<u>1,531,340</u>		<u>1,466,988</u>
Income funds					
Restricted funds	15		1,024,816		968,094
<u>Unrestricted funds</u>					
Designated funds		69,762		54,929	
General unrestricted funds		436,762		443,965	
			<u>506,524</u>		<u>498,894</u>
			<u>1,531,340</u>		<u>1,466,988</u>

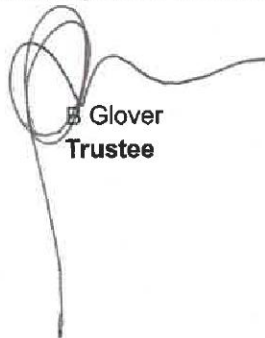
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

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 Management Committee on 14 October 2022



Cllr J Rostron
Trustee



B Glover
Trustee

Company Registration No. 03386853

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	19		130,912		361,142
Investing activities					
Purchase of tangible fixed assets		(19,399)		-	
Investment income received		1,414		3,210	
Net cash (used in)/generated from investing activities			(17,985)		3,210
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			112,927		364,352
Cash and cash equivalents at beginning of year			1,406,489		1,042,137
Cash and cash equivalents at end of year			1,519,416		1,406,489

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Middlesbrough Environment City Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Sandy Flatts Lane, Acklam, Middlesbrough, TS5 7YN, United Kingdom.

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 2019). 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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the management committee have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the management committee 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 management committee in furtherance of their charitable objectives.

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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

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.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies **(Continued)**

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Direct charitable expenditure includes the direct costs of the activities and depreciation on related assets. Where such costs relate to more than one functional cost category, they have been split on an appropriate basis.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, 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:

Plant and equipment	25% 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 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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.

1.9 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

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.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
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 management committee 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 2022	Unrestricted 2021
	£	£
Other Sundry Income	9,710	16,403
Middlesbrough Council - Salaries (Donation in Kind)	132,000	117,015
	<u>141,710</u>	<u>133,418</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

4 Charitable activities

Summary

	Restricted	Unrestricted	Total	Total
	£	£	2022	2021
	£	£	£	£
Income for Encouraging the Prudent Use of Resources	443,172	-	443,172	333,424
Income for Promoting Healthy Lifestyles	252,860	-	252,860	561,090
Income for Encouraging Greater Use of Sustainable Transport	114,326	60,810	175,136	174,002
Income for Contributing to Physical Environmental Improvements	91,990	-	91,990	98,785
Income for Education and Awareness Raising	339,119	13,726	352,845	258,064
	<u>1,241,467</u>	<u>74,536</u>	<u>1,316,003</u>	<u>1,425,365</u>
	Restricted	Unrestricted	Total	
	£	£	2021	
	£	£	£	
Income for Encouraging the Prudent Use of Resources	333,424	-	333,424	
Income for Promoting Healthy Lifestyles	561,090	-	561,090	
Income for Encouraging Greater Use of Sustainable Transport	95,816	78,186	174,002	
Income for Contributing to Physical Environmental Improvements	98,785	-	98,785	
Income for Education and Awareness Raising	252,290	5,774	258,064	
	<u>1,341,405</u>	<u>83,960</u>	<u>1,425,365</u>	

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

4 Charitable activities

(Continued)

Income for Encouraging the Prudent Use of Resources

	Restricted	Unrestricted	Total	Total
	£	£	2022	2021
	£	£	£	£
BEIS (Big Energy Saving Network)	6,491	-	6,491	12,500
Staying Put Eco Grant	-	-	-	2,899
Middlesbrough Council (Fuel Vouchers)	31,601	-	31,601	76,461
Ageing Better Middlesbrough (Warm Welome)	-	-	-	36,576
Sustain (Eco Shops)	-	-	-	20,976
Warm Homes	39,353	-	39,353	37,442
Redress	106,374	-	106,374	36,578
Climate Action Programme	259,353	-	259,353	109,992
	<u>443,172</u>	<u>-</u>	<u>443,172</u>	<u>333,424</u>

	Restricted	Unrestricted	Total
	£	£	2021
	£	£	£
BEIS (Big Energy Saving Network)	12,500	-	12,500
Staying Put Echo Grant	2,899	-	2,899
Middlesbrough Council (Fuel Vouchers)	76,461	-	76,461
Ageing Better Middlesbrough (Warm Welome)	36,576	-	36,576
Sustain (Eco Shops)	20,976	-	20,976
Warm Homes	37,442	-	37,442
Redress	36,578	-	36,578
Climate Action Programme	109,992	-	109,992
	<u>333,424</u>	<u>-</u>	<u>333,424</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

4 Charitable activities

(Continued)

Income for Promoting Healthy Lifestyles

	Restricted	Unrestricted	Total	Total
			2022	2021
	£	£	£	£
You've Got This (Type 2 Diabetes)	55,000	-	55,000	14,000
Public Health (Lifestyle Choice)	118,943	-	118,943	134,500
Sustainable Food Cities	21,958	-	21,958	5,200
Roots and Branches	-	-	-	(2,990)
You've Got This	(13,759)	-	(13,759)	68,267
Ageing Better Middlesbrough (Food and Friendship)	-	-	-	50,006
YGT Expenses	2,000	-	2,000	23,288
Grow your own at Home	-	-	-	1,000
FIG Slowcookery	-	-	-	5,241
Boro Active Explorers	22,851	-	22,851	111,478
Virtual Eco Shops	2,106	-	2,106	83,762
Food Emergency Grants	-	-	-	40,000
Tees Hub Eco Shop Online Dashboard	24,756	-	24,756	27,338
Rooted in Nature	19,005	-	19,005	-
	<u>252,860</u>	<u>-</u>	<u>252,860</u>	<u>561,090</u>

	Restricted	Unrestricted	Total
			2021
	£	£	
You've Got This (Type 2 Diabetes)	14,000	-	14,000
Public Health (Lifestyle Choice)	134,500	-	134,500
Sustainable Food Cities	5,200	-	5,200
Roots and Branches	(2,990)	-	(2,990)
You've Got This	68,267	-	68,267
Ageing Better Middlesbrough (Food and Friendship)	50,006	-	50,006
YGT Expenses	23,288	-	23,288
Grow your own at Home	1,000	-	1,000
FIG Slowcookery	5,241	-	5,241
Boro Active Explorers	111,478	-	111,478
Virtual Eco Shops	83,762	-	83,762
Food Emergency Grants	40,000	-	40,000
Tees Hub Eco Shop Online Dashboard	27,338	-	27,338
	<u>561,090</u>	<u>-</u>	<u>561,090</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

4 Charitable activities

(Continued)

Income for Encouraging Greater Use of Sustainable Transport

	Restricted	Unrestricted	Total 2022	Total 2021
	£	£	£	£
Department for Transport (Bikeability)	81,147	-	81,147	36,253
Local Sustainable Transport Fund (Bike Academy)	28,871	-	28,871	57,970
Stockton Pedestrian Training	-	28,380	28,380	18,030
Hartlepool Pedestrian Training	-	32,430	32,430	16,590
Local Sustainable Transport Fund (Redcar)	-	-	-	42,160
Shopmobility income	4,058	-	4,058	1,493
Dr Bike Service	250	-	250	100
Cycle centre income	-	-	-	1,406
	<u>114,326</u>	<u>60,810</u>	<u>175,136</u>	<u>174,002</u>

	Restricted	Unrestricted	Total 2021
	£	£	£
Department for Transport (Bikeability)	36,253	-	36,253
Local Sustainable Transport Fund (Bike Academy)	57,970	-	57,970
Stockton Pedestrian Training	-	18,030	18,030
Hartlepool Pedestrian Training	-	16,590	16,590
Local Sustainable Transport Fund (Redcar)	-	42,160	42,160
Shopmobility income	1,493	-	1,493
Dr Bike Service	100	-	100
Cycle centre income	-	1,406	1,406
	<u>95,816</u>	<u>78,186</u>	<u>174,002</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

4 Charitable activities

(Continued)

**Income for Contributing to Physical
Environmental Improvements**

	Restricted	Unrestricted	Total 2022	Total 2021
	£	£	£	£
Gardening Services	17,516	-	17,516	14,935
Green Shoots	68,080	-	68,080	83,850
ESF Growing to Work	6,394	-	6,394	-
	<u>91,990</u>	<u>-</u>	<u>91,990</u>	<u>98,785</u>

	Restricted	Unrestricted	Total 2021
	£	£	
Gardening Services	14,935	-	14,935
Green Shoots	83,850	-	83,850
	<u>98,785</u>	<u>-</u>	<u>98,785</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

4 Charitable activities

(Continued)

Income for Education and Awareness Raising

	Restricted	Unrestricted	Total	Total
	£	£	2021	2021
	£	£	£	£
National Lottery Community Fund (One Planet Pioneers)	-	-	-	130,283
Training income	-	13,726	13,726	5,274
OPP Income	58,146	-	58,146	500
Nutritional Standards (UNICEF)	-	-	-	5,960
Big Local Expenses	91,353	-	91,353	12,807
Jellystone Park Expenses	3,172	-	3,172	-
CommUNITY Actions	73,693	-	73,693	103,240
Kick Start Programme	112,755	-	112,755	-
	<u>339,119</u>	<u>13,726</u>	<u>352,845</u>	<u>258,064</u>

