

REGISTERED COMPANY NUMBER: 11569012 (England and Wales)
REGISTERED CHARITY NUMBER: 1183711

Report of the Trustees and
Financial Statements
For The Year Ended 30 June 2022
for
PEC Trust

Bromhead
Chartered Accountants
Statutory Auditors
Harscombe House
1 Darklake View
Plymouth
Devon
PL6 7TL

PEC Trust

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For The Year Ended 30 June 2022

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PEC Trust

Report of the Trustees **For The Year Ended 30 June 2022**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Our charity's purposes as set out in the objects contained in the company's articles are to promote sustainable development for the benefit of the public by the:

- (a) Preservation, conservation and the protection of the environment and the prudent use of resources;
- (b) Relief of poverty and the preservation and protection of health by promoting the efficient use of energy and utilisation of renewable sources of energy; and
- (c) Advancement of education in subjects relating to sustainable development and the protection, enhancement and rehabilitation of the environment and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large

This translates in to the delivery of activities focused on the following aims

- To bring local people and organisations together to tackle fuel poverty and the climate crisis.
- To increase local ownership and influence over local energy solutions
- To increase community confidence to engage in energy issues
- To enable people to heat and power their homes affordably
- To reduce greenhouse gas emissions
- To ensure these activities benefit the fuel poor and most vulnerable

Public benefit

The Trustees have considered the guidance issued by the Charity Commission in respect of the public benefit and confirmed through their activities and objectives that they adhere to this guidance.

ACHIEVEMENT AND PERFORMANCE

During 2021/2022 we have worked in the following areas

- Maintaining a team of skilled Energy Advisors delivering a mix of energy and fuel debt advice either over the phone, in the home or within the community, in particular those who are the most vulnerable
- Delivery of the government Householder Support Fund grants and emergency fuel vouchers to the most needy within the community
- Facilitating the uptake of energy efficiency improvements in properties across the city and in particular in the delivery of retrofit schemes
- Exploring the method of increasing the number of heat pumps
- Outreach and engagement work with our network of local partners including Citizens Advice Bureau and Art and Energy.

Supporting the Community Land Trust PEC Homes through feasibility and outline planning to deliver zero carbon homes.

The success we have with each of these programmes is documented in our Annual Report and impact statement.

FINANCIAL REVIEW

Financial position

The charity with the aid of sound financial management and the support of both its staff and volunteers generated a very positive financial outcome for the period ending 30 June 2022 with reserves of £990,013. The balance sheet shows that within the end year surplus, £482,406 are Restricted Reserves funded by grant payments received ahead of spend. The Trustees have also designated reserves of £75,500 which leaves overall unrestricted reserves available of £432,107.

Principal funding sources

The principal sources of funding have been a mixture of grants from Homes England, Energy Saving Trust, BIG Lottery, Plymouth City Council and others with contract income secured mainly from Western Power Distribution. The charity is always seeking new or additional sources of funding to not be reliant on too few funding sources.

PEC Trust

Report of the Trustees
For The Year Ended 30 June 2022

FINANCIAL REVIEW

Reserves policy

The Restricted Reserves are listed below and include provision for income paid or granted in advance of spend where outstanding activities and commitments will be incurred or delivered in the following financial year and evidenced by the Grant Funding Agreements;

Year ending 30 June 2022

Restricted Funds:

Household Support Fund 1	The carry over of unspent monies after taking the 10% admin fee. The balance will be spent over the next 2/3 months	£41,363
Household Support Fund 2	This has only just commenced so all of the unspent funds received in advance to be carried forward	£180,964
National Grid Warm Homes extension match funding	Carry forward of unspent funds towards staffing costs	£10,665
Plymouth Net Zero Partnership	PCC have paid in advance for the secondment of Dan Godfrey as Project Manager	£16,004
Redress 21-23 CSE	Carry forward of funds for staffing costs still to be incurred	£25,159
Redress 2021 Warm Homes	Staffing costs in current year under target due to multiple funding streams. Carry forward of surplus for new year staffing costs	£70,746
Redress 2020 FOOD	Staffing costs in current year under target due to multiple funding streams. Carry forward of surplus towards staffing costs	£79,895
Big Lottery Warm and Well 2	Income paid in advance up to 31 August 2022	£32,419
Winter fund grant	Net book value of assets being used in sustainable warm project	£6,991
Sail GP	Income paid in advance for future costs of solar panel installations	£18,200
Total Restricted Funds		£482,406

