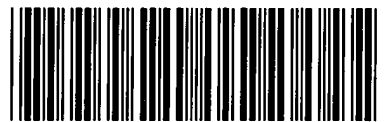


Charity Registration No. 1070131

Company Registration No. 03386853 (England and Wales)

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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COMPANIES HOUSE

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

Management Committee

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

Charity number

1070131

Company number

03386853

Registered office

Sandy Flatts Lane
Acklam
Middlesbrough
United Kingdom
TS5 7YN

Auditor

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

Bankers

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

Solicitors

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

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED

A COMPANY LIMITED BY GUARANTEE

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MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees of Middlesbrough Environment City Trust Ltd (MEC) are pleased to present their annual report detailing the charity's achievements during the year ending 31st March 2021, together with the financial statements.

Charity Details

The following people were trustees of MEC during the year:

Cllr Julia Rostron Lynne Hammond Joe McMonagle Jeremy Garside
Val Cunningham Samantha Granger Keith Lewis Russell Mills
Brian Glover Janet Stevenson Matt Watson Lesley Rigg
Cllr Dennis McCabe Cllr Ron Arundale

Martin Harvey (resigned 29/01/2021)

Director: Mark Fishpool (resigned 18/04/2021)

Registered Company Number: 3386853

Registered Charity Number: 1070131

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

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

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

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities

Purposes and Activities of MEC

MEC's charitable objects are to:

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

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

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

MEC's work is divided into five themes:

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

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

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

Theme 2 - Promoting Healthier Lifestyles

MEC is proactive in tackling health inequalities in Middlesbrough to improve Quality of Life and encourage sustainable living, working closely with Public Health South Tees and the Live Well Centre. The Charity has also been involved in the recovery from Covid-19. There is a strong link between this theme and Theme 3 below, through encouraging walking and cycling activity. MEC is involved in projects that improve access to healthy exercise for all, encourage food growing and promote healthy eating. Activities link sustainable living to addressing long term conditions such as Type 2 Diabetes and Cardiovascular Disease.

Theme 3 - Encouraging Greater Use of Sustainable Transport

MEC has managed the Middlesbrough Cycle Centre since 2002, the first staffed, secure cycle parking facility in the North East of England. This was expanded in 2016 to include the delivery of a Shopmobility service. The delivery of Bikeability cycle training in schools and workplaces is at the heart of the safe cycling training programme, which is complemented with cycle maintenance training with young people's groups, unemployed people, community organisations and people with special needs.

Theme 4 - Contributing to Physical Environmental Improvements

MEC focuses on supporting other partners to deliver environmental improvements. The Charity has, in recent years, also delivered a range of small community-led improvement schemes, biodiversity and heritage projects..

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
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Theme 5 - Education and Awareness-raising

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

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

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance

Inevitably, the Covid-19 crisis dominated the charity's work programme during the year. The Trustees were proud that Middlesbrough Environment City was able to contribute through its charitable objectives to the emergency relief effort for communities impacted most by the pandemic, whilst also developing initiatives to support longer-term Covid recovery. The Charity was able to make use of additional resources from national government to minimize impact on the organisation, such as furlough, and to support the emergency work.

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

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

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

The role of the Partnership and the work of MEC in tackling fuel poverty took on additional relevance this year as many household incomes fell as a result of furlough or unemployment.

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

Warm Homes Tees Valley, a consortium led by Stockton-on-Tees Council, began delivering a two year project funded through the Warm Homes Fund. The scheme will run to 2022 and will enable fuel poor households not currently on the gas network to access either full gas central heating systems or air source heat pumps at no cost to the householder. Although impacted by Covid-19, the element led by MEC was successful in developing a targeted approach to engaging communities, focusing on clusters of properties that are not on the gas network and working closely with trusted local partners, including ward councillors to promote the scheme. New heating systems and air source heat pumps are now in the process of being installed. In addition, the project gave energy efficiency advice to 157 households and trained 103 staff from 15 organisations.

Cosy Homes, funded by the Energy Redress scheme, is providing energy advice in Redcar and Cleveland, levelling-up support across the South tees area. By March 2021 the scheme had supported 569 households, trained 48 front-line staff and distributed £2200 in fuel vouchers to vulnerable households. Other emergency support in response to Covid from both Energy redress and Middlesbrough Council delivered a further 963 fuel vouchers, valued at over £46,000 to support vulnerable households through the pandemic.

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

The BEIS Big Energy Saving Network supported the provision of advice to vulnerable residents on energy efficiency and tariff switching. Tariff switching and energy efficiency advice was provided to 303 people, with three events undertaken for Big Energy Saving Week.

Further work was undertaken to maintain and update the UNO database held by MEC. This provides valuable data on the energy efficiency of properties in Middlesbrough, helping to target support to the most vulnerable people and the homes with the greatest need.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Theme 2 - Promoting Healthier Lifestyles

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

MEC continued to coordinate the Middlesbrough Food Action Plan working through the Food Partnership and with financial support from Sustainable Food Places. The Sustainable Food Places Silver Award was achieved in June 2019 and Middlesbrough is now working towards Gold, with an action plan now in place. MEC also supported the Food Power Alliance in Middlesbrough, implementing an action plan to address food insecurity in Middlesbrough. The plan covers the main areas of surplus food, holiday hunger, maximising income and linking with affordable warmth.