	Restricted	Unrestricted	Total
	£	£	2021
	£	£	£
National Lottery Community Fund (One Planet Pioneers)	130,283	-	130,283
Training income	-	5,274	5,274
OPP Income	-	500	500
Nutritional Standards (UNICEF)	5,960	-	5,960
Big Local Expenses	12,807	-	12,807
CommUNITY Actions	103,240	-	103,240
	<u>252,290</u>	<u>5,774</u>	<u>258,064</u>

5 Investments

	2022	2021
	£	£
Interest receivable	<u>1,414</u>	<u>3,210</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

6 Other income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Coronavirus Job Retention Scheme	1,187	67,668

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

7 Charitable activities

	Encouraging prudent use of resources	Promoting healthy lifestyles	Encouraging sustainable transport	Contributing to physical environment	Education, awareness raising	Governance	Total 2022	Total 2021
	£	£	£	£	£	£	£	£
Staff costs	128,453	160,999	106,432	86,202	197,352	127,840	807,278	693,972
Depreciation and impairment	354	2,373	2,850	154	254	-	5,985	4,349
Grants payable	-	-	-	-	35,894	-	35,894	35,252
Payments to partners	158,185	13,193	-	28,567	11,337	-	211,282	175,693
Other staff costs	2,227	4,378	6,876	5,754	8,540	920	28,695	15,363
Volunteer and trainee costs	106	-	-	7,947	51	-	8,104	-
Promotion and information	1,093	2,182	549	714	2,467	58	7,063	6,607
Consumables	1,125	3,447	3,219	3,919	13,407	909	26,026	19,869
Materials	1,539	4,064	301	5,322	8,969	73	20,268	15,656
Contractors	44,998	21,011	5,723	17,684	11,230	340	100,986	149,146
Other project costs	44,837	1,836	4,413	2,476	3,260	7,011	63,833	19,639
Project support costs	12,241	16,280	12,144	4,386	12,944	9,262	67,257	59,845
Professional fees	-	-	502	-	-	-	502	-
Accountancy fees	2,599	1,251	3,494	810	810	3,825	12,789	7,982
	397,757	231,014	146,503	163,935	306,515	150,238	1,395,962	1,203,373
Analysis by fund								
Unrestricted funds	-	-	27,440	-	4,793	150,238	182,471	
Restricted funds	397,757	231,014	119,063	163,935	301,722	-	1,213,491	
	397,757	231,014	146,503	163,935	306,515	150,238	1,395,962	

Included within accountancy fees is the audit fee totalling £7,000 (2021 - £4,500).

**MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2022

7 Charitable activities	(Continued)						
	Encouraging prudent use of resources	Promoting healthy lifestyles	Encouraging sustainable transport	Contributing to physical environment	Education, awareness raising	Governance	Total 2021
	£	£	£	£	£	£	£
Staff costs	93,396	251,343	50,222	22,711	76,789	199,511	693,972
Depreciation and impairment	125	250	3,750	-	224	-	4,349
Grants payable	-	33,752	-	-	1,500	-	35,252
Payments to partners	73,786	47,887	-	12,285	41,735	-	175,693
Other staff costs	5,395	6,371	336	300	2,823	138	15,363
Volunteer and trainee costs	-	-	-	-	-	-	-
Promotion and information	1,454	4,808	232	48	65	-	6,607
Consumables	2,863	10,960	1,271	424	4,231	120	19,869
Materials	2,836	9,803	606	458	1,902	51	15,656
Contractors	95,089	51,376	2,081	-	600	-	149,146
Other project costs	1,334	8,048	4,712	1,814	2,936	795	19,639
Project support costs	5,845	27,843	16,951	-	8,657	549	59,845
Accountancy fees	809	3,411	2,944	-	818	-	7,982
	<u>282,932</u>	<u>455,852</u>	<u>83,105</u>	<u>38,040</u>	<u>142,280</u>	<u>201,164</u>	<u>1,203,373</u>
Analysis by fund							
Unrestricted funds	-	-	29,472	-	1,098	201,164	231,734
Restricted funds	<u>282,932</u>	<u>455,852</u>	<u>53,633</u>	<u>38,040</u>	<u>141,182</u>	<u>-</u>	<u>971,639</u>
	<u>282,932</u>	<u>455,852</u>	<u>83,105</u>	<u>38,040</u>	<u>142,280</u>	<u>201,164</u>	<u>1,203,373</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

8 Grants payable

	2022	2021
	£	£
Grants to institutions:		
-Community Growing Teesside	-	4,000
- Barefoot Kitchen	-	3,988
- Breckon Hill	-	4,000
- Trinity Youth Project	-	3,569
- The Genesis Project	-	4,000
- Ubuntu Multicultural Centre	-	3,120
- Groundwork NE	-	3,453
- Regeneration of Communities	-	3,758
- People's Park Community Allotment	-	3,864
Nutritional Standard - UNICEF		
- Amal Project	-	250
- Breckon Hill	-	250
- Ubuntu Multicultural Centre	-	250
- Streets Ahead	-	250
- Active Tees Valley	-	250
- Hope 4 East Cleveland	-	250
North Ormesby Big Local		
- N.O. Junior Soccer	250	-
- White Feather project	250	-
- J Pierre	100	-
- Youth Focus	34,344	-
- Trinity Youth Project	250	-
- Pavillion Play Group	250	-
- Back Alley Makeover	100	-
- Senior Over 50s Club	250	-
- R Green	100	-
	<u>35,894</u>	<u>35,252</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

8 Grants payable

(Continued)

N.O. Junior Soccer

To cover the cost of equipment and referee fees.

White Feather project

To provide food for the community shop.

J Pierre

To cover the cost of fencing and posts to replace vandalised fence.

Youth Focus

For the delivery of youth work by youth workers.

Trinity Youth Project

A community based outing to play bowling.

Pavillion Play Group

To cover the cost of play equipment.

Back Alley Makeover / R Green

To cover the cost of planters and compost.

Senior Over 50s Club

To provide banners and decorations for a community street party.

9 Management Committee

None of the management committee (or any persons connected with them) received any remuneration, expenses or benefits from the charity during the year.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
Seconded staff	2	2
Project staff	39	29
	<u>41</u>	<u>31</u>

Employment costs

	2022	2021
	£	£
Seconded staff (donation in kind)	132,000	103,920
Wages and salaries	618,789	531,857
Social security costs	34,100	38,851
Other pension costs	22,389	19,344
	<u>807,278</u>	<u>693,972</u>

There were no employees whose annual remuneration was £60,000 or more.

11 Tangible fixed assets

	Plant and equipment
	£
Cost	
At 1 April 2021	70,881
Additions	19,399
Disposals	(11,016)
At 31 March 2022	<u>79,264</u>
Depreciation and impairment	
At 1 April 2021	67,556
Depreciation charged in the year	5,985
Eliminated in respect of disposals	(11,016)
At 31 March 2022	<u>62,525</u>
Carrying amount	
At 31 March 2022	<u>16,739</u>
At 31 March 2021	<u>3,324</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

12 Debtors		2022	2021
Amounts falling due within one year:		£	£
Trade debtors		34,820	108,920
Prepayments and accrued income		88,531	52,851
		<u>123,351</u>	<u>161,771</u>
		<u><u>123,351</u></u>	<u><u>161,771</u></u>
13 Creditors: amounts falling due within one year		2022	2021
	Notes	£	£
Other taxation and social security		9,449	8,156
Deferred income	14	10,000	10,000
Trade creditors		12,284	43,748
Other creditors		49,048	8,331
Accruals		47,385	34,361
		<u>128,166</u>	<u>104,596</u>
		<u><u>128,166</u></u>	<u><u>104,596</u></u>
14 Deferred income		2022	2021
		£	£
Other deferred income		10,000	10,000
		<u>10,000</u>	<u>10,000</u>
		<u><u>10,000</u></u>	<u><u>10,000</u></u>

The above relates to restricted grant income which has been received to contribute towards the costs of overheads for the following year.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

15 Movement in 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 31 March 2022 £
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Revaluations, gains and losses £	
Encouraging the Prudent Use of Resources	172,351	443,172	(397,757)	47,098	264,864
Promoting Healthy Lifestyles	423,241	252,860	(231,013)	(6,440)	438,648
Encouraging Greater Use of Sustainable Transport	154,273	114,326	(119,063)	(784)	148,752
Contributing to Physical Environmental Improvements	71,954	91,990	(163,934)	6,151	6,161
Education and Awareness Raising	146,275	339,119	(301,724)	(17,279)	166,391
Total Restricted Funds	968,094	1,241,467	(1,213,491)	28,746	1,024,816
Unrestricted funds					
General funds	443,965	144,311	(150,239)	(1,275)	436,762
Designated Funds:					
-Education and Awareness Raising	9,368	13,726	(4,793)	-	18,301
-Encouraging Greater Use of Sustainable Transport	45,561	60,810	(27,439)	(27,471)	51,461
Total funds	1,466,988	1,460,314	(1,395,962)	(28,746)	1,531,340