Designated Funds:

Redundancy cost provision, a provision set aside in the event of staffing redundancies, from the time that PCC staff were deployed solely on PEC activities		£36,000
Provision for costs to be incurred in respect of becoming an employer and TUPE transfer. We have reviewed the costs incurred during 2021/2022 and estimated those remaining. The majority of this provision will be transferred to PEC MS once the new subsidiary is in a position to commission services directly		£19,500
Future major event TUPE transfer: Provision for post transfer ongoing liabilities such as pension costs. PEC and Plymouth City Council are in the early stages of discussing and formalising the TUPE transfer of staff. Although full details of additional future potential liabilities are not yet known, it is prudent to set aside provision for pension costs. The provision will be transferred to PEC MS at the point of transfer		£20,000
Total Designated Funds		£75,500

PEC Trust

Report of the Trustees For The Year Ended 30 June 2022

FINANCIAL REVIEW

Within the Unrestricted reserves we have set aside funds to provide financial stability and the means for the development of our principal activity. We intend to maintain our reserves at a level which is at least equivalent to 6 months unfunded core staffing and overhead costs to include senior management, business and project support costs as well as infrastructure. Last years reserve policy has been reviewed and increased to £170,000 in accordance with the growth of the charity(2021: £80,500). Additionally, the charity is holding £20,000 to cover general overheads and infrastructure costs such as IT, insurance, marketing, audit etc (2021: £10,000).

Free reserves are funds that can be spent on any of the charity aims. Taking into account the designated funds and reserve policy discussed above the charity has free reserves of £242,107 (2021: £142,258)

The Board reviews the amount of reserves that are required quarterly to ensure that they are adequate to fulfil our continuing obligations. This duty is fulfilled as part of the receiving and consideration of quarterly management accounts.

The reasons for the level of reserves required are;

(a) PEC Trust wants to ensure that as a fairly recently formed charity, there are sufficient reserves to protect its continued existence, and not presenting a risk of insolvency or act as a deterrent to potential donors from donating if its viability is under threat. The income streams are not guaranteed and often in short duration.

(b) Insufficient reserves may cause the charity to spend much time and effort dealing with the problems of insufficient working capital rather than getting on with the main purposes of the charity which may hinder planning and development of its prime objectives

The Board of Trustees will keep the level of Unrestricted reserves under review each year to avoid conflict with the need for a charity to apply its income within a reasonable time and not to create an unnecessary level of reserves at the expense of its beneficiaries either current or future.

The Board have developed a longer term financial strategy alongside the plan to become an employer and not be reliant on Plymouth City Council employing its staff. The 3 year financial forecasting provides the Board with information on future secured income streams and how the current reserves may need to play a role in reducing any future shortfalls. PEC Trust does not want to be tied to offering short term contracts and risk losing expertise, as its staff and their knowledge and expertise are the most important assets.

The Board must also set aside reserves for the transition to become an employer, via its subsidiary PEC Management Services Ltd which has been established in year to perform the role of the employing body on behalf of PEC Trust and the PEC family group of entities. The preparation work is nearly complete with an aim to go live in the autumn 2022. Now that the subsidiary is established an unspent portion of the unrestricted PEC Trust reserves will be transferred to PEC Management Services to pay for further set up costs and the provisions relating to TUPE to be transferred to PEC MS at the point of transfer.

