

Charity Registration No. 1031482

Company Registration No. 02881225 (England and Wales)

THE ENVIRONMENT CENTRE (TEC)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

tc accounts · tax · legal · financial planning

26-32 Oxford Road
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THE ENVIRONMENT CENTRE (TEC)

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THE ENVIRONMENT CENTRE (TEC)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr C R Rowland Ms A S Drakakis Mr A Howison Mr P James Mr I Nelson Dr A Whitehead MP
Other officers	A Goulden, Chief Executive A Rumford, Finance Manager
Charity number	1031482
Company number	02881225
Principal address	Equity & Law House 14-15 Brunswick Place Southampton SO15 2AQ
Registered office	14-15 Brunswick Place Southampton Hampshire SO15 2AQ
Independent Examiner	TC Group 26-32 Oxford Road Bournemouth Dorset United Kingdom BH8 8EZ
Bankers	Royal Bank of Scotland 156 High Street Southampton Hampshire SO14 2NP

THE ENVIRONMENT CENTRE (TEC)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

The trustees present their report and financial statements for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

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

Mr C R Rowland

Ms A S Drakakis

Mr A Howison

Mr P James

Mr I Nelson

Dr A Whitehead MP

Structure, governance and management

Governing Document

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

Appointment of Trustees

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

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

Trustee introduction and training

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

THE ENVIRONMENT CENTRE (TEC)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Organisation

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

Related parties

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

The charities wholly owned subsidiary, Environment Centre Enterprises Limited, was established to operate any commercial environmental work deemed to not be solely charitable, but which supported environmental best practice or materials to support environmental best practice. In 2019/20 this company did not undertake activity or trading.

Objectives and activities

As an independent Environmental Charity tEC's missions is:

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

The activities of the charity include:

For Local Authorities and Government-led organisations

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

THE ENVIRONMENT CENTRE (TEC)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

For individuals:

- Free phone advice on: 0800 804 8601
- Home Visits - to provide bespoke advice on Energy Efficiency and sustainability in the home.
- Guidance on accessing grants and loans and hand-holding support with applications for funding for the most vulnerable
- Energy surgeries in public spaces
- Energy awareness events
- Mobile advice at shopping centres, supermarkets, libraries and similar locations

For schools:

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

For business:

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

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

Achievements and performance

We have continued to run our major fuel poverty and energy efficiency projects Southampton Healthy Homes and Hitting the Cold Spots and have achieved some great results despite a continued difficulty in accessing ECO funding to support our clients.

Over the past year we have:

- Assisted 1,229 households over the phone, by email and community events/workshops
- Supported 320 households through our home visiting and appointment service
- Installed 144 large energy efficiency measures including external wall insulation, cavity wall insulation, loft insulation, first time central heating and essential heating system repairs or replacements. The installation of these measures has resulted in estimated lifetime energy bill savings of £459,139 and an estimated lifetime tCO₂ saving of 1,215.89 tCO₂e.

THE ENVIRONMENT CENTRE (TEC)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

In addition we have:

- Engaged directly with 1,622 staff, volunteers and residents by attending community events and delivering advice drop-ins sessions
- Delivered 19 training sessions reaching 276 staff, volunteers and residents.
- Hosted 8,184 web sessions exploring our projects and advice pages.

We have also been successful with a number of funding applications which include the Voluntary Energy Redress funded projects Raising Standards for Southampton Tenants and Switched on Portsmouth and the Design for Good Grant so help us redesign our website.

We continue to seek to drive down our costs and are in the final stages of negotiating with the landlord regarding a possible move to a smaller office within the building.