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

15 Movement in Funds

(Continued)

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 31 March 2021 £
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Revaluations, gains and losses £	
Encouraging the Prudent Use of Resources	121,859	333,424	(282,932)	-	172,351
Promoting Healthy Lifestyles	318,003	561,090	(455,852)	-	423,241
Encouraging Greater Use of Sustainable Transport	112,090	95,816	(53,633)	-	154,273
Contributing to Physical Environmental Improvements	11,209	98,785	(38,040)	-	71,954
Education and Awareness Raising	35,167	252,290	(141,182)	-	146,275
Total Restricted Funds	598,328	1,341,405	(971,639)	-	968,094
Unrestricted funds					
General funds	387,076	286,850	(229,961)	-	443,965
Designated Funds:					
-Education and Awareness Raising	10,066	-	(698)	-	9,368
-Encouraging Greater Use of Sustainable Transport	45,230	1,406	(1,075)	-	45,561
Total funds	1,040,700	1,629,661	(1,203,373)	-	1,466,988

16 Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total £
Fund balances at 31 March 2022 are represented by:			
Tangible assets	16,739	-	16,739
Current assets/(liabilities)	1,008,077	506,524	1,514,601
	1,024,816	506,524	1,531,340

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

16 Analysis of net assets between funds **(Continued)**

	Restricted funds	Unrestricted funds	Total
	£	£	£
Fund balances at 31 March 2021 are represented by:			
Tangible assets	3,324	-	3,324
Current assets/(liabilities)	964,770	498,894	1,463,664
	<u>968,094</u>	<u>498,894</u>	<u>1,466,988</u>

17 Operating lease commitments

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

	2022	2021
	£	£
Within one year	6,000	6,000
Between two and five years	24,000	24,000
In over five years	30,000	36,000
	<u>60,000</u>	<u>66,000</u>

18 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022	2021
	£	£
Aggregate compensation	185,279	117,015
	<u>185,279</u>	<u>117,015</u>

Key management personnel includes £132,000 which relates to those seconded from Middlesbrough Council. Cost is recognised in line with the donation in kind as per the requirements of Statement of Recommended Practice for Charities.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

18 Related party transactions **(Continued)**

Transactions with related parties

During the year the charity provided funding to a project partner totalling £54,372 (2021 - £9,302), with £16,818 (2021 - £nil) included within creditors at the balance sheet date. A Trustee of the charity is the CEO of the above project partner, Tees Valley Wildlife Trust.

During the year the charity provided funding to a project partner totalling £44,048 (2021 - £not related), with £282 (2021 - £not related) included within creditors at the balance sheet date. A Trustee of the charity (appointed 17 January 2022) is also a Trustee of the above project partner, The Other Perspective CIC.

19 Cash generated from operations	2022	2021
	£	£
Surplus for the year	64,352	426,288
Adjustments for:		
Investment income recognised in statement of financial activities	(1,414)	(3,210)
Depreciation and impairment of tangible fixed assets	5,985	4,349
Movements in working capital:		
Decrease/(increase) in debtors	38,420	(61,066)
Increase in creditors	23,569	24,781
(Decrease) in deferred income	-	(30,000)
Cash generated from operations	130,912	361,142
20 Analysis of changes in net funds		
The charity had no debt during the year.		

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED

England & Wales - Charity number 1070131

Accounts

Charity Registration No. 1070131

Company Registration No. 03386853 (England and Wales)

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED

A COMPANY LIMITED BY GUARANTEE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION

Management Committee	Cllr J Rostron V Cunningham L E Hammond M H Harvey B Gloyer K J McMonagle K A Lewis J A Garside R K Mills S J Granger J Stevenson Dr M Watson Cllr R Arundale Cllr D McCabe
Charity number	1070131
Company number	03386853
Registered office	Sandy Flatts Lane Acklam Middlesbrough United Kingdom TS5 7YN
Auditor	Azets Audit Services Wynyard Park House Wynyard Avenue Wynyard Billingham United Kingdom TS22 5TB
Bankers	Co-operative Bank PO Box 250 Skelmerdale Lancashire United Kingdom WN8 6WT
Solicitors	Middlesbrough Council PO Box 99A Middlesbrough United Kingdom TS1 2QQ

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
CONTENTS

	Page
Trustees' report	1 - 11
Statement of trustees' responsibilities	12
Independent auditor's report	13 - 16
Statement of financial activities	17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20 - 41

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees of Middlesbrough Environment City Trust Ltd (MEC) are pleased to present their annual report detailing the charity's achievements during the year ending 31st March 2021, together with the financial statements.

Charity Details

The following people were trustees of MEC during the year:

Cllr Julia Rostron Lynne Hammond Joe McMonagle Jeremy Garside
Val Cunningham Samantha Granger Keith Lewis Russell Mills
Brian Glover Janet Stevenson Matt Watson Lesley Rigg
Cllr Dennis McCabe Cllr Ron Arundale

Martin Harvey (resigned 29/01/2021)

Director: Mark Fishpool (resigned 18/04/2021)

Registered Company Number: 3386853

Registered Charity Number: 1070131

Registered Office: Sandy Flatts Lane, Acklam, Middlesbrough, TS5 7TN

Auditors: Azets, Wynyard Park House, Wynyard Avenue,
Wynyard, Stockton-on-Tees, TS22 5TB

Bankers: The Co-operative Bank plc, Customer Services, PO Box 250, Skelmersdale.
WN8 6WT

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities

Purposes and Activities of MEC

MEC's charitable objects are to:

- a. advance the education of the public and promote public involvement in all matters concerning environmental sustainability in the borough of Middlesbrough and the wider Tees Valley area;
- b. preserve protect and enhance the environment within the borough of Middlesbrough and the wider Tees Valley area;
- c. protect and enhance the health and well-being of people in the borough of Middlesbrough and the wider Tees Valley area in particular but not exclusively by providing information, advice and services regarding physical activity, dietary health and mental well-being.

MEC uses the One Planet Living approach to sustainable living. Middlesbrough Council has adopted a Green Strategy based on the One Planet Living model, developed by international charity BioRegional, as a simple means of describing sustainable living in ten easy to understand principles. If everyone on Earth consumed resources at the same rate as people in the UK, three planets would be needed to sustain everyone. There is a need to reduce the consumption of resources to a level that can be sustained by one planet, whilst also improving Quality of Life. The model demonstrates the economic and social benefits of sustainable living.

MEC oversees the implementation of One Planet Living in Middlesbrough amongst local communities, adding significant value to the approach within Middlesbrough Council and its public services.

MEC's work is divided into five themes:

Theme 1 - Engaging Communities in Climate Change and Encouraging More Prudent Use of Resources

The climate and ecological emergencies are still the greatest challenges facing us locally, nationally and globally, including risks to public health, social cohesion and the economy. The climate emergency still commands a high public profile, even at a time when the more immediate concern of the Covid-19 pandemic remains at the forefront of public consciousness. MEC continues to engage and enable communities to both adapt to climate change and help reduce further impacts.

Reducing the use of the planet's resources is at the heart of tackling climate change and achieving One Planet Living. MEC delivers projects aimed at reducing energy consumption, deriving energy from sustainable sources, supporting recycling and composting. These activities provide excellent opportunities for residents to save money and improve well-being through energy efficiency measures.

Theme 2 - Promoting Healthier Lifestyles

MEC is proactive in tackling health inequalities in Middlesbrough to improve Quality of Life and encourage sustainable living, working closely with Public Health South Tees and the Live Well Centre. The Charity has also been involved in the recovery from Covid-19. There is a strong link between this theme and Theme 3 below, through encouraging walking and cycling activity. MEC is involved in projects that improve access to healthy exercise for all, encourage food growing and promote healthy eating. Activities link sustainable living to addressing long term conditions such as Type 2 Diabetes and Cardiovascular Disease.

Theme 3 - Encouraging Greater Use of Sustainable Transport

MEC has managed the Middlesbrough Cycle Centre since 2002, the first staffed, secure cycle parking facility in the North East of England. This was expanded in 2016 to include the delivery of a Shopmobility service. The delivery of Bikeability cycle training in schools and workplaces is at the heart of the safe cycling training programme, which is complemented with cycle maintenance training with young people's groups, unemployed people, community organisations and people with special needs.

Theme 4 - Contributing to Physical Environmental Improvements

MEC focuses on supporting other partners to deliver environmental improvements. The Charity has, in recent years, also delivered a range of small community-led improvement schemes, biodiversity and heritage projects..

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Theme 5 - Education and Awareness-raising

The final theme supports the others and underpins community engagement in the One Planet Living programme. Activities include coordinating Middlesbrough's Fairtrade programme, delivery of Forest Schools and participating in major cultural events.