The work of the Food Power Alliance was particularly significant this year in supporting the community response to access to food access and food poverty in the pandemic. MEC and its partners had been developing the EcoShop model with Fareshare North east, who collect and distribute food from the supply chain. EcoShops are volunteer run facilities in schools and community venues that help tackle food waste through providing affordable food that would otherwise have gone to landfill to communities. Sixteen were established during the year, although many were restricted in operation owing to the pandemic. However, funding from the government's Emergency Food and Essential items Fund and the National Lottery Community Fund did allow the project to evolve into the Virtual EcoShop, enabling deliveries of surplus food to people who were self-isolating or unable to leave their homes for other reasons. By March 2021, the scheme was delivering 300 packages each week to over 200 households, a valuable lifeline for vulnerable people. The scheme was made possible through the generous support of PD Ports, who kindly provided warehousing space and logistical support to maintain the supply of food. Their support also enabled other emergency food providers to maintain and increase their supplies to vulnerable families during the lockdowns and school holiday periods.

As the Covid restrictions ease, it is planned to wind down the Virtual EcoShop and encourage users to engage with site-based EcoShops in their local community. An exciting development towards the end of the year was obtaining funding from both the Middlesbrough and Teesside Philanthropic Foundation and Middlesbrough Football Club Foundation towards setting up a Teesside Food Hub in partnership with Fareshare North East. This will greatly increase the capacity for food deliveries locally, allowing the expansion of EcoShops, as well as supporting other emergency food provision.

A grant through Unicef and Sustain supported a project to improve the nutritional content of food parcels, with four training sessions delivered to 13 people from four organisations. A grant from Food for Life enabled 100 growing kits to be distributed to families during lockdown as an educational and enrichment activity.

Government funding through Middlesbrough Council also supported a small grants programme to nine community groups for food initiatives to support Covid recovery. A further grant through Middlesbrough Council supported a slowcooking project, delivered on-line. Over 80 participants were recruited and each received a slowcooker, recipe book and ingredients, upon completion of the course.

MEC continued to coordinate a programme of activity to reduce the risk of Type 2 Diabetes amongst Middlesbrough's Black and Minority Ethnic communities, through encouraging participants to make changes to a healthier and more sustainable lifestyle. This year the work was funded by both the You've Got This Sport England Local Delivery Pilot and Public Health South Tees. Work was curtailed by the pandemic, but the programme is being redesigned for delivery next year, to increase uptake of wider Type 2 Diabetes initiatives locally.

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A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
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The You've Got This programme continued throughout the year, funded by Sport England and with Redcar & Cleveland Council as lead organisation. This innovative initiative, part of the national Local Delivery Pilot programme, is testing ways of engaging with inactive people, supporting them to become more active in both Middlesbrough and Redcar & Cleveland. The project works with target groups within the population including people living with Type 2 Diabetes, people awaiting surgery and users of commercial weight management services. A second strand takes an area-based approach in four adjacent wards across both boroughs. The initiative responded to the pandemic by prioritizing on-line activities and providing activity packs to households during lockdown. The programme is now starting to deliver face to face again and over the coming years it is hoped that MEC will be able to deliver more of the activities of the programme. It has also funded the Boro Active Explorers, discussed under Theme 5.

MEC continued to support health improvements amongst its own staff through the North East Better Health at Work Award, which started in October 2009. With the commitment of its Health Champions, MEC reaffirmed Continuing Excellence in March 2021, acting as an exemplar to other businesses in the region.

Theme 3 - Encouraging Greater Use of Sustainable Transport

MEC has been involved in cycling activities in Middlesbrough for around 20 years, particularly through running the Middlesbrough Cycle Centre, which has been operating since 2002. MEC's cycling and walking projects form part of the Let's Go Tees Valley programme, managed by Darlington Borough Council on behalf of Tees Valley Combined Authority with funding from the Department for Transport Access Fund.

Cycling and walking activities were significantly impacted by the Covid-19 pandemic, with work in schools particularly affected. The Middlesbrough Cycle Centre and Shopmobility based in the Middlesbrough Bus Station was closed for much of the year, although was able to open for a period over the Summer. In schools, Bikeability in Middlesbrough and Year 3 Pedestrian Training in Middlesbrough, Stockton-on-Tees and Hartlepool was greatly reduced, with limited training only being possible in the Summer and Autumn.

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

Walking for Health groups were unable to operate for extended periods, although contact was maintained with the groups and 30 new walk leaders were trained, in preparation for a more extensive programme of activity in 2021 supporting people to get and about again.

Funders have been very supportive of the Charity over the last year and the funding that was provided has been allowed to be carried forward into 2021/22. This will enable activity through to Autumn 2021 supporting more people to ride and walk and improving both physical and mental wellbeing as part of Covid recovery.