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

- Engage with Hampshire County Council and support with its Climate Change Strategy
- Continue to work with Southampton City Council on its Green City Vision
- Work with the other Local Authorities on their response to the Climate Emergency
- Secure funding outside of the Local Authorities to allow us to engage with the public on issues of climate change and sustainable lifestyles.
- Begin to trial work looking at minimum energy efficiency standards in the private rented sector
- Work with the Utility Companies on projects of mutual benefit
- Continue to deliver Southampton Healthy Homes using the WHF and look to augment this with funding from a variety of different sources.
- Continue to successfully deliver Hitting the Cold Spots and look for additional funding to expand the reach and scope of project.
- Build upon our success in delivering Southampton's first No Idling Campaign and seek additional funding to deliver activities aimed at highlighting the issue and improving air quality in the region.
- Continue to successfully work with a consortium of local charities to deliver Advice in Southampton work and expand the visibility of the group.
- Continue to explore opportunities to deliver work under the Flexible Eligibility element of ECO for both Southampton and other Hampshire Authorities.
- Continue working closely with Southampton City Council, Portsmouth City Council and Hampshire County Council on projects of mutual benefit - particularly Fuel Poverty and energy efficiency Projects
- Continue to work with the Hampshire Energy Efficiency partnership to investigate potential funding options for large scale regional energy efficiency and fuel poverty projects.
- Continue to investigate opportunities to diversify away from exclusively delivering Fuel Poverty projects. Of particular interest are renewables, battery storage, Air Quality, Waste, Circular Economy and Water projects.
- Continue to develop our marketing strategy, brand and logo and our website resources.
- Continue to promote our data analysis and mapping services
- Continue to improve the staff development, training and remuneration package
- Continue to establish and maintain a strong network of contacts

THE ENVIRONMENT CENTRE (TEC)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Risk management

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

- The emergence of COVID-19 and a multitude of risks associated with the pandemic including the physical and mental health and wellbeing of staff and vulnerable clients
- Operational risk with the potential of multiple staff contracting the virus
- Risks to and from our client group
- tEC's inability to carry out face to face or outreach work which represent a good number of our KPI's
- Limited funding opportunities with increased competition for dwindling resources
- Economic downturn and recession
- Lack of staff resource to respond to a predicted surge in demand for affordable warmth and sustainability services
- Lack of funding from Local Authorities and continued changes to services and key members of staff
- Continued Local Authority Cuts
- Uncertainty about the direction of Government Policy concerning Energy Efficiency, Air Quality and Sustainability particularly in the light of Brexit
- Lack of access to ECO
- Lack of diversity in current projects
- Increased competition from other businesses/charities for decreasing funds

Mitigation Strategy

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

- We have undertaken a comprehensive COVID-19 business recovery plan which includes a range of measures to protect our staff and clients from the risk of infection
- We initiated a concerted fundraising effort in the last quarter and continue to place strong emphasis on raising funds during this most difficult of periods
- We are in the final stages of negotiating a new lease, downsizing our offices and reducing our projected rent. We have also implemented a number of other austerity measures.
- We have recruited two additional members of staff to cope with the increased demands of delivering our services particularly during COVID
- We have submitted change requests to a number of our funders to allow us to deliver our projects in a different way, particularly on improving our digital offering and virtual support services
- We continue to keep informed of developments with Brexit and potential changes to National and Local policy.
- We will continue to work closely with Southampton City Council and other Hampshire Authorities to investigate opportunities of mutual benefit.
- The SMT will carefully monitor staff workload and capacity and look to recruit quickly again if more projects come on line.
- The Chief Executive will continue to network and develop new business links with relevant individuals and organisations.
- Strong emphasis has been placed on securing additional funding to deliver existing projects going forward.
- Emphasis has also been placed on partnership working with LA's and other TSO's to allow tEC access to alternative sources of funding.
- We continue to investigate innovative ways to grow the consultancy side of the charity including data analysis and mapping services.

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

THE ENVIRONMENT CENTRE (TEC)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Financial review

The incoming resources for this accounting period amounted to £502,289 (2019 - £400,692) of which the operating deficit on activities was £45,730 (2019 - £154,732). The aim is to achieve a minimum of reserves of the equivalent of six months of overheads expenses.