The Charity's base on the Nature's World site with a longer term lease and an area of land attached to the premises is greatly increasing the opportunities for the organization to deliver land-based educational activities that promote sustainable living.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance

Inevitably, the Covid-19 crisis dominated the charity's work programme during the year. The Trustees were proud that Middlesbrough Environment City was able to contribute through its charitable objectives to the emergency relief effort for communities impacted most by the pandemic, whilst also developing initiatives to support longer-term Covid recovery. The Charity was able to make use of additional resources from national government to minimize impact on the organisation, such as furlough, and to support the emergency work.

Theme 1 - Engaging Communities in Climate Change and Encouraging More Prudent Use of Resources

MEC has been a key partner supporting the development of Middlesbrough's Green Strategy, participating in the core strategic group and several of the theme-based working groups. A partnership of local organisations led by MEC and including Tees Valley Wildlife Trust, The Linx Project, Actes, The Other Perspective, Thirteen and Middlesbrough Council, has been supported through the first round of the National Lottery Community Fund Climate Action Programme. This invaluable support will enable the partnership to take a whole system approach to community engagement in tackling climate change over the next five years, maximizing community leadership in both decision-making and action on climate change locally.

MEC continued to chair and support the South Tees Affordable Warmth Partnership as well as delivering a wide range of initiatives to alleviate the injustice fuel poverty. The South Tees Affordable Warmth Partnership works across both Middlesbrough and Redcar & Cleveland, implementing the Affordable Warmth Action Plan. This includes improving the energy efficiency of homes, increasing household income and helping residents to reduce their energy bills through behaviour change.

The role of the Partnership and the work of MEC in tackling fuel poverty took on additional relevance this year as many household incomes fell as a result of furlough or unemployment.

MEC provided advice to households on home energy efficiency, including through a dedicated affordable warmth freephone number. This has created a single point of access hub for affordable warmth support as recommended by the National Institute for Health and Care Excellence.

Warm Homes Tees Valley, a consortium led by Stockton-on-Tees Council, began delivering a two year project funded through the Warm Homes Fund. The scheme will run to 2022 and will enable fuel poor households not currently on the gas network to access either full gas central heating systems or air source heat pumps at no cost to the householder. Although impacted by Covid-19, the element led by MEC was successful in developing a targeted approach to engaging communities, focusing on clusters of properties that are not on the gas network and working closely with trusted local partners, including ward councillors to promote the scheme. New heating systems and air source heat pumps are now in the process of being installed. In addition, the project gave energy efficiency advice to 157 households and trained 103 staff from 15 organisations.

Cosy Homes, funded by the Energy Redress scheme, is providing energy advice in Redcar and Cleveland, levelling-up support across the South Tees area. By March 2021 the scheme had supported 569 households, trained 48 front-line staff and distributed £2200 in fuel vouchers to vulnerable households. Other emergency support in response to Covid from both Energy redress and Middlesbrough Council delivered a further 963 fuel vouchers, valued at over £46,000 to support vulnerable households through the pandemic.

The Warm Welcome scheme, in partnership with Ageing Better Middlesbrough, provided energy efficiency advice and signposting for people over 50, with a particular focus on those facing isolation. Over the two years of the initiative, support was given to 140 people, with 92 front-line staff trained in identifying people in fuel poverty and making referrals for support.

The BEIS Big Energy Saving Network supported the provision of advice to vulnerable residents on energy efficiency and tariff switching. Tariff switching and energy efficiency advice was provided to 303 people, with three events undertaken for Big Energy Saving Week.

Further work was undertaken to maintain and update the UNO database held by MEC. This provides valuable data on the energy efficiency of properties in Middlesbrough, helping to target support to the most vulnerable people and the homes with the greatest need.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Theme 2 - Promoting Healthier Lifestyles

The promotion of healthy living is a significant area of MEC's work, with a close association with cycling and walking under Theme 3 and affordable warmth under Theme 1. This work has received significant support through Public Health South Tees, which has enabled a substantial programme to continue, supporting our most disadvantaged communities and tackling health inequalities.

MEC continued to coordinate the Middlesbrough Food Action Plan working through the Food Partnership and with financial support from Sustainable Food Places. The Sustainable Food Places Silver Award was achieved in June 2019 and Middlesbrough is now working towards Gold, with an action plan now in place. MEC also supported the Food Power Alliance in Middlesbrough, implementing an action plan to address food insecurity in Middlesbrough. The plan covers the main areas of surplus food, holiday hunger, maximising income and linking with affordable warmth.

The work of the Food Power Alliance was particularly significant this year in supporting the community response to access to food access and food poverty in the pandemic. MEC and its partners had been developing the EcoShop model with Fareshare North east, who collect and distribute food from the supply chain. EcoShops are volunteer run facilities in schools and community venues that help tackle food waste through providing affordable food that would otherwise have gone to landfill to communities. Sixteen were established during the year, although many were restricted in operation owing to the pandemic. However, funding from the government's Emergency Food and Essential items Fund and the National Lottery Community Fund did allow the project to evolve into the Virtual EcoShop, enabling deliveries of surplus food to people who were self-isolating or unable to leave their homes for other reasons. By March 2021, the scheme was delivering 300 packages each week to over 200 households, a valuable lifeline for vulnerable people. The scheme was made possible through the generous support of PD Ports, who kindly provided warehousing space and logistical support to maintain the supply of food. Their support also enabled other emergency food providers to maintain and increase their supplies to vulnerable families during the lockdowns and school holiday periods.

As the Covid restrictions ease, it is planned to wind down the Virtual EcoShop and encourage users to engage with site-based EcoShops in their local community. An exciting development towards the end of the year was obtaining funding from both the Middlesbrough and Teesside Philanthropic Foundation and Middlesbrough Football Club Foundation towards setting up a Teesside Food Hub in partnership with Fareshare North East. This will greatly increase the capacity for food deliveries locally, allowing the expansion of EcoShops, as well as supporting other emergency food provision.

A grant through Unicef and Sustain supported a project to improve the nutritional content of food parcels, with four training sessions delivered to 13 people from four organisations. A grant from Food for Life enabled 100 growing kits to be distributed to families during lockdown as an educational and enrichment activity.

Government funding through Middlesbrough Council also supported a small grants programme to nine community groups for food initiatives to support Covid recovery. A further grant through Middlesbrough Council supported a slowcooking project, delivered on-line. Over 80 participants were recruited and each received a slowcooker, recipe book and ingredients, upon completion of the course.

MEC continued to coordinate a programme of activity to reduce the risk of Type 2 Diabetes amongst Middlesbrough's Black and Minority Ethnic communities, through encouraging participants to make changes to a healthier and more sustainable lifestyle. This year the work was funded by both the You've Got This Sport England Local Delivery Pilot and Public Health South Tees. Work was curtailed by the pandemic, but the programme is being redesigned for delivery next year, to increase update of wider Type 2 Diabetes initiatives locally.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The You've Got This programme continued throughout the year, funded by Sport England and with Redcar & Cleveland Council as lead organisation. This innovative initiative, part of the national Local Delivery Pilot programme, is testing ways of engaging with inactive people, supporting them to become more active in both Middlesbrough and Redcar & Cleveland. The project works with target groups within the population including people living with Type 2 Diabetes, people awaiting surgery and users of commercial weight management services. A second strand takes an area-based approach in four adjacent wards across both boroughs. The initiative responded to the pandemic by prioritizing on-line activities and providing activity packs to households during lockdown. The programme is now starting to deliver face to face again and over the coming years it is hoped that MEC will be able to deliver more of the activities of the programme. It has also funded the Boro Active Explorers, discussed under Theme 5.

MEC continued to support health improvements amongst its own staff through the North East Better Health at Work Award, which started in October 2009. With the commitment of its Health Champions, MEC reaffirmed Continuing Excellence in March 2021, acting as an exemplar to other businesses in the region.

Theme 3 - Encouraging Greater Use of Sustainable Transport

MEC has been involved in cycling activities in Middlesbrough for around 20 years, particularly through running the Middlesbrough Cycle Centre, which has been operating since 2002. MEC's cycling and walking projects form part of the Let's Go Tees Valley programme, managed by Darlington Borough Council on behalf of Tees Valley Combined Authority with funding from the Department for Transport Access Fund.

Cycling and walking activities were significantly impacted by the Covid-19 pandemic, with work in schools particularly affected. The Middlesbrough Cycle Centre and Shopmobility based in the Middlesbrough Bus Station was closed for much of the year, although was able to open for a period over the Summer. In schools, Bikeability in Middlesbrough and Year 3 Pedestrian Training in Middlesbrough, Stockton-on-Tees and Hartlepool was greatly reduced, with limited training only being possible in the Summer and Autumn.

Cycle maintenance and safe cycling training funded through the DfT Access Fund supported cyclists at a reduced level throughout the year, with cycle maintenance workshops taking place across Middlesbrough and Redcar and Cleveland when restrictions allowed. These were complemented by one-to-one Dr Bike sessions and on-line courses which assisted cyclists in keeping their bikes on the road for daily exercise and other essential purposes.