Theme 4 - Contributing to Physical Environmental Improvements

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

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

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FOR THE YEAR ENDED 31 MARCH 2021

Theme 5 - Education and Awareness-raising

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

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

Although impacted by the pandemic, the Youth panel continued to engage with young people through social media and some practical activities were also possible when restrictions allowed. Opportunities have also been explored to support Kickstart trainees for the remainder of the programme, providing young people with valuable work experience. A legacy tree planting project designed by the young people will be implemented in 2021, before the end of the project in December.

Funding from the National Lottery Community Fund supported Sustainable Community Actions – a three-year initiative to build healthy, resilient lifestyles, self-resilience and social cohesion within communities through community-led environmental projects. During the year the project focused particularly on supporting communities through the pandemic, including working with the Virtual EcoShop project and providing on-line cookery sessions.

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

Impact of Covid-19

The impact of Covid-19 was ever present throughout the year, as demonstrated above. Impacts were particularly significant, as the Charity traditionally delivers most of its activities face-to-face. Significant adaptation was needed to ensure beneficiaries were still supported. Some staff were able to continue their role, for example providing assistance to people in fuel poverty at a time when their issues were further exacerbated by the impacts of the virus. Changes in delivery methods, including greater use of telephone calls and on-line virtual support, were employed to maintain support for service users. With the agreement of the funders, other staff were able to be redeployed to provide emergency services. The government's furlough scheme was valuable in allowing the Charity to retain the skills of staff who were unable to continue their normal work, in particular the Active Travel team. These staff members gradually returned to work as restrictions eased.

A number of actions were also implemented to maximise safety for staff and ensure that the premises were Covid secure. A Covid-19 risk assessment has been prepared for the offices and these were also produced for individual activities. Staff began working from home at the start of lockdown and have continued to do so, at least for part of the working week. Physical measures have also been introduced such as provision of hand sanitizer, screens between desks, social distancing in the office and the compulsory wearing of face coverings in communal areas. Staff have received awareness training, including via video, and safety information is also provided for visitors.

The pandemic also impacted on the governance of the Charity, with face-to-face meetings of the Trustees being suspended throughout the year. To ensure good governance, the trustees agreed to meet virtually.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

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The pandemic also impacted on the governance of the Charity, with face-to-face meetings of the Trustees being suspended after the January 2020 meeting. To ensure good governance, the trustees have agreed that meetings for the remainder of 2020 would be held virtually.

Financial review

Overall Performance

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

Results

The net surplus of funds for the year was £426,288 which constitutes £369,766 unspent but committed restricted funds and £56,522 of unrestricted funds. The Trustees propose that the balance of the net surplus be transferred to the reserves.

Investment Powers and Policy

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

Reserves Policy

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

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

The actual amount of free reserves required to meet these potential outgoings is calculated at the start of each financial year. In their most recent review, the Trustees concluded that the level of free reserve needed by MEC is £408,506. The current level of free reserves is £443,965.

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A-COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Plans for Future Periods

Whilst Covid-19 remains a significant factor influencing the activities of the Charity and impacting on the organisation's beneficiaries, MEC must still focus its attention on the longer term, and the more significant threat from the climate and ecological crises. Whilst MEC will support activities to help our residents through Covid recovery, this will be through the lens of creating more environmentally and socially sustainable communities. Projects have already evolved to enable delivery in a Covid secure way, ensuring that beneficiaries are still being supported at a time when they face an even greater range of challenges.

The Trustees are very aware of the challenges resulting from cuts in public expenditure are being exacerbated by Covid-19, impacting directly on the operation of the Charity as well as significantly increasing demand on its services. They recognise the need for the expedient use of resources to be combined with an imaginative vision that seeks to find innovative ways to address the challenges of sustainable living in Middlesbrough and improving Quality of Life for the town's communities. They will remain vigilant in the management of resources in such challenging times.

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

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

Structure, governance and management

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

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

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
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Appointment of Trustees

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

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

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

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

Trustee Induction and Training

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

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

Organisation

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

A Director is appointed to manage the day to day operations of MEC. A management team comprising the Director, Local Agenda 21 Projects Officer, Health Projects Manager and Partnership Liaison Officer report to the Board of Management.

Related Parties

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

Middlesbrough Council seconds three core members of staff to MEC, namely the Director, Local Agenda 21 Projects Officer and Partnership Liaison Officer. The relationship between the Council and MEC is documented in a Memorandum of Understanding, which is negotiated each year between the two parties. When seconded, the staff act only in the interest of the charity.

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A COMPANY LIMITED BY GUARANTEE
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Risk Management Strategy

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

Currently, the risk management focus falls inevitably on the on-going impact of Covid-19, its implications for project delivery and its effects on the communities MEC serves. An account of the organisational impacts of Covid-19 to date and mitigation is included above. Moving forward, the Trustees recognize that Covid-19 will have a long-term impact on the work of the Charity, which usually delivers so many of its activities face-to-face with communities. Steps have been put in place to adapt working practices to ensure that the Charity can continue to serve its beneficiaries, including Covid secure delivery of face-to-face work and a move to digital support.

