

THE MARCHES ENERGY AGENCY

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**



THE MARCHES ENERGY AGENCY
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees Andrew Bryers
 Sarah Hopkins
 Frances Cullen (appointed 20 October 2021)
 Dr Mark Smith, Chairman
 Stephen Marsh

**Company registered
number** 03443349

**Charity registered
number** 1070942

Registered office The Pump House
 Coton Hill
 Shrewsbury
 SY1 2DP

Independent auditors WR Partners
 Chartered Accountants
 Statutory Auditors
 Belmont House
 Shrewsbury Business Park
 Shrewsbury
 Shropshire
 SY2 6LG

Bankers The Co-operative Bank
 P.O. Box 250
 Skelmersdale
 WN8 6WT

Executive Director Simon Ross

THE MARCHES ENERGY AGENCY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the financial statements of the company for the year ended 31 March 2022. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (update effective 1 January 2019).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Marches Energy Agency (MEA), a registered charity, is a company limited by guarantee and, not having share capital, is governed in accordance with the provisions contained in its Articles of Association. The charity operates under the name The Marches Energy Agency.

Objectives and activities

a. Policies and objectives

Marches Energy Agency is a charity working with individuals, organisations and communities in the East and West Midlands and beyond. MEA specialises in the delivery of practical, effective and creative ways of promoting energy reduction and renewable energy solutions.

MEA grew out of the Shropshire Energy Team, which was established within Shropshire County Council with European funding in 1995. In 1998, it became an independent charitable company. MEA receives no public subsidy, and funding to employ its staff members comes from energy efficiency and renewable energy projects. More information about Marches Energy Agency and its activities are on the MEA website at www.mea.org.uk

The charitable objectives of Marches Energy Agency are:

- The advancement of education for the public benefit, in particular, but not exclusively, in relation to energy conservation, the efficient use of energy and the utilisation of renewable sources of energy.
- The promotion, conservation, enhancement and improvement of the environment and the encouragement of understanding and awareness of the importance of sustainable development in particular but not exclusively in the Marches area of England and Wales.
- The relief of poverty and the preservation and protection of health by promoting the efficient use of energy (including energy for heating purposes) and utilisation of renewable sources of energy.

MEA Vision

We see a future in which buildings are warmer and cheaper to run; where those most in need live in warm and secure homes; where carbon emissions and energy use are being significantly reduced in line with carbon budgets; where trusted local installers have the confidence and technologies in place to achieve the reductions; and where people and communities want this. Towards this we work every day.

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

Objectives and activities (continued)

Business Plan Objectives

MEA's business plan sets out objectives for the following year, as well as longer term goals. In the last year, this has become the key operational document. It's development has been with in conjunction with personnel at all levels and progress is shared at quarterly Trustees meetings as well as regularly with staff. The three main sections are: delivery, development and operations.

b. Activities undertaken to achieve objectives

Context

The Financial Statements for the year 2021-2022 are set out on pages 10-31 of the financial statements.

2021-22 has continued to see strong growth, with staff numbers increasing from 21 – 38 over the year. This was a consequence of growth in demand for our service during the C19 pandemic which then fed through into the Energy/ Cost-of-living crisis, impacting severely on vulnerable customers, alongside a greater drive for action to reduce carbon emissions at a local level. MEA has been able to unlock financial resource to help meet objectives, by successfully bidding for funds and contracts.

As the nation has begun to emerge from the Covid-19 pandemic, MEA has continued to adapt its work practices and operational structure. Staff have returned to the use of our offices, with remote working remaining a significant feature of our work. A strong local presence in our project areas as well as cross-region, and team collaboration using remote working tools such as Teams and the roll out of a customer service CRM using the Microsoft Dynamics Platform. Our area-based teams in Shropshire, Telford and Wrekin, Derby and Derbyshire and the Black Country have continued to grow and flourish. In addition, our governance and support functions have been strengthened with the introduction of a Senior Management Team, Project Administration and Support Team and organisation-wide roles such as a Data and Reporting Manager and Marketing and Communications Manager.