Walking for Health groups were unable to operate for extended periods, although contact was maintained with the groups and 30 new walk leaders were trained, in preparation for a more extensive programme of activity in 2021 supporting people to get and about again.

Funders have been very supportive of the Charity over the last year and the funding that was provided has been allowed to be carried forward into 2021/22. This will enable activity through to Autumn 2021 supporting more people to ride and walk and improving both physical and mental wellbeing as part of Covid recovery.

Theme 4 - Contributing to Physical Environmental Improvements

MEC was successful in obtaining a grant through the government's Green Recovery Challenge Fund to work with under-represented groups including young people and ethnic minority communities on improving and maintaining Middlesbrough's natural places and local nature reserves. The project, which commenced in February 2021, will also provide placements for young people through the government's Kickstart programme, providing valuable training and employment opportunities for young people.

Significant progress was also made during the year on the development of MEC's own grounds at the nature's World site to benefit the activities of the Charity. A Forest School delivery area has been developed that provides a safe, secure venue for outdoor activities. Thanks to the in-kind support of BAM Nuttall, who provided staff and machinery, the community allotment area was cleared of scrub and is now being prepared to allow letting to local people in the Autumn.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Theme 5 - Education and Awareness-raising

Middlesbrough became a Fairtrade Town in March 2007, with MEC taking a lead role in developing the bid to the Fairtrade Foundation, working through a Fairtrade Partnership. MEC continued to support the initiative through providing coordination for the Steering Group, organising a series of awareness-raising events linked particularly to Fairtrade Fortnight and maintaining the database of Fairtrade outlets. The Partnership's on-going efforts to highlighting this global aspect to sustainable living was recognized by reaccreditation of Fairtrade Town status in March 2021.

MEC entered the fifth full year of One Planet Pioneers, a five-year National Lottery Community Fund Our Bright Future project. The aim of the initiative is to improve the life chances of young people by broadening and enhancing their skills and experience through engagement in designing, developing and implementing environmental sustainability initiatives. The project is being delivered by a partnership that also includes Tees Valley Wildlife Trust (TVWT), Actes and Teesside University. MEC and TVWT both provide practical volunteering and apprenticeships for young people, with TVWT also running the John Muir Award, developing young people's understanding of the natural world. Actes supports the programme through coordinating a Youth Panel that runs their own campaigns as well as guiding programme delivery. Actes also runs a peer mentoring programme, training young people to support other participants on One Planet Pioneers.

Although impacted by the pandemic, the Youth panel continued to engage with young people through social media and some practical activities were also possible when restrictions allowed. Opportunities have also been explored to support Kickstart trainees for the remainder of the programme, providing young people with valuable work experience. A legacy tree planting project designed by the young people will be implemented in 2021, before the end of the project in December.

Funding from the National Lottery Community Fund supported Sustainable Community Actions – a three-year initiative to build healthy, resilient lifestyles, self-resilience and social cohesion within communities through community-led environmental projects. During the year the project focused particularly on supporting communities through the pandemic, including working with the Virtual EcoShop project and providing on-line cookery sessions.

Funding through the You've Got this Sport England Local Delivery Pilot delivery commenced on Boro Active Explorers, a collaborative project to develop and sustain the Forest School model in schools and communities.

Impact of Covid-19

The impact of Covid-19 was ever present throughout the year, as demonstrated above. Impacts were particularly significant, as the Charity traditionally delivers most of its activities face-to-face. Significant adaptation was needed to ensure beneficiaries were still supported. Some staff were able to continue their role, for example providing assistance to people in fuel poverty at a time when their issues were further exacerbated by the impacts of the virus. Changes in delivery methods, including greater use of telephone calls and on-line virtual support, were employed to maintain support for service users. With the agreement of the funders, other staff were able to be redeployed to provide emergency services. The government's furlough scheme was valuable in allowing the Charity to retain the skills of staff who were unable to continue their normal work, in particular the Active Travel team. These staff members gradually returned to work as restrictions eased.

A number of actions were also implemented to maximise safety for staff and ensure that the premises were Covid secure. A Covid-19 risk assessment has been prepared for the offices and these were also produced for individual activities. Staff began working from home at the start of lockdown and have continued to do so, at least for part of the working week. Physical measures have also been introduced such as provision of hand sanitizer, screens between desks, social distancing in the office and the compulsory wearing of face coverings in communal areas. Staff have received awareness training, including via video, and safety information is also provided for visitors.

The pandemic also impacted on the governance of the Charity, with face-to-face meetings of the Trustees being suspended throughout the year. To ensure good governance, the trustees agreed to meet virtually.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

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The pandemic also impacted on the governance of the Charity, with face-to-face meetings of the Trustees being suspended after the January 2020 meeting. To ensure good governance, the trustees have agreed that meetings for the remainder of 2020 would be held virtually.

Financial review

Overall Performance

MEC continued to maintain a sound financial position during the year, with funding received from a variety of sources including grants and contracts. The charity continued to benefit from the close working relationship with Middlesbrough Council, especially through the in-kind support provided by the seconded staff.

Results

The net surplus of funds for the year was £426,288 which constitutes £369,766 unspent but committed restricted funds and £56,522 of unrestricted funds. The Trustees propose that the balance of the net surplus be transferred to the reserves.

Investment Powers and Policy

The Trustees, noting the nature of the charity's project programme, which includes significant sums of grant paid in arrears, and the Financial Reserves Policy, have operated a policy of maintaining available funds in an interest bearing deposit account with competitive levels of interest. In addition, some unrestricted funds were placed, during the year, in short term investments funds yielding a higher return, with the interest reinvested into the charitable activities of the organisation.

Reserves Policy

MEC has in place a Reserves Policy, which forms part of its Financial Regulations. The Trustees review both the policy and the level of reserves annually. MEC will maintain sufficient unrestricted reserves to ensure the Charity can address the following potential outgoings:

- Sufficient funds to cover the running costs of the charity for a period of six months, assuming that all external sources of funding cease. This is considered sufficient time to access other external funding if this is available.
- Funds to cover all redundancy costs and notice periods either incurred as projects end or at the end of the six month period.
- Funds to cover all other winding up costs of the charity at the end of the six-month period.
- A contingency against project overspends and short-term cash flow difficulties resulting, for example, from the payment of grants or other earned income in arrears.

The actual amount of free reserves required to meet these potential outgoings is calculated at the start of each financial year. In their most recent review, the Trustees concluded that the level of free reserve needed by MEC is £408,506. The current level of free reserves is £443,965.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Plans for Future Periods

Whilst Covid-19 remains a significant factor influencing the activities of the Charity and impacting on the organisation's beneficiaries, MEC must still focus its attention on the longer term, and the more significant threat from the climate and ecological crises. Whilst MEC will support activities to help our residents through Covid recovery, this will be through the lens of creating more environmentally and socially sustainable communities. Projects have already evolved to enable delivery in a Covid secure way, ensuring that beneficiaries are still being supported at a time when they face an even greater range of challenges.

The Trustees are very aware of the challenges resulting from cuts in public expenditure are being exacerbated by Covid-19, impacting directly on the operation of the Charity as well as significantly increasing demand on its services. They recognise the need for the expedient use of resources to be combined with an imaginative vision that seeks to find innovative ways to address the challenges of sustainable living in Middlesbrough and improving Quality of Life for the town's communities. They will remain vigilant in the management of resources in such challenging times.

MEC is already delivering cycling, walking and affordable warmth initiatives in the adjoining borough of Stockton-on-Tees, Redcar & Cleveland and Hartlepool. Further opportunities will be investigated for partnership working across the wider Tees Valley area.

The work of the Charity has been boosted through the inclusion of a partnership of local organisations, led by MEC, in the first tranche of projects supported by the National Lottery Community Fund Climate Action Programme. This initiative will support the engagement of communities, especially young people, in tackling climate change at a local level, linking closely with Middlesbrough's new Green Strategy.

Structure, governance and management

MEC is a company limited by guarantee governed by its Memorandum and Articles of Association incorporated 13th May 1997.

Cllr J Rostron
V Cunningham
L E Hammond
M H Harvey
B Glover
K J McMonagle
K A Lewis
J A Garside
R K Mills
S J Granger
J Stevenson
Dr M Watson
Cllr R Arundale
Cllr D McCabe

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Appointment of Trustees

MEC is managed by a Board of Management made up of the directors of the charitable company and who are also its trustees for the purposes of charity law.

As set out in the Articles of Association, the Board of Management must consist of not less than three. There is no maximum number of members on the Board of Management. Trustees of the Board of Management are drawn from the public, private, academic, voluntary and community sectors.

Nominations for new members are made to the Board of Management for approval. There is an active recruitment process by the Trustees to encourage new members onto the Board of Management as vacancies arise.

Members of the Board of Management are subject to rotation. At the Annual General Meeting, one third of the Board members retire, these being the longest serving members. Retiring members are eligible for reappointment. The Board of Management has undertaken a skills audit to assess the strengths of the Board and identify skills needs. This will be used in the recruitment process for new members as well as informing future training for trustees.