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

Financial Risks and Fraud

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

During the year the Trustees also introduced a specific fraud prevention policy, highlighting the activities that the Charity will undertake to minimize the risk of fraud.

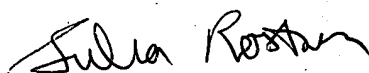
Serious Incidents

In line with Charity Commission guidance, the Trustees will report any serious incidents both to the Charity Commission and in the Annual Report. There have been no serious incidents to report in the year 2020/21.

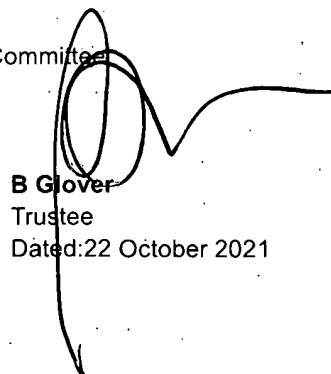
Disclosure of information to auditor

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

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



Cllr J Rostron
Trustee
Dated: 22 October 2021



B Glover
Trustee
Dated: 22 October 2021

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2021

The management committee, who are also the directors of Middlesbrough Environment City Trust Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, the management committee are required to:

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

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

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

TO THE MANAGEMENT COMMITTEE OF MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED

Opinion

We have audited the financial statements of Middlesbrough Environment City Trust Limited (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

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

TO THE MANAGEMENT COMMITTEE OF MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED

Matters on which we are required to report by exception

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

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

Responsibilities of management committee

As explained more fully in the statement of trustees' responsibilities, the management committee, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the management committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the management committee are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management committee either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

TO THE MANAGEMENT COMMITTEE OF MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED

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

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

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

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

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

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

Use of our report

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

Azels Audit Services

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

28/10/2021

Statutory Auditor

Wynyrd Park House
Wynyrd Avenue
Wynyrd
Billingham
United Kingdom
TS22 5TB

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

TO THE MANAGEMENT COMMITTEE OF MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED

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

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
<u>Income and endowments from:</u>					
Donations and legacies	3	133,418	-	133,418	115,460
Charitable activities	4	83,960	1,341,405	1,425,365	947,885
Investments	5	3,210	-	3,210	7,147
Other income	6	67,668	-	67,668	-
Total income		288,256	1,341,405	1,629,661	1,070,492
<u>Expenditure on:</u>					
Charitable activities	7	231,734	971,639	1,203,373	1,132,671
Net income/(expenditure) for the year/ Net movement in funds		56,522	369,766	426,288	(62,179)
Fund balances at 1 April 2020		442,372	598,328	1,040,700	1,102,879
Fund balances at 31 March 2021		498,894	968,094	1,466,988	1,040,700

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

All income and expenditure derive from continuing activities.

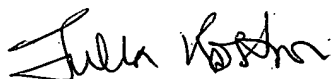
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		3,324		7,673
Current assets					
Debtors	12	161,771		100,705	
Cash at bank and in hand		1,406,489		1,042,137	
		<u>1,568,260</u>		<u>1,142,842</u>	
Creditors: amounts falling due within one year	13	<u>(104,596)</u>		<u>(109,815)</u>	
Net current assets			1,463,664		1,033,027
Total assets less current liabilities			<u>1,466,988</u>		<u>1,040,700</u>
Income funds					
Restricted funds	15		968,094		598,328
<u>Unrestricted funds</u>					
Designated funds		54,929		55,296	
General unrestricted funds		<u>443,965</u>		<u>387,076</u>	
			498,894		442,372
			<u>1,466,988</u>		<u>1,040,700</u>

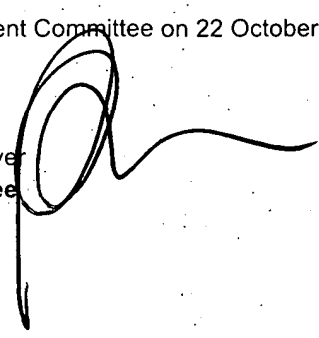
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Management Committee on 22 October 2021



Cllr J Rostron
Trustee

B Glover
Trustee



Company Registration No. 03386853

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	18		361,142		(69,840)
Investing activities					
Investment income received		3,210		7,147	
Net cash generated from investing activities			3,210		7,147
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			364,352		(62,693)
Cash and cash equivalents at beginning of year			1,042,137		1,104,830
Cash and cash equivalents at end of year			<u>1,406,489</u>		<u>1,042,137</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

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

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the management committee in furtherance of their charitable objectives.