Looking to the future, we expect the demand for our work to continue to build, with the implications of deepening of the Energy Crisis on vulnerable customers beginning to unfold over the course of Winter 2022-23. In addition, as the present and future consequences of climate change become apparent, the calls for real action to reduce carbon emissions will become increasingly more urgent.

Summary

In Financial year 2021-22 MEA provided energy advice and support to over 9,500 householders, a doubling from last year. We trained over 1000 front line workers, increasing their capacity to provide basic fuel poverty advice and refer into our service, and partnered with over 200 organisations. We have referred householders for over 1000 energy efficiency improvements to their homes, including Air Source Heat Pumps, internal and external wall insulation, pv, as well as more basic measures around loft and cavity wall insulation.

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

Objectives and activities (continued)

Progress Against Business Plan

MEA's business plan sets out objectives for the following year, as well as longer term goals. In the last year, this has become the key operational document. Development has been with in conjunction with personnel at all levels and progress is shared at quarterly Trustees meetings as well as regularly with staff. The three main sections are: delivery, development and operations.

- **Delivery – key achievements and developments include:**

Providing an outstanding, person-centred service. A person-centred approach is a key value that is reflected throughout our activity, from induction, team meetings, publicity materials and reporting. For example, Marketing and Communication includes a focus on case studies and person-centred video testimonials. Our staff are updated weekly with positive feedback from customers.

- **Development – key achievements and developments include:**

Whole house developed & strengthened – both for vulnerable householders and 'able to pay'. In each of our areas of work, householders can access holistic support including a range of home energy efficiency measures under the LADS programmes, referrals to ECO, and wrap-around support for householders, of free low-cost measures; advice in the home or via the phone, events etc.; small grants and vouchers and onward referrals for energy efficiency measures, further development of a framework of installers.

- **Operations – key achievements and developments include:**

Staff development. Programme of activity to develop staff to ensure they have access to internal expertise, and that external training and qualifications are provided. This includes development of Senior Energy Advisor and Senior Project Manager roles, regular training on emerging technologies for staff, whole staff training including in safeguarding, lone worker and GDPR and specialist qualifications. We have in-house Domestic Retrofit Assessor (DEAs) and Retrofit Assessors qualified, with other staff working towards these qualifications.

Area based activity

Cross area collaboration, partnership working and building the capacity of other organisations has featured strongly in our work. MEA has continued to act as West Midlands Regional Coordinator for the Affordable Warmth programme for Western Power Distribution and Big Energy Saving Network. We have delivered home visits and telephone advice across our areas as part of a new partnership with Cadent.

Shropshire, Telford & Wrekin

Activity in Shropshire, Telford & Wrekin is undertaken by the Marches Team, much of it under the local branding of Keep Shropshire Warm and Telford Energy Advice.

In Shropshire, MEA has continued to work strongly with Shropshire Council to deliver Keep Shropshire Warm and has delivered multiple energy advice and capital retrofit projects for householders under this branding. These include:

- Healthy Homes Shropshire, in partnership with Citizens Advice and Age UK Shropshire, Telford & Wrekin.
- Warm Home Fund, in collaboration with E.ON, Shropshire Council and Herefordshire Council for the installation of first time central heating systems.
- Customer journey support for Green Homes Grant Local Authority Delivery Schemes 1a & 2, in partnership with Shropshire Council and;
- Enabling works and hosting of South Shropshire Climate Action.

In Telford & Wrekin, Telford Energy Advice has continued to establish itself as the point of contact for energy advice for residents. With Telford & Wrekin Council MEA has delivered top-up funding for grants for home energy efficiency works as well as providing home visits and advice as part of projects funded by WPD and others.

In Shropshire, Telford & Wrekin we have delivered home visits under the LEAP programme, monitoring and

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

Objectives and activities (continued)

evaluation work as part of the Connexus Warmer Homes Project, and delivered small grant and crisis funding including prepayment meter vouchers.

