

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
LEGAL AND ADMINISTRATIVE INFORMATION

Management Committee

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 Papprill
C Maughan

(Appointed 9 January 2023)
(Appointed 27 February 2023)
(Appointed 13 January 2023)

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
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 Papprell	(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

Theme 4 **Contributing to Physical Environmental Improvements**

Significant progress was also made during the year on the development of MEC's own grounds at the Natures 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.

The "Green Shoots" project improvements were made to many of the becks in Middlesbrough and Middle Marsh nature reserve in North Ormesby.

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 highlight this global aspect to sustainable living was recognised by reaccreditation of Fairtrade Town status in March 2021.

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. Also, our new Growing Active team are working with established groups to assist them with making the best use of their sites and educating them on when & where to grow their produce.

Climate Action Middlesbrough have been working with many schools planting Woodlands and Hedges at Beverley School and Park End Primary. Delivered Climate Awareness lessons at Bowesfield Primary, preparation work for first Climate Action Club at Archibald Primary, including creation of new resources and a child-focussed welcome pack containing a notepad, pencil and badge identifying them as a "Climate Action Hero". They have also provided activities with young people including litter picks, nature walks, allotment work, marine conservation workshops and path building at Teesside Park.

Sixty Basic cooking skills, cooking on a budget and healthy eating sessions were delivered to various community groups across Middlesbrough, including community hub support groups, dementia clients and carers, Sporting Chance- supporting older men, bereavement support group, schools, stroke group, women's centre, Kinship Carers groups, MIND, eco shops and church groups with 468 people benefiting.

Thirteen RSPH food safety courses were delivered and 70 passed the exam enabling them to work in the food sector.

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.

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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.

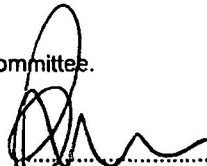
The trustees' report was approved by the Board of Management Committee.



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>

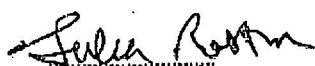
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

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.

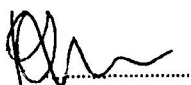
The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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>

	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>

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 2023	Total 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
	£	£	£
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	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
	£	£	
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	Govern- ance	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 £	Gover- nance £	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)
	<u>89,540</u>
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)
	<u>55,513</u>
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 1 April 2022	Incoming resources	Resources expended	Transfers	Balance at 31 March 2023
	£	£	£	£	£
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 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 31 March 2022
	£	£	£	£	£
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.