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

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

1.4 Income

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

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

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

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Expenditure

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

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

1.6 Tangible fixed assets

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

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

Plant and equipment	25% straight line
---------------------	-------------------

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

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

Basic financial assets

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

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

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

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

1.11 Leases

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

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted 2021	Unrestricted 2020
	£	£
Thirteen - Rent (Donation in Kind)	-	1,692
Other Sundry Income	16,403	848
Middlesbrough Council - Salaries (Donation in Kind)	117,015	103,920
Middlesbrough Council - Rent (Cash donation)	-	9,000
	<u>133,418</u>	<u>115,460</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

Summary

	Restricted	Unrestricted	Total 2021	Total 2020
	£	£	£	£
Income for Encouraging the Prudent Use of Resources	333,424	-	333,424	61,222
Income for Promoting Healthy Lifestyles	561,090	-	561,090	338,785
Income for Encouraging Greater Use of Sustainable Transport	95,816	78,186	174,002	231,905
Income for Contributing to Physical Environmental Improvements	98,785	-	98,785	39,907
Income for Education and Awareness Raising	252,290	5,774	258,064	276,066
	<u>1,341,405</u>	<u>83,960</u>	<u>1,425,365</u>	<u>947,885</u>
	Restricted	Unrestricted	Total 2020	
	£	£	£	
Income for Encouraging the Prudent Use of Resources	61,222	-	61,222	
Income for Promoting Healthy Lifestyles	338,785	-	338,785	
Income for Encouraging Greater Use of Sustainable Transport	136,345	95,560	231,905	
Income for Contributing to Physical Environmental Improvements	39,907	-	39,907	
Income for Education and Awareness Raising	257,005	19,061	276,066	
	<u>833,264</u>	<u>114,621</u>	<u>947,885</u>	

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

(Continued)

Income for Encouraging the Prudent Use of Resources

	Restricted	Unrestricted	Total 2021	Total 2020
	£	£	£	£
Public Health (Affordable Warmth)	-	-	-	1,430
BEIS (Big Energy Saving Network)	12,500	-	12,500	15,000
Staying Put Eco Grant	2,899	-	2,899	6,445
Middlesbrough Council (Fuel Vouchers)	76,461	-	76,461	3,500
0800 Repair	-	-	-	6,389
Ageing Better Middlesbrough (Warm Welome)	36,576	-	36,576	23,458
Sustain (Eco Shops)	20,976	-	20,976	5,000
Warm Homes	37,442	-	37,442	-
Redress	36,578	-	36,578	-
Climate Action Programme	109,992	-	109,992	-
	<u>333,424</u>	<u>-</u>	<u>333,424</u>	<u>61,222</u>

	Restricted	Unrestricted	Total 2020
	£	£	£
Public Health (Affordable Warmth)	1,430	-	1,430
BEIS (Big Energy Saving Network)	15,000	-	15,000
Staying Put Echo Grant	6,445	-	6,445
Middlesbrough Council (Fuel Vouchers)	3,500	-	3,500
0800 Repair	6,389	-	6,389
Ageing Better Middlesbrough (Warm Welome)	23,458	-	23,458
Sustain (Eco Shops)	5,000	-	5,000
	<u>61,222</u>	<u>-</u>	<u>61,222</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

(Continued)

Income for Promoting Healthy Lifestyles

	Restricted	Unrestricted	Total	Total
	£	£	2021	2020
	£	£	£	£
You've Got This (Type 2 Diabetes)	14,000	-	14,000	73,427
Public Health (Lifestyle Choice)	134,500	-	134,500	84,655
Better Care Fund (My Life)	-	-	-	-
Sustainable Food Cities	5,200	-	5,200	10,000
Sustainable Food Cities (Sugar Smart Middlesbrough)	-	-	-	-
A Team Build	-	-	-	3,585
Roots and Branches	(2,990)	-	(2,990)	21,024
You've Got This	68,267	-	68,267	-
Public Health (Nutritional Interventions)	-	-	-	59,900
Sustain (Veg Cities)	-	-	-	1,025
Sport England Local Delivery Pilot	-	-	-	59,109
Sustain (Food Power Evaluation)	-	-	-	2,763
Bus Stop Surveys	-	-	-	3,000
Sustain (Experts by Experience)	-	-	-	5,178
Ageing Better Middlesbrough (Food and Friendship)	50,006	-	50,006	14,672
Urban Farming	-	-	-	447
YGT Expenses	23,288	-	23,288	-
Grow your own at Home	1,000	-	1,000	-
FIG Slowcooking	5,241	-	5,241	-
Boro Active Explorers	111,478	-	111,478	-
Virtual Eco Shops	83,762	-	83,762	-
Food Emergency Grants	40,000	-	40,000	-
Tees Hub Eco Shop Online Dashboard	27,338	-	27,338	-
	<u>561,090</u>	<u>-</u>	<u>561,090</u>	<u>338,785</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

(Continued)

	Restricted	Unrestricted	Total
	£	£	2020
You've Got This (Type 2 Diabetes)	73,427	-	73,427
Public Health (Lifestyle Choice)	84,655	-	84,655
Sustainable Food Cities	10,000	-	10,000
A Team Build	3,585	-	3,585
Roots and Branches	21,024	-	21,024
Public Health (Nutritional Interventions)	59,900	-	59,900
Sustain (Veg Cities)	1,025	-	1,025
Sport England Local Delivery Pilot	59,109	-	59,109
Sustain (Food Power Evaluation)	2,763	-	2,763
Bus Stop Surveys	3,000	-	3,000
Sustain (Experts by Experience)	5,178	-	5,178
Ageing Better Middlesbrough (Food and Friendship)	14,672	-	14,672
Urban Farming	447	-	447
	<u>338,785</u>	<u>-</u>	<u>338,785</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