Derby & Derbyshire

Our Derby & Derbyshire Team have grown, with our fuel poverty building further on the long-established Local Authority Energy Partnership climate communications. Under the branding of Warmer Derby & Derbyshire, our work has included:

- Warmer Derby & Derbyshire, in partnership with Citizens Advice mid-Mercia.
- Fuel for Food, supporting food bank users.
- Customer journey support for Green Homes Grant Local Authority Delivery Schemes 2, in partnership with local councils.

Dudley, Sandwell, Walsall & Wolverhampton (Black Country)

Under the banner of Warmer Homes West Midlands, our work in the Black Country gained further traction over the year, providing valuable energy advice services to vulnerable customers in the LA areas of Dudley, Sandwell, Walsall & Wolverhampton. Our work in this region also includes provision of customer journey support for Green Homes Grant LADS 2, in partnership with local councils, local communities and contractors.

c. Volunteers

MEA welcomes volunteers for limited roles within the charity. In the past year, three people have volunteered for MEA. In addition to that, all Trustees are voluntary. Remote working can present challenges to supporting and monitoring volunteers.

d. Main activities undertaken to further the Company's purposes for the public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit and in particular to its supplementary public benefit guidance.

Achievements and performance

a. Review of activities

The major expenditures in the past year have included:

- Wages and salaries
- Social security costs
- Project costs
- Office expenses

The charity's funds have all been applied in accordance with its objects. The charity's assets are all being maintained in furtherance of these objects.

b. Investment policy and performance

Under the Memorandum and Articles of Association, the charity has the power to invest and deal with the monies of the charity, not immediately required for the purposes of the Objects, in investments and securities. During this reporting period such monies have been placed in an interest-bearing account.

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

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Reserves policy

MEA employs 38 FTE staff, all of whom have a specialised knowledge and experience. Retaining this workforce in order to maintain our services to the community is reflected in these reserves. Funding our projects is an area in constant change and our reserves are flexed to reflect this. The Policy agreed by the Board of Trustees is to aim for a minimum reserves level of £193,496. This level of reserves is sufficient in order for the Charity to settle any non-cancellable liabilities as they fall due, including statutory staff costs.

The free reserves at the end of the year stood at £263,722 (2021: £200,994), and indicates a reasonable level of organisational stability.

c. Principal risks and uncertainties

The Board of Trustees have explored and assessed the major risks to which the charity is exposed, notably those relating to the operations and finances of the charity, and are satisfied that systems are in place to mitigate exposure to the major risks facing the charity. The adoption of a reserves policy and the meeting of the reserves target identified within that policy have further mitigated exposure to the major risks facing the charity.

MEA expects an increase in the need for their services as nationally we come out of the Covid 19 lockdown.

d. Income generation

The main sources of income during the last year have been from:

- Local Authorities including:
 - Derbyshire County Council
 - Nottinghamshire County Council
 - Shropshire Council
 - South Staffs Council
- Age UK's Shropshire, Telford and Wrekin, and Hereford & Localities
- Department of Business, Enterprise and Industrial Strategy (BEIS)
- Connexus Housing
- Energy Redress scheme run by Energy Saving Trust
- Variety of public, private and charitable sources

e. Summary

MEA has made a surplus again this year, and this is excellent news. In addition, the pipeline of potential work is looking encouraging and long-standing customers continue to support our work. MEA will continue to trim costs and overheads where possible.

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

Structure, governance and management

a. Constitution

Marches Energy Agency, a registered charity, is a company limited by guarantee and registered in England and Wales. Not having share capital, it is governed in accordance with the provisions contained in its Articles of Association. The Charity operates under the name The Marches Energy Agency.

b. Methods of appointment or election of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

c. Organisational structure and decision-making policies

The Executive Director, Simon Ross is appointed by the Trustees to manage day-to-day operations.