The level of reserves for these specific purposes as at 30 June 2022 are shown in the above table and include;

- Provision for future redundancy costs which has increased in response to the additional liability that will be inherited from staff transferring from Plymouth City Council

- Reserves for the remaining professional services required for the remaining legal and human resource advice required prior to becoming an employer

- Provision for additional pension costs eg bond that may be required for the Local Government Pension Scheme for the staff who will transfer from Plymouth City Council under TUPE

The Trustees also feel very strongly that some reserves should be set aside for research and development particularly in the furtherance of low energy solutions and the creation of more sustainable energy opportunities in Plymouth. A sum of £30,000 has been set aside for this.

The Board considers these reserves to be prudent and fit for purpose to ensure that PEC Trust continues to achieve the success that it does and continues its growth in community energy sector.

Going concern

The charity plans to continue the activities outlined above in the forthcoming years subject to satisfactory funding arrangements. The charity will continue to grow and nurture the PEC family brand and ethos in the quest to deliver its objectives and maximise the benefit to the public and communities.

PEC Trust

Report of the Trustees For The Year Ended 30 June 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The organisation is a charitable company limited by guarantee, incorporated on 14 September 2018 and registered as a charity on 4 June 2019. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new trustees

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association the composition of the Board provides for not less than three and no more than twelve directors;

- Up to six directors elected from the members
- Up to one director as representative appointed by Plymouth City Council or any successor body
- Appointed as a director ex officio the holder of the office of Chief Executive (This has not been implemented at this stage)
- Up to four directors appointed by the Board by co-option

The Board may also at any time fill a casual vacancy on the Board by co-option. At the first annual general meeting all directors were required to stand down. At subsequent annual general meetings one third of the elected directors shall retire from office, being the longest serving ones. Co-opted directors shall retire at the annual general meeting but be eligible for further co-option

All directors give their time voluntarily and there is no remuneration paid

Induction and training of new trustees

The more traditional business skills are well represented on the Board. In the event of particular skills being lost due to retirements, individuals are approached to offer themselves for election.

Most trustees are already familiar with the practical work of the charity. The charity organises an Away day of the Board after each annual general meeting to ensure that new trustees are suitably inducted and familiar with the charities objects, policies and activities. This day covers the obligations of a trustee, the main documents which set out the operational framework for the charity including the Memorandum and Articles, resourcing and the current financial position as set out in the latest published accounts.

Additionally, new trustees are invited to receive a briefing on the detailed finances and management accounts.

Related parties

The charity forms part of a family of entities known as Plymouth Energy Community. They comprise of the following;
PEC Management Services Limited (Company Limited by shares and wholly owned subsidiary of PEC Trust 14098558)
Plymouth Energy Community (Community Benefit Society 32108)
PEC Renewables (Community Benefit Society 32286)
Ernesettle Community Solar Limited (Company limited by shares and wholly owned subsidiary of PEC Renewables 09892557)
PEC Homes (Community Benefit Society 8356)
PEC Homes Development Limited (Company Limited by shares and wholly owned subsidiary of PEC Homes 14161512)

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

11569012 (England and Wales)

Registered Charity number

1183711

Registered office

c/o Plymouth City Council
Low Carbon Team
Ballard House, West Hoe Road
Plymouth
Devon
PL1 3BJ

PEC Trust

Report of the Trustees
For The Year Ended 30 June 2022

Trustees

I Hutchcroft
O D Ryles
J Holliland
K VanBussel
P Hardman
T Ebbrell
M Bridgeman (resigned 20.5.22)
W Burnyeat
M Chaanda (appointed 10.2.22)
Z Sydenham (appointed 10.2.22)
J Bailey (appointed 10.2.22)
J Stoneman (appointed 1.6.22)

Company Secretary

G Peele

Auditors

Neil Stevens
ACA FCCA
Bromhead
Chartered Accountants
Statutory Auditors
Harscombe House
1 Darklake View
Plymouth
Devon
PL6 7TL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

In so far as the trustees are aware:

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

AUDITORS

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

Approved by order of the board of trustees on 26 October 2022 and signed on its behalf by:

I Hutchcroft - Trustee

Report of the Independent Auditors to the Members of PEC Trust

Opinion

We have audited the financial statements of PEC Trust (the 'charitable company') for the year ended 30 June 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Report of the Independent Auditors to the Members of PEC Trust

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

We identified the laws and regulations applicable to the company through discussions with directors and other management and from our commercial knowledge.