(Continued)

Income for Encouraging Greater Use of Sustainable Transport

	Restricted	Unrestricted	Total 2021	Total 2020
	£	£	£	£
Department for Transport (Bikeability)	36,253	-	36,253	67,904
Local Sustainable Transport Fund (Bike Academy)	57,970	-	57,970	55,000
Welcome to Yorkshire (Bike Library)	-	-	-	648
Stockton Pedestrian Training	-	18,030	18,030	24,060
Hartlepool Pedestrian Training	-	16,590	16,590	31,500
Local Sustainable Transport Fund (Redcar)	-	42,160	42,160	40,000
Shopmobility income	1,493	-	1,493	12,051
Dr Bike Service	100	-	100	742
Cycle centre income	-	1,406	1,406	-
	<u>95,816</u>	<u>78,186</u>	<u>174,002</u>	<u>231,905</u>

	Restricted	Unrestricted	Total 2020
	£	£	£
Department for Transport (Bikeability)	67,904	-	67,904
Local Sustainable Transport Fund (Bike Academy)	55,000	-	55,000
Welcome to Yorkshire (Bike Library)	648	-	648
Stockton Pedestrian Training	-	24,060	24,060
Hartlepool Pedestrian Training	-	31,500	31,500
Local Sustainable Transport Fund (Redcar)	-	40,000	40,000
Shopmobility income	12,051	-	12,051
Dr Bike Service	742	-	742
	<u>136,345</u>	<u>95,560</u>	<u>231,905</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

(Continued)

**Income for Contributing to Physical
Environmental Improvements**

	Restricted	Unrestricted	Total 2021	Total 2020
	£	£	£	£
Gardening Services	14,935	-	14,935	38,002
Green Shoots	83,850	-	83,850	-
Acklam 2020	-	-	-	1,905
	<u>98,785</u>	<u>-</u>	<u>98,785</u>	<u>39,907</u>

	Restricted	Unrestricted	Total 2020
	£	£	
Gardening Services	38,002	-	38,002
Acklam 2020	1,905	-	1,905
	<u>39,907</u>	<u>-</u>	<u>39,907</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

(Continued)

Income for Education and Awareness Raising

	Restricted	Unrestricted	Total 2021	Total 2020
	£	£	£	£
National Lottery Community Fund (One Planet Pioneers)	130,283	-	130,283	194,693
Middlesbrough Council (Fairtrade)	-	-	-	1,500
Training income	-	5,274	5,274	15,231
OPP Income	-	500	500	2,330
Nutritional Standards (UNICEF)	5,960	-	5,960	-
Big Local Expenses	12,807	-	12,807	-
CommUNITY Actions	103,240	-	103,240	62,312
	<u>252,290</u>	<u>5,774</u>	<u>258,064</u>	<u>276,066</u>

	Restricted	Unrestricted	Total 2020
	£	£	
National Lottery Community Fund (One Planet Pioneers)	194,693	-	194,693
National Lottery Community Fund (Talent Match)	-	-	-
Middlesbrough Council (Fairtrade)	-	1,500	1,500
Training income	-	15,231	15,231
OPP Income	-	2,330	2,330
CommUNITY Actions	62,312	-	62,312
	<u>257,005</u>	<u>19,061</u>	<u>276,066</u>

5 Investments

	2021 £	2020 £
Interest receivable	<u>3,210</u>	<u>7,147</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

6 Other income

	Unrestricted funds	Total
	2021	2020
	£	£
Coronavirus Job Retention Scheme	67,668	-
	<u> </u>	<u> </u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

7 Charitable activities

	Encouraging prudent use of resources £	Promoting healthy lifestyles £	Encouraging sustainable transport £	Contributing to physical environment £	Education, awareness raising £	Gover- nance £	Total 2021 £	Total 2020 £
Staff costs	93,396	251,343	50,222	22,711	76,789	199,511	693,972	711,582
Depreciation and impairment	125	250	3,750	-	224	-	4,349	4,349
Grants payable	-	33,752	-	-	1,500	-	35,252	5,342
Payments to partners	73,786	47,887	-	12,285	41,735	-	175,693	126,983
Other staff costs	5,395	6,371	336	300	2,823	138	15,363	24,544
Volunteer and trainee costs	-	-	-	-	-	-	-	2,792
Promotion and information	1,454	4,808	232	48	65	-	6,607	10,470
Consumables	2,863	10,960	1,271	424	4,231	120	19,869	29,200
Materials	2,836	9,803	606	458	1,902	51	15,656	7,274
Contractors	95,089	51,376	2,081	-	600	-	149,146	103,740
Other project costs	1,334	8,048	4,712	1,814	2,936	795	19,639	29,998
Project support costs	5,845	27,843	16,951	-	8,657	549	59,845	68,769
Accountancy fees	809	3,411	2,944	-	818	-	7,982	7,628
	<u>282,932</u>	<u>455,852</u>	<u>83,105</u>	<u>38,040</u>	<u>142,280</u>	<u>201,164</u>	<u>1,203,373</u>	<u>1,132,671</u>
Analysis by fund								
Unrestricted funds	-	-	29,472	-	1,098	201,164	231,734	
Restricted funds	<u>282,932</u>	<u>455,852</u>	<u>53,633</u>	<u>38,040</u>	<u>141,182</u>	<u>-</u>	<u>971,639</u>	
	<u>282,932</u>	<u>455,852</u>	<u>83,105</u>	<u>38,040</u>	<u>142,280</u>	<u>201,164</u>	<u>1,203,373</u>	