WR Partners has been appointed as the Auditors for the year 2021-2022.

d. Policies adopted for the induction and training of Trustees

All potential new trustees are briefed on the work of MEA by the Director and by the Chair of trustees. All new trustees are provided with a copy of MEA's Memorandum and Articles and with a copy of the Charity Commission's CC3 – The essential trustee what you need to know guide, - which they read. When available, new trustees are sent on induction training.

e. Pay policy for key management personnel

MEA's pay for key management personnel is reviewed annually by the Board and recommendations implemented on 1 Oct each year. Pay is linked to performance as determined through MEA's performance appraisal process. Pay structures are recorded in MEA's Salary policy. Director's pay is reviewed biannually by the Board and the recommendations, based upon their independent review, recorded in the minutes.

f. Related party relationships

All Trustees are volunteers, and no remuneration is paid. Travel expenses may be reimbursed, if requested by a trustee, but none have been requested in this financial year. All trustees complete annual conflict of interest forms. There have been no transactions with those persons and entities that are closely connected to the charity or its trustees.

g. Financial risk management

The Board of Trustees have explored and assessed the major risks to which the charity is exposed, notably those relating to the operations and finances of the charity, and are satisfied that systems are in place to mitigate exposure to the major risks facing the charity. The adoption of a reserves policy and the meeting of the reserves target identified within that policy have further mitigated exposure to the major risks facing the charity.

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

Structure, governance and management (continued)

h. Trustees' indemnities

MEA holds appropriate levels of Professional Indemnity and Public Liability Insurances as protection against errors of judgement and mistakes in our professional undertakings.

Plans for future periods

MEA will continue to develop its offer and support for fuel poor householders including understanding better the health and wellbeing benefits of our work. MEA will also be looking to develop its climate change work again, after a long period of very limited work and a difficult policy environment.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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

Auditors

The auditors, WR Partners, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Dr Mark Smith
Chair

Date: 13 December 2022

THE MARCHES ENERGY AGENCY
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MARCHES ENERGY AGENCY

Opinion

We have audited the financial statements of The Marches Energy Agency (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, 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, including its income and expenditure 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 Charities Act 2011.

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 United Kingdom, including the Financial Reporting Council'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.

THE MARCHES ENERGY AGENCY
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MARCHES ENERGY AGENCY
(CONTINUED)

Other information

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

We have nothing to report in this regard.

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 Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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 trustees' responsibilities statement, 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MARCHES ENERGY AGENCY
(CONTINUED)

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

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

- We reviewed the susceptibility of the charitable Company's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.
- We reviewed the charitable Company's regulatory environment to ensure we could conclude that it had acted in accordance with the framework relevant to the charitable Company and its environment and identify any instances of non-compliance.
- We also assessed the charitable Company's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.
- The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and charitable Company awareness to carry out our work to the required standard.

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 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 auditors' report.

Other matters

The comparative information is unaudited as an audit was not required for 2021.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MARCHES ENERGY AGENCY
(CONTINUED)

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

WR Partners

WR Partners

Chartered Accountants
Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date:

13 December 2022

WR Partners are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	-	1,153	1,153	8,106
Charitable activities	4	990,991	635,015	1,626,006	689,180
Investments	5	-	36	36	154
Total income		990,991	636,204	1,627,195	697,440
Expenditure on:					
Charitable activities		805,856	614,502	1,420,358	558,198
Total expenditure		805,856	614,502	1,420,358	558,198
Net income		185,135	21,702	206,837	139,242
Transfers between funds	13	(49,535)	49,535	-	-
Net movement in funds		135,600	71,237	206,837	139,242
Reconciliation of funds:					
Total funds brought forward		116,799	206,064	322,863	183,621
Net movement in funds		135,600	71,237	206,837	139,242
Total funds carried forward		252,399	277,301	529,700	322,863

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

The notes on pages 18 to 32 form part of these financial statements.