We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company including, Companies Act 2006, Health & Safety at Work Act, Employment Law and data protection.

We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by, making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud. Also, considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls we performed analytical procedures to identify any unusual or unexpected relationships, tested journal entries to identify any unusual transaction and assessed whether judgement and estimates were indicative of potential bias..

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to agreeing financial statement disclosures to underlying supporting documents, reading the minutes of meeting of those charged with governance and enquiring of management as to actual and potential litigation claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

**Report of the Independent Auditors to the Members of
PEC Trust**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Neil Stevens ACA FCCA (Senior Statutory Auditor)
for and on behalf of Bromhead
Chartered Accountants
Statutory Auditors
Harscombe House
1 Darklake View
Plymouth
Devon
PL6 7TL

27 October 2022

PEC Trust

Statement of Financial Activities
For The Year Ended 30 June 2022

	Notes	Unrestricted funds £	Restricted funds £	30.6.22 Total funds £	30.6.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	63,379	(1)	63,378	12,700
Charitable activities					
Sustainable development		190,780	1,830,668	2,021,448	1,247,312
Total		<u>254,159</u>	<u>1,830,667</u>	<u>2,084,826</u>	<u>1,260,012</u>
EXPENDITURE ON					
Raising funds	4	785	-	785	385
Charitable activities					
Sustainable development	5	36,858	1,480,579	1,517,437	1,086,845
Total		<u>37,643</u>	<u>1,480,579</u>	<u>1,518,222</u>	<u>1,087,230</u>
NET INCOME		216,516	350,088	566,604	172,782
Transfers between funds	16	(3,666)	3,666	-	-
Net movement in funds		212,850	353,754	566,604	172,782
RECONCILIATION OF FUNDS					
Total funds brought forward		294,758	128,651	423,409	250,627
TOTAL FUNDS CARRIED FORWARD		<u>507,608</u>	<u>482,405</u>	<u>990,013</u>	<u>423,409</u>

The notes form part of these financial statements

PEC Trust

Balance Sheet
30 June 2022

	Notes	Unrestricted funds £	Restricted funds £	30.6.22 Total funds £	30.6.21 Total funds £
FIXED ASSETS					
Tangible assets	12	896	6,991	7,887	-
Investments	13	1	-	1	-
		<u>897</u>	<u>6,991</u>	<u>7,888</u>	<u>-</u>
CURRENT ASSETS					
Debtors	14	214,910	191,694	406,604	210,364
Cash at bank		352,833	382,102	734,935	296,545
		<u>567,743</u>	<u>573,796</u>	<u>1,141,539</u>	<u>506,909</u>
CREDITORS					
Amounts falling due within one year	15	(61,032)	(98,382)	(159,414)	(83,500)
		<u>506,711</u>	<u>475,414</u>	<u>982,125</u>	<u>423,409</u>
NET CURRENT ASSETS					
		<u>506,711</u>	<u>475,414</u>	<u>982,125</u>	<u>423,409</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>507,608</u>	<u>482,405</u>	<u>990,013</u>	<u>423,409</u>
NET ASSETS		<u>507,608</u>	<u>482,405</u>	<u>990,013</u>	<u>423,409</u>
FUNDS	16				
Unrestricted funds				507,608	294,758
Restricted funds				482,405	128,651
TOTAL FUNDS				<u>990,013</u>	<u>423,409</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 26 October 2022 and were signed on its behalf by:

I Hutchcroft - Trustee

O D Ryles - Trustee

PEC Trust

Cash Flow Statement
For The Year Ended 30 June 2022

	Notes	30.6.22 £	30.6.21 £
Cash flows from operating activities			
Cash generated from operations	1	448,891	35,788
Net cash provided by operating activities		448,891	35,788
Cash flows from investing activities			
Purchase of tangible fixed assets		(10,500)	-
Purchase of fixed asset investments		(1)	-
Net cash (used in)/provided by investing activities		(10,501)	-
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		296,545	260,757
Cash and cash equivalents at the end of the reporting period		734,935	296,545

The notes form part of these financial statements

PEC Trust

Notes to the Cash Flow Statement
For The Year Ended 30 June 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES			
	30.6.22		30.6.21
	£		£
Net income for the reporting period (as per the Statement of Financial Activities)	566,604		172,782
Adjustments for:			
Depreciation charges	2,613		-
Increase in debtors	(196,240)		(186,829)
Increase in creditors	75,914		49,835
Net cash provided by operations	448,891		35,788
	<hr/> <hr/>		<hr/> <hr/>
2. ANALYSIS OF CHANGES IN NET FUNDS			
	At 1.7.21	Cash flow	At 30.6.22
	£	£	£
Net cash			
Cash at bank	296,545	438,390	734,935
	<hr/>	<hr/>	<hr/>
	296,545	438,390	734,935
	<hr/>	<hr/>	<hr/>
Total	296,545	438,390	734,935
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

PEC Trust

Notes to the Financial Statements For The Year Ended 30 June 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Income

Grant income is recognised in the financial statements once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donation income is recognised in the financial statements once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Contract income is recognised in the financial statements on an accruals basis and accrued for based on the performance of the charity against the agreed contract.

Other income is recognised in the financial statements once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional statutory requirements and strategic management of the charity.

Support costs are allocated in line with the charitable activities.

Allocation and apportionment of costs

All costs relate to the charitable activity of the company and are allocated against charitable activities on a basis designed to reflect the use of the resource. Apportionment of direct charitable costs is based upon time spent on each activity.

Support costs are allocated to each activity based upon estimated time spent on each activity.

Tangible fixed assets

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

Plant and machinery	- 33% on cost
Motor vehicles	- 25% on reducing balance

Taxation

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

Fund accounting

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

Included within unrestricted funds are designated funds which the trustees have agreed to set aside to provide financial stability and means for the development of the principle activity.

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

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

PEC Trust

Notes to the Financial Statements - continued
For The Year Ended 30 June 2022

2. DONATIONS AND LEGACIES

	30.6.22	30.6.21
	£	£
Donations	63,378	12,697
Grants	-	3
	63,378	12,700
	63,378	12,700

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

	30.6.22	30.6.21
	£	£
Other grants	-	3
	-	3
	-	3

3. INCOME FROM CHARITABLE ACTIVITIES

		30.6.22	30.6.21
	Activity	£	£
Grants	Sustainable development	1,812,468	1,083,319
Other grant income	Sustainable development	13,735	5,235
Contract income	Sustainable development	195,245	158,758
		2,021,448	1,247,312
		2,021,448	1,247,312

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

	30.6.22	30.6.21
	£	£
Homes England	-	90,000
Plymouth City Council - Solar Panel Installation	7,658	22,576
Plymouth City Council - Warm Homes Fund	-	89,179
Energy Saving Trust - Redress	558,340	249,170
Power To Change Trust	42,369	31,682
Plymouth City Council - Winter Grant Fund	-	290,000
The National Lottery Community Fund -		
RC South West Region	-	55,115
Plymouth City Council - Green Homes Grant	66,758	183,384
Plymouth City Council - Covid local support	-	18,586
MCS Charitable Foundation	20,000	10,000
Crowdfunder - Moth to a flame	-	43,627
Eligibility Webtool	22,500	-
Household Support Fund	746,831	-
MEES Landlord Project	71,582	-
Nat Grid Warm Homes	66,000	-
Plymouth Net Zero Partnership	24,960	-
Sustainable Warm (formerly LAD3)	100,224	-
Warm and Well 2 (from Big Lottery)	85,246	-
	1,812,468	1,083,319
	1,812,468	1,083,319