Included within accountancy fees is the audit fee totalling £4,500 (2020 - £4,250).

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

7 Charitable activities

(Continued)

	Encouraging prudent use of resources £	Promoting healthy lifestyles £	Encouraging sustainable transport £	Contributing to physical environment £	Education, awareness raising £	Gover- nance £	Total 2020 £
Staff costs	54,023	226,132	192,119	26,188	109,200	103,920	711,582
Depreciation and impairment	125	250	3,750	-	224	-	4,349
Grants payable	5,142	200	-	-	-	-	5,342
Payments to partners	-	2,550	-	-	124,433	-	126,983
Other staff costs	4,168	10,969	4,917	600	3,718	172	24,544
Volunteer and trainee costs	-	2,479	284	-	29	-	2,792
Promotion and information	1,372	6,405	1,208	17	1,468	-	10,470
Consumables	3,654	14,792	3,091	1,462	5,885	316	29,200
Materials	887	2,097	1,759	46	2,493	(8)	7,274
Contractors	20,099	64,980	9,908	-	8,673	80	103,740
Other project costs	600	9,155	14,884	1,431	2,161	1,767	29,998
Project support costs	14,302	32,124	14,664	(200)	6,897	982	68,769
Accountancy fees	700	3,653	1,918	300	1,057	-	7,628
	<u>105,072</u>	<u>375,786</u>	<u>248,502</u>	<u>29,844</u>	<u>266,238</u>	<u>107,229</u>	<u>1,132,671</u>
Analysis by fund							
Unrestricted funds	-	-	94,066	-	8,921	107,229	210,216
Restricted funds	105,072	375,786	154,436	29,844	257,317	-	922,455
	<u>105,072</u>	<u>375,786</u>	<u>248,502</u>	<u>29,844</u>	<u>266,238</u>	<u>107,229</u>	<u>1,132,671</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

8 Grants payable

	2021 £	2020 £
Grants to institutions:		
Staying Put Agency	-	500
Cleveland Fire Service	-	1,000
Islamic Diversity Centre	-	2,343
Citizens Advice Bureau	-	500
Carers Together	-	799
North Ormesby Neighbourhood Development Trust	-	200
- Community Growing Teesside	4,000	-
- Barefoot Kitchen	3,988	-
- Breckon Hill	4,000	-
- Trinity Youth Project	3,569	-
- The Genesis Project	4,000	-
- Ubuntu Multicultural Centre	3,120	-
- Groundwork NE	3,453	-
- Regeneration of Communities	3,758	-
- People's Park Community Allotment	3,864	-
Nutritional Standard - UNICEF		
- Amal Project	250	-
- Breckon Hill	250	-
- Ubuntu Multicultural Centre	250	-
- Streets Ahead	250	-
- Active Tees Valley	250	-
- Hope 4 East Cleveland	250	-
	<u>35,252</u>	<u>5,342</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

8 Grants payable

(Continued)

Staying Put Agency

To cover the cost of boiler repairs.

Cleveland Fire Service

Stay Safe and Warm - To provide emergency support to those in fuel poverty in Middlesbrough to ensure they are safe and warm.

Islamic Diversity Centre

Provision of emergency support and energy efficiency advice to BME communities.

Citizens Advice Bureau

To provide debt, benefit and energy efficiency advice.

Carers Together

Provide energy efficiency advice to carers.

North Ormesby Neighbourhood Development Trust

Provision of fresh fruit and vegetable vouchers to low income households.

Food Emergency Grants

A community based initiative to support local groups recover from Covid related problems.

Nutritional Standards (UNICEF)

Grants paid to local groups in form food partnership.