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

As at the year end charity had reserves of £282,841 (2019 - £328,342) of which £151,017 (2019- 134,675) represented restricted funds and £30,000 (2019 - £30,000) designated funds.

Statement of trustees responsibilities

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

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

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

The trustees report was approved by the Board of Trustees.

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Mr C R Rowland

Trustees

Dated:

THE ENVIRONMENT CENTRE (TEC)

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE ENVIRONMENT CENTRE (TEC)

I report to the trustees on my examination of the financial statements of The Environment Centre (TEC) (the charity) for the year ended 31 March 2020.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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

TC Group

26-32 Oxford Road
Bournemouth
Dorset
BH8 8EZ
United Kingdom

Dated:

THE ENVIRONMENT CENTRE (TEC)

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
<u>Income and endowments from:</u>					
Donations and legacies	3	-	460	460	4,569
Charitable activities	4	277,678	223,812	501,490	395,748
Investments	5	339	-	339	333
Other income	6	-	-	-	42
Total income		<u>278,017</u>	<u>224,272</u>	<u>502,289</u>	<u>400,692</u>
<u>Expenditure on:</u>					
Charitable activities	7	<u>334,188</u>	<u>213,831</u>	<u>548,019</u>	<u>555,424</u>
Net (outgoing)/incoming resources before transfers		(56,171)	10,441	(45,730)	(154,732)
Gross transfers between funds		<u>(5,901)</u>	<u>5,901</u>	<u>-</u>	<u>-</u>
Net (expenditure)/income for the year/ Net (outgoing)/incoming resources		(62,072)	16,342	(45,730)	(154,732)
Other recognised gains and losses					
Other gains or losses	11	<u>229</u>	<u>-</u>	<u>229</u>	<u>-</u>
Net movement in funds		(61,843)	16,342	(45,501)	(154,732)
Fund balances at 1 April 2019		<u>193,667</u>	<u>134,675</u>	<u>328,342</u>	<u>483,074</u>
Fund balances at 31 March 2020		<u><u>131,824</u></u>	<u><u>151,017</u></u>	<u><u>282,841</u></u>	<u><u>328,342</u></u>

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

All income and expenditure derive from continuing activities.

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

THE ENVIRONMENT CENTRE (TEC)

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	12		2,138		4,650
Investments	13		1		1
			2,139		4,651
Current assets					
Debtors	14	161,800		248,726	
Cash at bank and in hand		154,123		131,625	
		315,923		380,351	
Creditors: amounts falling due within one year	15	(35,221)		(56,660)	
Net current assets			280,702		323,691
Total assets less current liabilities			282,841		328,342
Income funds					
Restricted funds	16		151,017		134,675
<u>Unrestricted funds</u>					
Designated funds	17	30,000		30,000	
General unrestricted funds		101,824		163,667	
			131,824		193,667
			282,841		328,342

THE ENVIRONMENT CENTRE (TEC)

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2020

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 2020.

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

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

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

The financial statements were approved by the Trustees on

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Mr C R Rowland
Trustee

Company Registration No. 02881225

THE ENVIRONMENT CENTRE (TEC)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	22		23,761		(297,155)
Investing activities					
Purchase of tangible fixed assets		(1,602)		(732)	
Interest received		339		333	
Net cash used in investing activities			(1,263)		(399)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			22,498		(297,554)
Cash and cash equivalents at beginning of year			131,625		429,179
Cash and cash equivalents at end of year			154,123		131,625

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Charity information

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

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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

1.2 Going concern

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

1.3 Charitable funds

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

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

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

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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

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

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.5 Resources expended

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

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

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

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

1.6 Tangible fixed assets

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

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

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

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

1.7 Fixed asset investments

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

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

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

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.10 Employee benefits

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

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

1.11 Retirement benefits

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

1.12 Leases

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

1.13 Taxation

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

1.14 Trade debtors

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

1.15 Trade creditors

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

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

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2020	2020	2020	2019
	£	£	£	£
Donations and legacies	-	460	460	4,569