PEC Trust

Notes to the Financial Statements - continued
For The Year Ended 30 June 2022

4. RAISING FUNDS

Raising donations and legacies

	30.6.22	30.6.21
	£	£
Support costs	785	385
	<u> </u>	<u> </u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Sustainable development	1,439,696	77,741	1,517,437
	<u> </u>	<u> </u>	<u> </u>

6. SUPPORT COSTS

	Management £	Finance £	Other £	Governance costs £	Totals £
Raising donations and legacies	700	-	27	58	785
Sustainable development	69,307	56	2,586	5,792	77,741
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	70,007	56	2,613	5,850	78,526
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

7. NET INCOME/(EXPENDITURE)

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

	30.6.22	30.6.21
	£	£
Auditors' remuneration	1,900	1,900
Depreciation - owned assets	2,613	-
	<u> </u>	<u> </u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2022 nor for the year ended 30 June 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 June 2022 nor for the year ended 30 June 2021.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	12,700	-	12,700
Charitable activities			
Sustainable development	182,579	1,064,733	1,247,312
Total	<u>195,279</u>	<u>1,064,733</u>	<u>1,260,012</u>
EXPENDITURE ON			
Raising funds	385	-	385
Charitable activities			
Sustainable development	57,480	1,029,365	1,086,845
Total	<u>57,865</u>	<u>1,029,365</u>	<u>1,087,230</u>

PEC Trust

Notes to the Financial Statements - continued
For The Year Ended 30 June 2022

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
	_____	_____	_____
NET INCOME	137,414	35,368	172,782
RECONCILIATION OF FUNDS			
Total funds brought forward	157,342	93,285	250,627
	_____	_____	_____
TOTAL FUNDS CARRIED FORWARD	<u>294,756</u>	<u>128,653</u>	<u>423,409</u>

10. PURPOSE OF RESTRICTED FUNDS

Homes England grant funding is to deliver project work in Plymouth to support the development of a community led affordable housing scheme at Kings Tamerton.

Plymouth City Council Solar Panel Installation grant funding is to for the project delivery of Solar Photovoltaic installations at the Plymouth Science Park on one or more buildings.

Groundwork UK grant funding is to deliver project work in Plymouth to support the development of a community led affordable housing scheme at Kings Tamerton.

Plymouth City Council Warm Home Fund grant finding received is solely for the employment costs for 2 FTE Plymouth Energy Community Advisors.

National CLT Network Cohesive Communities Fund grant funding received is designed to help community groups explore and develop their plans to establish a Community Land Trust.

Energy Saving Trust and Plymouth City Council Redress grant funding is to deliver project work in the city to support the alleviation of fuel poverty and help deliver retrofit support services.

Power to Change grant funding is to be used for the development of ESCO business model for new housing.

Plymouth City Council Green Homes/Sustainable Warm grant funding is to be used to deliver up to 300 grants to householders for the installation of energy efficiency measures.

Plymouth City Council Winter grant funding is to allow councils to directly help the hardest-hit families and individuals, as well as provide food for children who need it over the holidays.

MCS Charitable Foundation grant funding is to provide an understanding of the energy efficiency properties of different housing archetypes and their suitability for heat pump retrofits.

Crowdfunder Moths to a Flame grant funding is to deliver solar powered moths which will have a large presence at the COP26 event.

Eligibility Webtool grant is to develop the customer eligibility webtool available on the organisations website.

Plymouth City Councils Household Support Fund is to create support to households with children, households with pensioners, and other vulnerable households and individuals.

MEES Landlord Project is for information, engagement and advice to landlords in the private rental sector across Plymouth to make them aware of the Minimum Energy Efficiency Standards (MEES) and their obligations.

Nat Grid Warm Homes is a joint funding bid to the category 3 element of the Warm Homes Fund, to cover staffing costs for 2 years for work with fuel poor households.

Plymouth Net Zero Partnership is for the supply of project management for the citywide network to support the delivery of its net zero objectives.