9 Management Committee

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

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
Seconded staff	2	2
Project staff	29	32
	<u>31</u>	<u>34</u>

Employment costs

	2021	2020
	£	£
Seconded staff (donation in kind)	103,920	118,000
Wages and salaries	531,857	547,593
Social security costs	38,851	32,140
Other pension costs	19,344	12,669
	<u>693,972</u>	<u>711,582</u>

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

11 Tangible fixed assets

	Plant and equipment
	£
Cost	
At 1 April 2020	70,881
At 31 March 2021	<u>70,881</u>
Depreciation and impairment	
At 1 April 2020	63,208
Depreciation charged in the year	4,349
At 31 March 2021	<u>67,557</u>
Carrying amount	
At 31 March 2021	<u>3,324</u>
At 31 March 2020	<u>7,673</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

12 Debtors		2021	2020
		£	£
Amounts falling due within one year:			
Trade debtors		108,920	89,905
Prepayments and accrued income		52,851	10,800
		<u>161,771</u>	<u>100,705</u>

13 Creditors: amounts falling due within one year		2021	2020
		£	£
	Notes		
Other taxation and social security		8,156	8,967
Deferred income	14	10,000	40,000
Trade creditors		43,748	6,418
Other creditors		8,331	16,997
Accruals		34,361	37,433
		<u>104,596</u>	<u>109,815</u>

14 Deferred income		2021	2020
		£	£
Other deferred income		10,000	40,000
		<u>10,000</u>	<u>40,000</u>

The above relates to restricted grant income which has been received but the projects have not yet commenced.

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

15 Movement in Funds

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

	Balance at 1 April 2020 £	Movement in funds		Balance at 31 March 2021 £
		Incoming resources £	Resources expended £	
Encouraging the Prudent Use of Resources	121,859	333,424	(282,932)	172,351
Promoting Healthy Lifestyles	318,003	561,090	(455,852)	423,241
Encouraging Greater Use of Sustainable Transport	112,090	95,816	(53,633)	154,273
Contributing to Physical Environmental Improvements	11,209	98,785	(38,040)	71,954
Education and Awareness Raising	35,167	252,290	(141,182)	146,275
Total Restricted Funds	598,328	1,341,405	(971,639)	968,094
Unrestricted funds				
General funds	387,076	286,850	(229,961)	443,965
Designated Funds:				
-Premises fund	-	-	-	-
-Education and Awareness Raising	10,066	-	(698)	9,368
-Encouraging Greater Use of Sustainable Transport	45,230	1,406	(1,075)	45,561
Total funds	1,040,700	1,629,661	(1,203,373)	1,466,988

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

15 Movement in Funds

(Continued)

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

	Balance at 1 April 2019 £	Movement in funds Incoming resources £	Resources expended £	Balance at 31 March 2020 £
Encouraging the Prudent Use of Resources	165,707	61,222	(105,070)	121,859
Promoting Healthy Lifestyles	355,005	338,785	(375,787)	318,003
Encouraging Greater Use of Sustainable Transport	130,181	136,345	(154,436)	112,090
Contributing to Physical Environmental Improvements	1,147	39,906	(29,844)	11,209
Education and Awareness Raising	35,479	257,006	(257,318)	35,167
Total Restricted Funds	687,519	833,264	(922,455)	598,328
Unrestricted funds				
General funds	368,709	122,607	(104,240)	387,076
Designated Funds:				
-Premises fund	-	-	-	-
-Education and Awareness Raising	(75)	19,061	(8,920)	10,066
-Encouraging Greater Use of Sustainable Transport	46,726	95,560	(97,056)	45,230
Total funds	1,102,879	1,070,492	(1,132,671)	1,040,700

16 Analysis of net assets between funds

	Restricted funds £	Unrestricted funds £	Total £
Fund balances at 31 March 2021 are represented by:			
Tangible assets	3,324	-	3,324
Current assets/(liabilities)	964,770	498,894	1,463,664
	968,094	498,894	1,466,988

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

16 Analysis of net assets between funds

(Continued)

	Restricted funds £	Unrestricted funds £	Total £
Fund balances at 31 March 2019 are represented by:			
Tangible assets	6,774	899	7,673
Current assets/(liabilities)	591,554	441,473	1,033,027
	<u>598,328</u>	<u>442,372</u>	<u>1,040,700</u>

17 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	<u>117,015</u>	<u>103,920</u>

Key management personnel is made up of those seconded from Middlesbrough Council only. Cost is recognised in line with the donation in kind as per the requirements of Statement of Recommended Practice for Charities.

Transactions with related parties

During the year the charity provided funding to a project partner totalling £9,302 (2020 - £59,229), with £nil (2020 - £14,718) included within creditors at the balance sheet date. A Trustee of the charity is the CEO of the above project partner, Tees Valley Wildlife Trust.

18 Cash generated from operations

	2021 £	2020 £
Surplus/(deficit) for the year	426,288	(62,179)
Adjustments for:		
Investment income recognised in statement of financial activities	(3,210)	(7,147)
Depreciation and impairment of tangible fixed assets	4,349	4,349
Movements in working capital:		
(Increase) in debtors	(61,066)	(13,501)
Increase in creditors	24,781	8,638
(Decrease) in deferred income	(30,000)	-
Cash generated from/(absorbed by) operations	<u>361,142</u>	<u>(69,840)</u>

MIDDLESBROUGH ENVIRONMENT CITY TRUST LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

19 Analysis of changes in net funds

The charity had no debt during the year.