Trustee Induction and Training

New Trustees undertake an induction to brief them on their legal obligations under charity and company law and the management and operation of MEC. A thorough induction pack is provided and includes items such as the governing document, key policies and procedures, Board of Management meeting minutes and audited accounts. New Trustees undertake their induction at MEC's premises, providing an opportunity to meet employees and discuss projects and activities.

MEC encourages further training for Trustees, either internally or through external providers, where this helps them to undertake their role. In addition, relevant updates on matters such as charity law are provided at quarterly Trustees' meetings and through circulation of the Charity Commission's newsletter "Charity Commission News".

Organisation

The Trustees administer MEC. The Board of Management meets four times each year. In addition, the Honorary Officers meet on a further four occasions during the year to discuss the work of the organisation. Sub-groups are convened to deal with specific issues arising in the work of the organisation.

A Director is appointed to manage the day to day operations of MEC. A management team comprising the Director, Local Agenda 21 Projects Officer, Health Projects Manager and Partnership Liaison Officer report to the Board of Management.

Related Parties

MEC delivers most of its objectives through partnership working with other voluntary organisations, government agencies, statutory bodies and Local Authorities. Of these, Middlesbrough Council nominates four representatives to the Board of Management. No other organisation currently appoints representatives to the Board of Management.

Middlesbrough Council seconds three core members of staff to MEC, namely the Director, Local Agenda 21 Projects Officer and Partnership Liaison Officer. The relationship between the Council and MEC is documented in a Memorandum of Understanding, which is negotiated each year between the two parties. When seconded, the staff act only in the interest of the charity.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Risk Management Strategy

The Trustees undertake a risk review on an annual basis as part of the business planning process. The information is used to develop a risk register which records the procedures and systems that MEC will implement to mitigate the risks that have been identified and to minimise the impact on the charity should the risks materialise.

Currently, the risk management focus falls inevitably on the on-going impact of Covid-19, its implications for project delivery and its effects on the communities MEC serves. An account of the organisational impacts of Covid-19 to date and mitigation is included above. Moving forward, the Trustees recognize that Covid-19 will have a long-term impact on the work of the Charity, which usually delivers so many of its activities face-to-face with communities. Steps have been put in place to adapt working practices to ensure that the Charity can continue to serve its beneficiaries, including Covid secure delivery of face-to-face work and a move to digital support.

Other significant areas of risk identified in the Business Plan include: continuing to deliver the aims and objectives of the Charity in the current period of austerity and at a time of increasing demand for the services of the charity; maintaining a diversity of income sources; increasing regulation; and dealing with the loss of key staff. MEC has developed a wide funding base which is not over dependent on one source of income; the Trustees see maintaining this broad base as a priority. Staff have a wide base of skills and extensive experience. Systems are in place to aid the retention of staff, including staff supervision and appraisal systems. The Trustees are also aware of those government policy areas that impact on the work of the organisation and monitor these.

Financial Risks and Fraud

Each year the Trustees undertake an assessment of financial risks as part of the overall Risk Management Strategy, which forms part of the annual business planning process. Particular attention is drawn to the risk of fraud. From the assessment, the principal risks are identified and appropriate measures introduced to reduce these risks.

During the year the Trustees also introduced a specific fraud prevention policy, highlighting the activities that the Charity will undertake to minimize the risk of fraud.

Serious Incidents

In line with Charity Commission guidance, the Trustees will report any serious incidents both to the Charity Commission and in the Annual Report. There have been no serious incidents to report in the year 2020/21.

Disclosure of information to auditor

Each of the management committee has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Management Committee



Cllr J Rostron
Trustee
Dated: 22 October 2021



B Glover
Trustee
Dated: 22 October 2021

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2021

The management committee, who are also the directors of Middlesbrough Environment City Trust Limited 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 management committee 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 management committee 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The management committee 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT**

**TO THE MANAGEMENT COMMITTEE OF MIDDLESBROUGH ENVIRONMENT CITY
TRUST LIMITED**

Opinion

We have audited the financial statements of Middlesbrough Environment City Trust Limited (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The management committee are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MANAGEMENT COMMITTEE OF MIDDLESBROUGH ENVIRONMENT CITY
TRUST LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of management committee

As explained more fully in the statement of trustees' responsibilities, the management committee, 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 management committee 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 management committee 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 management committee either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MANAGEMENT COMMITTEE OF MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

28/10/2021

Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
United Kingdom
TS22 5TB

**MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MANAGEMENT COMMITTEE OF MIDDLESBROUGH ENVIRONMENT CITY
TRUST LIMITED**

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
<u>Income and endowments from:</u>					
Donations and legacies	3	133,418	-	133,418	115,460
Charitable activities	4	83,960	1,341,405	1,425,365	947,885
Investments	5	3,210	-	3,210	7,147
Other income	6	67,668	-	67,668	-
Total income		288,256	1,341,405	1,629,661	1,070,492
<u>Expenditure on:</u>					
Charitable activities	7	231,734	971,639	1,203,373	1,132,671
Net income/(expenditure) for the year/ Net movement in funds		56,522	369,766	426,288	(62,179)
Fund balances at 1 April 2020		442,372	598,328	1,040,700	1,102,879
Fund balances at 31 March 2021		498,894	968,094	1,466,988	1,040,700

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.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	11		3,324		7,673
Current assets					
Debtors	12	161,771		100,705	
Cash at bank and in hand		1,406,489		1,042,137	
		<u>1,568,260</u>		<u>1,142,842</u>	
Creditors: amounts falling due within one year	13	<u>(104,596)</u>		<u>(109,815)</u>	
Net current assets			1,463,664		1,033,027
Total assets less current liabilities			<u>1,466,988</u>		<u>1,040,700</u>
Income funds					
Restricted funds	15		968,094		598,328
<u>Unrestricted funds</u>					
Designated funds		54,929		55,296	
General unrestricted funds		443,965		387,076	
		<u>498,894</u>		<u>442,372</u>	
			<u>1,466,988</u>		<u>1,040,700</u>

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 Management Committee on 22 October 2021



Cllr J Rostron
Trustee



B Glover
Trustee

Company Registration No. 03386853

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	18		361,142		(69,840)
Investing activities					
Investment income received		3,210		7,147	
Net cash generated from investing activities			3,210		7,147
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			364,352		(62,693)
Cash and cash equivalents at beginning of year			1,042,137		1,104,830
Cash and cash equivalents at end of year			<u>1,406,489</u>		<u>1,042,137</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED

A COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Middlesbrough Environment City Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Sandy Flatts Lane, Acklam, Middlesbrough, TS5 7YN, United Kingdom.

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 2019). 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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the management committee have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the management committee 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 management committee in furtherance of their charitable objectives.

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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

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.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Direct charitable expenditure includes the direct costs of the activities and depreciation on related assets. Where such costs relate to more than one functional cost category, they have been split on an appropriate basis.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, 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:

Plant and equipment	25% 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 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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.

1.9 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

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 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.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the management committee 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 2021	Unrestricted 2020
	£	£
Thirteen - Rent (Donation in Kind)	-	1,692
Other Sundry Income	16,403	848
Middlesbrough Council - Salaries (Donation in Kind)	117,015	103,920
Middlesbrough Council - Rent (Cash donation)	-	9,000
	<u>133,418</u>	<u>115,460</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

Summary

	Restricted	Unrestricted	Total	Total
	£	£	2021	2020
	£	£	£	£
Income for Encouraging the Prudent Use of Resources	333,424	-	333,424	61,222
Income for Promoting Healthy Lifestyles	561,090	-	561,090	338,785
Income for Encouraging Greater Use of Sustainable Transport	95,816	78,186	174,002	231,905
Income for Contributing to Physical Environmental Improvements	98,785	-	98,785	39,907
Income for Education and Awareness Raising	252,290	5,774	258,064	276,066
	<u>1,341,405</u>	<u>83,960</u>	<u>1,425,365</u>	<u>947,885</u>
	Restricted	Unrestricted	Total	
	£	£	2020	
	£	£	£	
Income for Encouraging the Prudent Use of Resources	61,222	-	61,222	
Income for Promoting Healthy Lifestyles	338,785	-	338,785	
Income for Encouraging Greater Use of Sustainable Transport	136,345	95,560	231,905	
Income for Contributing to Physical Environmental Improvements	39,907	-	39,907	
Income for Education and Awareness Raising	257,005	19,061	276,066	
	<u>833,264</u>	<u>114,621</u>	<u>947,885</u>	

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

(Continued)

Income for Encouraging the Prudent Use of Resources

	Restricted	Unrestricted	Total 2021	Total 2020
	£	£	£	£
Public Health (Affordable Warmth)	-	-	-	1,430
BEIS (Big Energy Saving Network)	12,500	-	12,500	15,000
Staying Put Eco Grant	2,899	-	2,899	6,445
Middlesbrough Council (Fuel Vouchers)	76,461	-	76,461	3,500
0800 Repair	-	-	-	6,389
Ageing Better Middlesbrough (Warm Welome)	36,576	-	36,576	23,458
Sustain (Eco Shops)	20,976	-	20,976	5,000
Warm Homes	37,442	-	37,442	-
Redress	36,578	-	36,578	-
Climate Action Programme	109,992	-	109,992	-
	<u>333,424</u>	<u>-</u>	<u>333,424</u>	<u>61,222</u>