4 Charitable activities

	2020	2019
	£	£
Environmental project activities	501,490	395,748
Analysis by fund		
Unrestricted funds	277,678	255,963
Restricted funds	223,812	139,785
	501,490	395,748

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Investments

	Unrestricted funds	Total
	2020	2019
	£	£
Interest receivable	339	333
	<u> </u>	<u> </u>

6 Other income

	Unrestricted funds	Total
	2020	2019
	£	£
Other income	-	42
	<u> </u>	<u> </u>

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

7 Expenditure on charitable activities

	Total 2020	Total 2019
	£	£
Staff costs	302,756	285,332
Depreciation and impairment	4,113	2,144
Other staff costs	258	-
Office expenses	17,479	14,444
Light and heat	1,591	1,754
Travel and subsistence	7,236	7,612
Repairs and maintenance (including rent and rates)	38,938	39,837
Advertising	4,258	647
Books, periodicals and project materials	169,852	183,662
Bank charges	327	284
Irrecoverable VAT	2,701	4,121
Third party grant distributions	(7,587)	8,087
Bad debts	(140)	-
Computer and website costs	2,890	-
	<u>544,672</u>	<u>547,924</u>
Share of governance costs (see note 8)	3,347	7,500
	<u>548,019</u>	<u>555,424</u>
	<u><u>548,019</u></u>	<u><u>555,424</u></u>
Analysis by fund		
Unrestricted funds	334,188	368,004
Restricted funds	213,831	187,420
	<u>548,019</u>	<u>555,424</u>
	<u><u>548,019</u></u>	<u><u>555,424</u></u>

8 Governance costs

	2020	2019
	£	£
Legal fees	455	971
Independent examiner's other services	41	2,035
Independent examiner's fee	2,850	4,494
Charitable activities	3,347	7,500
	<u>3,347</u>	<u>7,500</u>
	<u><u>3,347</u></u>	<u><u>7,500</u></u>

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

9 Trustees

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

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

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	10	11

Employment costs

	2020 £	2019 £
Wages and salaries	273,314	261,536
Social security costs	20,310	19,461
Other pension costs	9,132	4,335
	<u>302,756</u>	<u>285,332</u>

No employee received emoluments of more than £60,000 during the year. The total employee benefits of the key management personnel of the charity were £105,094 (2019 - £98,558).

11 Other gains/(losses)

	Unrestricted funds	Total
	2020 £	2019 £
Foreign exchange gains	(229)	-

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

12 Tangible fixed assets

	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 April 2019	15,743	59,565	75,308
Additions	-	1,602	1,602
	<u>15,743</u>	<u>61,167</u>	<u>76,910</u>
At 31 March 2020	15,743	61,167	76,910
	<u>15,743</u>	<u>59,029</u>	<u>74,772</u>
Depreciation and impairment			
At 1 April 2019	14,228	56,430	70,658
Depreciation charged in the year	1,515	2,599	4,114
	<u>15,743</u>	<u>59,029</u>	<u>74,772</u>
At 31 March 2020	15,743	59,029	74,772
	<u>15,743</u>	<u>59,029</u>	<u>74,772</u>
Carrying amount			
At 31 March 2020	-	2,138	2,138
	<u>-</u>	<u>2,138</u>	<u>2,138</u>
At 31 March 2019	1,515	3,135	4,650
	<u>1,515</u>	<u>3,135</u>	<u>4,650</u>

13 Fixed asset investments

	2020 £
Cost or valuation	
At 1 April 2019 & 31 March 2020	1
	<u>1</u>
Carrying amount	
At 31 March 2020	1
	<u>1</u>
At 31 March 2019	1
	<u>1</u>

The charity holds 100% of the share capital of Environment Centre Enterprises Limited (04036032) a dormant subsidiary company. The aggregate amount of capital and reserves at the end of the financial year was £1.