The Big Lottery Warm and Well grant is to develop and embed Warm and Well and maintain an effective, free to residents, fuel poverty service. Additionally it is to grow the resulting community led action on fuel poverty and energy as a local, regional and national issue.

PEC Trust

Notes to the Financial Statements - continued
For The Year Ended 30 June 2022

10. PURPOSE OF RESTRICTED FUNDS - continued

Sail GP is for the contribution towards the costs of redistribution and installation of Solar Panels on community buildings.

11. GRANTS TO OTHER ORGANISATIONS

Grants paid to other organisations during the year were as follows.

£6,000 paid to 'The Climate Hub' to support the hosting of energy related events, workshops and meetings, as well as the cross promotion of activities and opportunities for the wider Plymouth community.

£1,573 paid to PEC Renewables to fund the resiting of solar panels from Dunstone School.

£10,000 paid to Art and Energy CIC to support Art and Energy activities.

12. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Totals £
COST			
Additions	<u>9,500</u>	<u>1,000</u>	<u>10,500</u>
DEPRECIATION			
Charge for year	<u>2,509</u>	<u>104</u>	<u>2,613</u>
NET BOOK VALUE			
At 30 June 2022	<u>6,991</u>	<u>896</u>	<u>7,887</u>
At 30 June 2021	<u>-</u>	<u>-</u>	<u>-</u>

13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
Additions	<u>1</u>
NET BOOK VALUE	
At 30 June 2022	<u>1</u>
At 30 June 2021	<u>-</u>

There were no investment assets outside the UK.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.22	30.6.21
	£	£
Trade debtors	267,567	181,901
Other debtors	11,578	6,163
VAT	53,428	15,888
Accrued income	70,760	-
Prepayments	3,271	6,412
	<u>406,604</u>	<u>210,364</u>

PEC Trust

Notes to the Financial Statements - continued
For The Year Ended 30 June 2022

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		30.6.22	30.6.21
		£	£
Trade creditors		120,601	22,564
Other creditors		1	-
Accruals and deferred income		38,812	60,936
		159,414	83,500
		<hr/> <hr/>	<hr/> <hr/>
 16. MOVEMENT IN FUNDS			
	At 1.7.21	Net movement	Transfers
	£	in funds	between
		£	funds
			£
			At
			30.6.22
			£
Unrestricted funds			
General fund	142,258	216,516	73,334
Redundancy cost provision	17,000	-	19,000
General overhead provision	10,000	-	(10,000)
Management support cost provision	80,500	-	(80,500)
Future TUPE transfer	45,000	-	(5,500)
	<hr/>	<hr/>	<hr/>
	294,758	216,516	(3,666)
			507,608
Restricted funds			
Homes England	-	(592)	592
Solar Panel Installation	19,108	(19,108)	-
Cohesive Communities Fund	3,315	(3,315)	-
Redress	41,724	133,252	822
Power To Change	25,180	(25,180)	-
Winter Grant Fund	5,510	(4,688)	(822)
Green Homes Grant	-	6,991	-
MCS Charitable Foundation	10,000	(10,000)	-
Moths to a Flame	23,814	(26,888)	3,074
Household Support Fund	-	222,328	-
Nat Grid warm homes ext	-	10,665	-
Plymouth Net Zero	-	16,004	-
Warm and Well 2 (from Big Lottery)	-	32,419	-
Sail GP	-	18,200	-
	<hr/>	<hr/>	<hr/>
	128,651	350,088	3,666
			<hr/> <hr/>
TOTAL FUNDS	423,409	566,604	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