	Restricted	Unrestricted	Total 2020
	£	£	£
Public Health (Affordable Warmth)	1,430	-	1,430
BEIS (Big Energy Saving Network)	15,000	-	15,000
Staying Put Echo Grant	6,445	-	6,445
Middlesbrough Council (Fuel Vouchers)	3,500	-	3,500
0800 Repair	6,389	-	6,389
Ageing Better Middlesbrough (Warm Welome)	23,458	-	23,458
Sustain (Eco Shops)	5,000	-	5,000
	<u>61,222</u>	<u>-</u>	<u>61,222</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

(Continued)

Income for Promoting Healthy Lifestyles

	Restricted	Unrestricted	Total	Total
	£	£	2021	2020
	£	£	£	£
You've Got This (Type 2 Diabetes)	14,000	-	14,000	73,427
Public Health (Lifestyle Choice)	134,500	-	134,500	84,655
Better Care Fund (My Life)	-	-	-	-
Sustainable Food Cities	5,200	-	5,200	10,000
Sustainable Food Cities (Sugar Smart Middlesbrough)	-	-	-	-
A Team Build	-	-	-	3,585
Roots and Branches	(2,990)	-	(2,990)	21,024
You've Got This	68,267	-	68,267	-
Public Health (Nutritional Interventions)	-	-	-	59,900
Sustain (Veg Cities)	-	-	-	1,025
Sport England Local Delivery Pilot	-	-	-	59,109
Sustain (Food Power Evaluation)	-	-	-	2,763
Bus Stop Surveys	-	-	-	3,000
Sustain (Experts by Experience)	-	-	-	5,178
Ageing Better Middlesbrough (Food and Friendship)	50,006	-	50,006	14,672
Urban Farming	-	-	-	447
YGT Expenses	23,288	-	23,288	-
Grow your own at Home	1,000	-	1,000	-
FIG Slowcooking	5,241	-	5,241	-
Boro Active Explorers	111,478	-	111,478	-
Virtual Eco Shops	83,762	-	83,762	-
Food Emergency Grants	40,000	-	40,000	-
Tees Hub Eco Shop Online Dashboard	27,338	-	27,338	-
	<u>561,090</u>	<u>-</u>	<u>561,090</u>	<u>338,785</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

(Continued)

	Restricted	Unrestricted	Total
	£	£	2020
You've Got This (Type 2 Diabetes)	73,427		73,427
Public Health (Lifestyle Choice)	84,655	-	84,655
Sustainable Food Cities	10,000	-	10,000
A Team Build	3,585	-	3,585
Roots and Branches	21,024	-	21,024
Public Health (Nutritional Interventions)	59,900	-	59,900
Sustain (Veg Cities)	1,025	-	1,025
Sport England Local Delivery Pilot	59,109	-	59,109
Sustain (Food Power Evaluation)	2,763	-	2,763
Bus Stop Surveys	3,000	-	3,000
Sustain (Experts by Experience)	5,178	-	5,178
Ageing Better Middlesbrough (Food and Friendship)	14,672	-	14,672
Urban Farming	447	-	447
	<u>338,785</u>	<u>-</u>	<u>338,785</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

(Continued)

Income for Encouraging Greater Use of Sustainable Transport

	Restricted	Unrestricted	Total 2021	Total 2020
	£	£	£	£
Department for Transport (Bikeability)	36,253	-	36,253	67,904
Local Sustainable Transport Fund (Bike Academy)	57,970	-	57,970	55,000
Welcome to Yorkshire (Bike Library)	-	-	-	648
Stockton Pedestrian Training	-	18,030	18,030	24,060
Hartlepool Pedestrian Training	-	16,590	16,590	31,500
Local Sustainable Transport Fund (Redcar)	-	42,160	42,160	40,000
Shopmobility income	1,493	-	1,493	12,051
Dr Bike Service	100	-	100	742
Cycle centre income	-	1,406	1,406	-
	<u>95,816</u>	<u>78,186</u>	<u>174,002</u>	<u>231,905</u>

	Restricted	Unrestricted	Total 2020
	£	£	£
Department for Transport (Bikeability)	67,904	-	67,904
Local Sustainable Transport Fund (Bike Academy)	55,000	-	55,000
Welcome to Yorkshire (Bike Library)	648	-	648
Stockton Pedestrian Training	-	24,060	24,060
Hartlepool Pedestrian Training	-	31,500	31,500
Local Sustainable Transport Fund (Redcar)	-	40,000	40,000
Shopmobility income	12,051	-	12,051
Dr Bike Service	742	-	742
	<u>136,345</u>	<u>95,560</u>	<u>231,905</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

(Continued)

**Income for Contributing to Physical
Environmental Improvements**

	Restricted	Unrestricted	Total 2021	Total 2020
	£	£	£	£
Gardening Services	14,935	-	14,935	38,002
Green Shoots	83,850	-	83,850	-
Acklam 2020	-	-	-	1,905
	<u>98,785</u>	<u>-</u>	<u>98,785</u>	<u>39,907</u>

	Restricted	Unrestricted	Total 2020
	£	£	
Gardening Services	38,002	-	38,002
Acklam 2020	1,905	-	1,905
	<u>39,907</u>	<u>-</u>	<u>39,907</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

(Continued)

Income for Education and Awareness Raising

	Restricted	Unrestricted	Total	Total
	£	£	2021	2020
	£	£	£	£
National Lottery Community Fund (One Planet Pioneers)	130,283	-	130,283	194,693
Middlesbrough Council (Fairtrade)	-	-	-	1,500
Training income	-	5,274	5,274	15,231
OPP Income	-	500	500	2,330
Nutritional Standards (UNICEF)	5,960	-	5,960	-
Big Local Expenses	12,807	-	12,807	-
CommUNITY Actions	103,240	-	103,240	62,312
	<u>252,290</u>	<u>5,774</u>	<u>258,064</u>	<u>276,066</u>

	Restricted	Unrestricted	Total
	£	£	2020
	£	£	£
National Lottery Community Fund (One Planet Pioneers)	194,693	-	194,693
National Lottery Community Fund (Talent Match)	-	-	-
Middlesbrough Council (Fairtrade)	-	1,500	1,500
Training income	-	15,231	15,231
OPP Income	-	2,330	2,330
CommUNITY Actions	62,312	-	62,312
	<u>257,005</u>	<u>19,061</u>	<u>276,066</u>

5 Investments

	2021	2020
	£	£
Interest receivable	<u>3,210</u>	<u>7,147</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

6 Other income

	Unrestricted funds	Total
	2021	2020
	£	£
Coronavirus Job Retention Scheme	67,668	-
	<u>67,668</u>	<u>-</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Charitable activities

	Encouraging prudent use of resources	Promoting healthy lifestyles	Encouraging sustainable transport	Contributing to physical environment	Education, awareness raising	Governance	Total 2021	Total 2020
	£	£	£	£	£	£	£	£
Staff costs	93,396	251,343	50,222	22,711	76,789	199,511	693,972	711,582
Depreciation and impairment	125	250	3,750	-	224	-	4,349	4,349
Grants payable	-	33,752	-	-	1,500	-	35,252	5,342
Payments to partners	73,786	47,887	-	12,285	41,735	-	175,693	126,983
Other staff costs	5,395	6,371	336	300	2,823	138	15,363	24,544
Volunteer and trainee costs	-	-	-	-	-	-	-	2,792
Promotion and information	1,454	4,808	232	48	65	-	6,607	10,470
Consumables	2,863	10,960	1,271	424	4,231	120	19,869	29,200
Materials	2,836	9,803	606	458	1,902	51	15,656	7,274
Contractors	95,089	51,376	2,081	-	600	-	149,146	103,740
Other project costs	1,334	8,048	4,712	1,814	2,936	795	19,639	29,998
Project support costs	5,845	27,843	16,951	-	8,657	549	59,845	68,769
Accountancy fees	809	3,411	2,944	-	818	-	7,982	7,628
	<u>282,932</u>	<u>455,852</u>	<u>83,105</u>	<u>38,040</u>	<u>142,280</u>	<u>201,164</u>	<u>1,203,373</u>	<u>1,132,671</u>
Analysis by fund								
Unrestricted funds	-	-	29,472	-	1,098	201,164	231,734	
Restricted funds	<u>282,932</u>	<u>455,852</u>	<u>53,633</u>	<u>38,040</u>	<u>141,182</u>	<u>-</u>	<u>971,639</u>	
	<u>282,932</u>	<u>455,852</u>	<u>83,105</u>	<u>38,040</u>	<u>142,280</u>	<u>201,164</u>	<u>1,203,373</u>	

Included within accountancy fees is the audit fee totalling £4,500 (2020 - £4,250).