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

14 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	89,786	228,980
Other debtors	63,587	11,181
Prepayments and accrued income	8,427	8,565
	<u>161,800</u>	<u>248,726</u>
	<u><u>161,800</u></u>	<u><u>248,726</u></u>

15 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other taxation and social security	21,228	10,580
Trade creditors	9,067	15,687
Other creditors	-	30,393
Accruals and deferred income	4,926	-
	<u>35,221</u>	<u>56,660</u>
	<u><u>35,221</u></u>	<u><u>56,660</u></u>

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

16 Restricted funds

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

	Movement in funds				Balance at 31 March 2020 £
	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	
Hitting the Cold Spots	126,874	54,283	(78,375)	-	102,782
Big Energy Saving Network	2,226	1,000	(2,749)	-	477
Clean Air Network	5,575	-	-	(4,000)	1,575
Resilient Community Fund	-	39,270	(13,869)	-	25,401
Raising Standards for Tenants	-	7,790	(14,629)	6,839	-
Southampton City Council	-	52,027	(48,325)	-	3,702
Innovation and Enforcement Grant	-	16,685	(3,561)	-	13,124
Carbon Offset Fund	-	41,217	(39,061)	-	2,156
Eastleigh Borough Council	-	1,500	(1,500)	-	-
Public Health	-	10,000	(8,200)	-	1,800
Switched on Portsmouth	-	-	(3,062)	3,062	-
Gosport Borough Council	-	500	(500)	-	-
	<u>134,675</u>	<u>224,272</u>	<u>(213,831)</u>	<u>5,901</u>	<u>151,017</u>

£4,000 has been transferred from restricted funds to unrestricted funds due to the balance being over declared.

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

16 Restricted funds

(Continued)

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

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

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

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

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

Public Health (PH) - £10,000 grant funding was provided by Public Health Southampton to support the Environment Centre (tEC)'s Raising Standards for Southampton Tenants project in reducing fuel poverty.

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

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

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

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

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

17 Designated funds

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

	Movement in funds		
	Balance at 1 April 2019 £	Incoming resources £	Balance at 31 March 2020 £
Designated	30,000	-	30,000
	<u>30,000</u>	<u>-</u>	<u>30,000</u>
	<u><u>30,000</u></u>	<u><u>-</u></u>	<u><u>30,000</u></u>

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

18 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total 2020 £	Total 2019 £
Fund balances at 31 March 2020 are represented by:				
Tangible assets	2,138	-	2,138	4,650
Investments	1	-	1	1
Current assets/(liabilities)	129,685	151,017	280,702	323,691
	<u>131,824</u>	<u>151,017</u>	<u>282,841</u>	<u>328,342</u>
	<u><u>131,824</u></u>	<u><u>151,017</u></u>	<u><u>282,841</u></u>	<u><u>328,342</u></u>

19 Operating lease commitments

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

	2020 £	2019 £
Within one year	6,787	24,062
Between two and five years	1,029	10,323
	<u>7,816</u>	<u>34,385</u>
	<u><u>7,816</u></u>	<u><u>34,385</u></u>

THE ENVIRONMENT CENTRE (TEC)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

20 Related party transactions

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

21 Charity status

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

22 Cash generated from operations	2020	2019
	£	£
Deficit for the year	(45,730)	(154,732)
Adjustments for:		
Investment income recognised in statement of financial activities	(339)	(333)
Foreign exchange differences	229	-
Depreciation and impairment of tangible fixed assets	4,113	2,144
Movements in working capital:		
Decrease/(increase) in debtors	86,927	(129,535)
(Decrease) in creditors	(21,439)	(14,699)
Cash generated from/(absorbed by) operations	23,761	(297,155)

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