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BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	13,579	5,070
		<u>13,579</u>	<u>5,070</u>
Current assets			
Debtors	11	236,747	99,372
Cash at bank and in hand		439,987	273,400
		<u>676,734</u>	<u>372,772</u>
Creditors: amounts falling due within one year	12	(160,613)	(54,979)
Net current assets		<u>516,121</u>	<u>317,793</u>
Total assets less current liabilities		<u>529,700</u>	<u>322,863</u>
Net assets excluding pension asset		<u>529,700</u>	<u>322,863</u>
Total net assets		<u><u>529,700</u></u>	<u><u>322,863</u></u>
Charity funds			
Restricted funds	13	252,399	116,799
Unrestricted funds	13	277,301	206,064
Total funds		<u><u>529,700</u></u>	<u><u>322,863</u></u>

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BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

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

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Dr Mark Smith
Chair

Date: 13 December 2022

The notes on pages 18 to 32 form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	180,264	109,696
Cash flows from investing activities		
Dividends, interests and rents from investments	(36)	-
Purchase of tangible fixed assets	(13,641)	-
Net cash (used in)/provided by investing activities	(13,677)	-
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	166,587	109,696
Cash and cash equivalents at the beginning of the year	273,400	163,704
Cash and cash equivalents at the end of the year	439,987	273,400

The notes on pages 18 to 32 form part of these financial statements

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

1. General information

The Marches Energy Agency is a private company limited by guarantee, incorporated in England and Wales, with its registered office and principal place of business at The Pump House, Coton Hill, Shrewsbury, SY1 2DP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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) (update effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Marches Energy Agency meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member.

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

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

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

2. Accounting policies (continued)

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the statement of financial activities as the related expenditure is incurred.

2.6 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	- 4 year straight line
Office equipment	- 5 year straight line
Computer equipment	- 5 year straight line

2.7 Going concern

The financial statements have been prepared on the going concern basis.

The Trustees assess whether the use of the going concern basis is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 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 three months or less from the date of acquisition or opening of the deposit or similar account.

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**NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.11 Financial instruments

The Charity 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
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3. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	1,153	1,153	823
Government grants	-	-	7,283
Total 2022	<u>1,153</u>	<u>1,153</u>	<u>8,106</u>
<i>Total 2021</i>	<u>8,106</u>	<u>8,106</u>	

4. Income from charitable activities

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Project income	990,991	635,015	1,626,006	689,180
<i>Total 2021</i>	<u>189,104</u>	<u>500,076</u>	<u>689,180</u>	

5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Investment income	36	36	154
<i>Total 2021</i>	<u>154</u>	<u>154</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Charitable Activities	1,266,921	153,437	1,420,358	558,198
<i>Total 2021</i>	<u>512,253</u>	<u>45,945</u>	<u>558,198</u>	

Analysis of direct costs

	Activities 2022 £	Total funds 2022 £	Total funds 2021 £
Wages	560,101	560,101	287,921
Project costs	706,820	706,820	224,332
	<u>1,266,921</u>	<u>1,266,921</u>	<u>512,253</u>
<i>Total 2021</i>	<u>512,253</u>	<u>512,253</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Support staff salaries	80,484	80,484	-
Depreciation	5,132	5,132	2,538
Motor expenses	2,863	2,863	2,343
Travel & subsistence	810	810	-
Office expenses	6,604	6,604	19,918
Rent	10,248	10,248	9,817
Accountancy	27	27	11
Postage and stationery	1,721	1,721	2,488
Sundry	643	643	2,780
Website costs	365	365	380
Advertising and promotion	475	475	167
IT & Telecommunication provision	19,016	19,016	3,548
Staff training & recruitment	8,495	8,495	-
Insurance	2,560	2,560	-
Governance costs	13,994	13,994	1,955
	<u>153,437</u>	<u>153,437</u>	<u>45,945</u>
<i>Total 2021</i>	<u>45,945</u>	<u>45,945</u>	

7. Auditors' remuneration

The auditors' remuneration amounts to an audit (2021: independant exam) fee of £7,000 (2021 - £1,875).

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

8. Staff costs

	2022 £	2021 £
Wages and salaries	575,510	265,924
Social security costs	44,294	15,264
Contribution to defined contribution pension schemes	20,781	6,733
	<u>640,585</u>	<u>287,921</u>

The average number of persons employed by the Company during the year was as follows:

	2022 No.	2021 No.
Employees	<u>27</u>	<u>13</u>

No employee received remuneration amounting to more than £60,000 in either year.

Key management personnel received remuneration of £81,342 (2021: £31,240) during the year. No benefits were received.