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

7 Charitable activities	(Continued)						
	Encouraging prudent use of resources	Promoting healthy lifestyles	Encouraging sustainable transport	Contributing to physical environment	Education, awareness raising	Governance	Total 2020
	£	£	£	£	£	£	£
Staff costs	54,023	226,132	192,119	26,188	109,200	103,920	711,582
Depreciation and impairment	125	250	3,750	-	224	-	4,349
Grants payable	5,142	200	-	-	-	-	5,342
Payments to partners	-	2,550	-	-	124,433	-	126,983
Other staff costs	4,168	10,969	4,917	600	3,718	172	24,544
Volunteer and trainee costs	-	2,479	284	-	29	-	2,792
Promotion and information	1,372	6,405	1,208	17	1,468	-	10,470
Consumables	3,654	14,792	3,091	1,462	5,885	316	29,200
Materials	887	2,097	1,759	46	2,493	(8)	7,274
Contractors	20,099	64,980	9,908	-	8,673	80	103,740
Other project costs	600	9,155	14,884	1,431	2,161	1,767	29,998
Project support costs	14,302	32,124	14,664	(200)	6,897	982	68,769
Accountancy fees	700	3,653	1,918	300	1,057	-	7,628
	<u>105,072</u>	<u>375,786</u>	<u>248,502</u>	<u>29,844</u>	<u>266,238</u>	<u>107,229</u>	<u>1,132,671</u>
Analysis by fund							
Unrestricted funds	-	-	94,066	-	8,921	107,229	210,216
Restricted funds	<u>105,072</u>	<u>375,786</u>	<u>154,436</u>	<u>29,844</u>	<u>257,317</u>	<u>-</u>	<u>922,455</u>
	<u>105,072</u>	<u>375,786</u>	<u>248,502</u>	<u>29,844</u>	<u>266,238</u>	<u>107,229</u>	<u>1,132,671</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

8 Grants payable

	2021	2020
	£	£
Grants to institutions:		
Staying Put Agency	-	500
Cleveland Fire Service	-	1,000
Islamic Diversity Centre	-	2,343
Citizens Advice Bureau	-	500
Carers Together	-	799
North Ormesby Neighbourhood Development Trust	-	200
- Community Growing Teesside	4,000	-
- Barefoot Kitchen	3,988	-
- Breckon Hill	4,000	-
- Trinity Youth Project	3,569	-
- The Genesis Project	4,000	-
- Ubuntu Multicultural Centre	3,120	-
- Groundwork NE	3,453	-
- Regeneration of Communities	3,758	-
- People's Park Community Allotment	3,864	-
Nutritional Standard - UNICEF		
- Amal Project	250	-
- Breckon Hill	250	-
- Ubuntu Multicultural Centre	250	-
- Streets Ahead	250	-
- Active Tees Valley	250	-
- Hope 4 East Cleveland	250	-
	<u>35,252</u>	<u>5,342</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

8 Grants payable

(Continued)

Staying Put Agency

To cover the cost of boiler repairs.

Cleveland Fire Service

Stay Safe and Warm - To provide emergency support to those in fuel poverty in Middlesbrough to ensure they are safe and warm.

Islamic Diversity Centre

Provision of emergency support and energy efficiency advice to BME communities.

Citizens Advice Bureau

To provide debt, benefit and energy efficiency advice.

Carers Together

Provide energy efficiency advice to carers.

North Ormesby Neighbourhood Development Trust

Provision of fresh fruit and vegetable vouchers to low income households.

Food Emergency Grants

A community based initiative to support local groups recover from Covid related problems.

Nutritional Standards (UNICEF)

Grants paid to local groups in form food partnership.

9 Management Committee

None of the management committee (or any persons connected with them) received any remuneration, expenses or benefits from the charity during the year.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
Seconded staff	2	2
Project staff	29	32
	<u>31</u>	<u>34</u>

Employment costs

	2021	2020
	£	£
Seconded staff (donation in kind)	103,920	118,000
Wages and salaries	531,857	547,593
Social security costs	38,851	32,140
Other pension costs	19,344	12,669
	<u>693,972</u>	<u>711,582</u>

There were no employees whose annual remuneration was £60,000 or more.

11 Tangible fixed assets

	Plant and equipment
	£
Cost	
At 1 April 2020	70,881
At 31 March 2021	<u>70,881</u>
Depreciation and impairment	
At 1 April 2020	63,208
Depreciation charged in the year	4,349
At 31 March 2021	<u>67,557</u>
Carrying amount	
At 31 March 2021	<u>3,324</u>
At 31 March 2020	<u>7,673</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

12 Debtors		2021	2020
Amounts falling due within one year:		£	£
Trade debtors		108,920	89,905
Prepayments and accrued income		52,851	10,800
		<u>161,771</u>	<u>100,705</u>
		<u><u>161,771</u></u>	<u><u>100,705</u></u>
13 Creditors: amounts falling due within one year		2021	2020
	Notes	£	£
Other taxation and social security		8,156	8,967
Deferred income	14	10,000	40,000
Trade creditors		43,748	6,418
Other creditors		8,331	16,997
Accruals		34,361	37,433
		<u>104,596</u>	<u>109,815</u>
		<u><u>104,596</u></u>	<u><u>109,815</u></u>
14 Deferred income		2021	2020
		£	£
Other deferred income		10,000	40,000
		<u>10,000</u>	<u>40,000</u>
		<u><u>10,000</u></u>	<u><u>40,000</u></u>

The above relates to restricted grant income which has been received but the projects have not yet commenced.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

15 Movement in 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 2020	Movement in funds		Balance at 31 March 2021
	£	Incoming resources	Resources expended	£
		£	£	£
Encouraging the Prudent Use of Resources	121,859	333,424	(282,932)	172,351
Promoting Healthy Lifestyles	318,003	561,090	(455,852)	423,241
Encouraging Greater Use of Sustainable Transport	112,090	95,816	(53,633)	154,273
Contributing to Physical Environmental Improvements	11,209	98,785	(38,040)	71,954
Education and Awareness Raising	35,167	252,290	(141,182)	146,275
Total Restricted Funds	598,328	1,341,405	(971,639)	968,094
Unrestricted funds				
General funds	387,076	286,850	(229,961)	443,965
Designated Funds:				
-Premises fund	-	-	-	-
-Education and Awareness Raising	10,066	-	(698)	9,368
-Encouraging Greater Use of Sustainable Transport	45,230	1,406	(1,075)	45,561
Total funds	1,040,700	1,629,661	(1,203,373)	1,466,988

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

15 Movement in Funds

(Continued)

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 31 March 2020 £
	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	
Encouraging the Prudent Use of Resources	165,707	61,222	(105,070)	121,859
Promoting Healthy Lifestyles	355,005	338,785	(375,787)	318,003
Encouraging Greater Use of Sustainable Transport	130,181	136,345	(154,436)	112,090
Contributing to Physical Environmental Improvements	1,147	39,906	(29,844)	11,209
Education and Awareness Raising	35,479	257,006	(257,318)	35,167
Total Restricted Funds	687,519	833,264	(922,455)	598,328
Unrestricted funds				
General funds	368,709	122,607	(104,240)	387,076
Designated Funds:				
-Premises fund	-	-	-	-
-Education and Awareness Raising	(75)	19,061	(8,920)	10,066
-Encouraging Greater Use of Sustainable Transport	46,726	95,560	(97,056)	45,230
Total funds	1,102,879	1,070,492	(1,132,671)	1,040,700

16 Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total £
Fund balances at 31 March 2021 are represented by:			
Tangible assets	3,324	-	3,324
Current assets/(liabilities)	964,770	498,894	1,463,664
	968,094	498,894	1,466,988

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

16 Analysis of net assets between funds

(Continued)

	Restricted funds £	Unrestricted funds £	Total £
Fund balances at 31 March 2019 are represented by:			
Tangible assets	6,774	899	7,673
Current assets/(liabilities)	591,554	441,473	1,033,027
	<u>598,328</u>	<u>442,372</u>	<u>1,040,700</u>

17 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	117,015	103,920

Key management personnel is made up of those seconded from Middlesbrough Council only. Cost is recognised in line with the donation in kind as per the requirements of Statement of Recommended Practice for Charities.

Transactions with related parties

During the year the charity provided funding to a project partner totalling £9,302 (2020 - £59,229), with £nil (2020 - £14,718) included within creditors at the balance sheet date. A Trustee of the charity is the CEO of the above project partner, Tees Valley Wildlife Trust.

18 Cash generated from operations

	2021 £	2020 £
Surplus/(deficit) for the year	426,288	(62,179)
Adjustments for:		
Investment income recognised in statement of financial activities	(3,210)	(7,147)
Depreciation and impairment of tangible fixed assets	4,349	4,349
Movements in working capital:		
(Increase) in debtors	(61,066)	(13,501)
Increase in creditors	24,781	8,638
(Decrease) in deferred income	(30,000)	-
Cash generated from/(absorbed by) operations	<u>361,142</u>	<u>(69,840)</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

- 19 **Analysis of changes in net funds**
The charity had no debt during the year.