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Tangible fixed assets

	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2021	7,350	1,530	17,625	26,505
Additions	-	-	13,641	13,641
At 31 March 2022	7,350	1,530	31,266	40,146
Depreciation				
At 1 April 2021	3,676	1,130	16,629	21,435
Charge for the year	1,838	200	3,094	5,132
At 31 March 2022	5,514	1,330	19,723	26,567
Net book value				
At 31 March 2022	1,836	200	11,543	13,579
At 31 March 2021	3,674	400	996	5,070

11. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	203,791	87,922
Prepayments and accrued income	32,956	11,450
	236,747	99,372

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Creditors: Amounts falling due within one year

	2022	<i>2021</i>
	£	£
Trade creditors	54,686	24,731
Other taxation and social security	20,165	12,212
Other creditors	808	1,817
Accruals and deferred income	84,954	16,219
	<u>160,613</u>	<u>54,979</u>

13. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021	Income	Expenditure	Transfers in/out	Balance at 31 March 2022
	£	£	£	£	£
Unrestricted funds					
General Funds	<u>206,064</u>	<u>636,204</u>	<u>(614,502)</u>	<u>49,535</u>	<u>277,301</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Statement of funds (continued)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Restricted funds					
Local Authority Energy Partnership – Notts and Derbyshire	4,500	21,050	(20,961)	(789)	3,800
Derbyshire County Council - Food for Fuel	74,743	64,000	(105,169)	12,036	45,610
Flex Eligibility Fees	-	4,500	(5,939)	1,439	-
Connexus Warmer Homes	4,400	7,735	(15,222)	3,087	-
Keep Shropshire Warm	-	15,583	(32,095)	16,512	-
Prepayment Meter Vouchers – Energy Saving Trust	33,156	166,334	(175,067)	(1,592)	22,831
Give Back £150	-	147	-	-	147
Forrester Trust	-	2,000	(824)	-	1,176
LAD2 Black Country (21-22)	-	123,525	(44,162)	(41,551)	37,812
LAD2 – Derby and Derbyshire (21-22)	-	147,156	(45,694)	(63,772)	37,690
LAD2 – Marches (21-22)	-	237,934	(187,644)	(4,613)	45,677
Sustainable Warmth Competition LAD3 & HUGS1 Marches (22.23)	-	42,800	(250)	-	42,550
T&W Training	-	10,000	(2,100)	-	7,900
Telford Energy Advice	-	15,499	(35,027)	24,049	4,521
Private Donation to Individual	-	3,000	(315)	-	2,685
Shropshire Council Crisis Fund	-	65,382	(71,503)	6,121	-
Smarten Up, Power Down – Cadent Foundation	-	1,860	(7,206)	5,346	-
Telford & Wrekin Council Capital Fund	-	53,934	(48,126)	(5,808)	-
Wrekin Housing Group Virtual Power Plant	-	4,149	(4,149)	-	-
Sustainable Warmth Competition LAD3 & HUG1 Black Country (22.23)	-	4,403	(4,403)	-	-
	116,799	990,991	(805,856)	(49,535)	252,399
Total of funds	322,863	1,627,195	(1,420,358)	-	529,700

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2021 £</i>
Unrestricted funds				
General Funds	163,030	508,336	(465,302)	206,064
Restricted funds				
Local Authority Energy Partnership – Notts and Derbyshire	2,100	18,600	(16,200)	4,500
Derbyshire County Council - Food for Fuel	-	96,000	(21,257)	74,743
Flex Eligibility Fees	4,842	-	(4,842)	-
Connexus Warmer Homes	260	10,800	(6,660)	4,400
Keep Shropshire Warm	13,389	-	(13,389)	-
Prepayment Meter Vouchers – Energy Saving Trust	-	63,704	(30,548)	33,156
	20,591	189,104	(92,896)	116,799
Total of funds	183,621	697,440	(558,198)	322,863

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14. Restricted Funds

Derbyshire Foodbanks-Fuel for Food (1/12/21-30/9/22) –Funded by Derbyshire Public Health Department. Aim of Project is to support vulnerable residents of Derbyshire, who are using foodbanks and unable to cope with added pressure of COVID 19 and rising energy costs.

COVID-19 PPM Voucher Crisis Fund - emergency funding for struggling householders on prepayment meter vouchers.

Give Back 150- ongoing - Set up by MEA to encourage those who do not need the £150 rates rebate to donate the discount to those in fuel crisis.

Much Wenlock Forester Charitable Trust-(1.3.22-31.7.22)- Provide support for elderly householders unable to access support through existing funding and whose quality of life and safety at home is jeopardised by fuel poverty.

Act On Energy/ Midland Energy Hub- Green Homes Local Authority Delivery Phase 2- (1.4.21-31.3.22-now extended to 30.9.22). MEA provide customer service journey to support Local Authority Delivery in Walsall, Wolverhampton, Dudley and Sandwell, retrofitting energy inefficient homes in areas of poverty and need.

Nottingham Energy Partnership Green Home Grant Local Authority Delivery Phase 2- (1.4.21-31.3.22-now extended to 30.9.22) MEA provide customer service journey to support Local Authority Delivery in in Derby and Derbyshire retrofitting energy inefficient homes in areas of poverty and need.

Nottingham City Council/ Midland Energy Hub- Green Homes Local Authority Delivery Phase 2- (1.4.21-31.3.22-now extended to 30.9.22). MEA provide the customer service journey to support the Local Authority Delivery in Marches area, retrofitting energy inefficient homes in areas of poverty and need.

Nottingham City Council/ Midland Energy Hub- Sustainable Warmth Competition- 1 year to 11th April 2023. MEA provide the customer journey support for this grant to deliver retrofit measures for domestic properties eligible to apply for either the Home Upgrade Scheme 1 or Local Authority Delivery phase 3. The first funding payment was invoiced 28th February to cover mobilisation costs for the forthcoming project.

Nottinghamshire & Derbyshire Local Authorities' Energy Partnership- (1.4.21-31.3.22)- Climate change communications and advisory service project. The closing balance represents bookings under the current Service Level Agreement which will take place after 31st March 2022.

Energy Saving Trust Winter Hardship Prepayment Meter Voucher Scheme- (10.12.21-10.6.22)- emergency funding for struggling householders on prepayment meter vouchers in the West and East Midlands.

Telford and Wrekin Council Public Health Training- (1.12.21-31.3.23). This funding covers the production of various health-related educational materials, including animated videos and a brochure to be shared with health professionals. It also funds fuel poverty and health training for public health professionals in Telford.

Telford Energy Advice- (1.6.20-31.5.22). is an MEA umbrella project in Telford and Wrekin, funding core activities including calls, casework support, home visits, small measures, and events. There is a small crisis fund associated with the project.

Donation to individual- a public donation to support needs of a struggling individual.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	13,579	13,579
Current assets	252,399	424,335	676,734
Creditors due within one year	-	(160,613)	(160,613)
Total	252,399	277,301	529,700

Analysis of net assets between funds - prior year

	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	-	5,070	5,070
Current assets	116,799	255,973	372,772
Creditors due within one year	-	(54,979)	(54,979)
Total	116,799	206,064	322,863

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	206,837	139,242
Adjustments for:		
Depreciation charges	5,132	2,538
Dividends, interests and rents from investments	36	-
Increase in debtors	(137,375)	(33,792)
Increase in creditors	105,634	1,708
Net cash provided by operating activities	180,264	109,696

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17. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	439,987	273,400
Total cash and cash equivalents	439,987	273,400

18. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	273,400	166,587	439,987
	273,400	166,587	439,987

19. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £20,998 (2021: £6,733). £808 (2021: £1,817) was payable to the fund at the balance sheet date and is included in other creditors due within one year.

20. Related party transactions

During the year, sales of £2,963 were made to South Shropshire Climate Action (2021: £2,053). Purchases totalling £5,257 (2021 £500) were received from South Shropshire Climate Action. Frances Cullen (Trustee) and Simon Ross (Executive Director) are Communications Chair and Lead Member respectively for South Shropshire Climate Action.