PEC Trust

Notes to the Financial Statements - continued
For The Year Ended 30 June 2022

16. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	254,159	(37,643)	216,516
Restricted funds			
Homes England	-	(592)	(592)
Solar Panel Installation	7,658	(26,766)	(19,108)
Cohesive Communities Fund	-	(3,315)	(3,315)
Redress	558,339	(425,087)	133,252
Power To Change	42,369	(67,549)	(25,180)
Winter Grant Fund	-	(4,688)	(4,688)
Green Homes Grant	66,758	(59,767)	6,991
MCS Charitable Foundation	20,000	(30,000)	(10,000)
Moths to a Flame	-	(26,888)	(26,888)
Eligibility Webtool	22,500	(22,500)	-
Household Support Fund	746,831	(524,503)	222,328
Mees Landlord project	71,582	(71,582)	-
Nat Grid warm homes ext	66,000	(55,335)	10,665
Plymouth Net Zero	24,960	(8,956)	16,004
Sustainable Warm (formerly LAD3)	100,224	(100,224)	-
Warm and Well 2 (from Big Lottery)	85,246	(52,827)	32,419
Sail GP	18,200	-	18,200
	1,830,667	(1,480,579)	350,088
TOTAL FUNDS	2,084,826	(1,518,222)	566,604

Comparatives for movement in funds

	At 1.7.20 £	Net movement in funds £	Transfers between funds £	At 30.6.21 £
Unrestricted funds				
General fund	66,368	137,416	(61,526)	142,258
Redundancy cost provision	15,000	-	2,000	17,000
General overhead provision	10,000	-	-	10,000
Management support cost provision	65,974	-	14,526	80,500
Future TUPE transfer	-	-	45,000	45,000
	157,342	137,416	-	294,758
Restricted funds				
Homes England	1,915	(1,915)	-	-
Solar Panel Installation	25,000	(5,892)	-	19,108
Groundwork UK	9,700	(9,700)	-	-
Warm Homes Fund	21,943	(21,943)	-	-
Cohesive Communities Fund	11,702	(8,387)	-	3,315
Redress	12,188	29,536	-	41,724
Power To Change	10,837	14,342	-	25,179
Winter Grant Fund	-	5,511	-	5,511
MCS Charitable Foundation	-	10,000	-	10,000
Moths to a Flame	-	23,814	-	23,814
	93,285	35,366	-	128,651
TOTAL FUNDS	250,627	172,782	-	423,409

PEC Trust

Notes to the Financial Statements - continued
For The Year Ended 30 June 2022

16. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	195,279	(57,863)	137,416
Restricted funds			
Homes England	90,000	(91,915)	(1,915)
Solar Panel Installation	22,576	(28,468)	(5,892)
Groundwork UK	-	(9,700)	(9,700)
Warm Homes Fund	89,177	(111,120)	(21,943)
Cohesive Communities Fund	-	(8,387)	(8,387)
Redress	249,170	(219,634)	29,536
Power To Change	31,682	(17,340)	14,342
Winter Grant Fund	290,000	(284,489)	5,511
The National Lottery Community Fund	55,115	(55,115)	-
Green Homes Grant	183,385	(183,385)	-
MCS Charitable Foundation	10,000	-	10,000
Moths to a Flame	43,628	(19,814)	23,814
	<u>1,064,733</u>	<u>(1,029,367)</u>	<u>35,366</u>
TOTAL FUNDS	<u>1,260,012</u>	<u>(1,087,230)</u>	<u>172,782</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.7.20 £	Net movement in funds £	Transfers between funds £	At 30.6.22 £
Unrestricted funds				
General fund	66,368	353,932	11,808	432,108
Redundancy cost provision	15,000	-	21,000	36,000
General overhead provision	10,000	-	(10,000)	-
Management support cost provision	65,974	-	(65,974)	-
Future TUPE transfer	-	-	39,500	39,500
	<u>157,342</u>	<u>353,932</u>	<u>(3,666)</u>	<u>507,608</u>
Restricted funds				
Homes England	1,915	(2,507)	592	-
Solar Panel Installation	25,000	(25,000)	-	-
Groundwork UK	9,700	(9,700)	-	-
Warm Homes Fund	21,943	(21,943)	-	-
Cohesive Communities Fund	11,702	(11,702)	-	-
Redress	12,188	162,788	822	175,798
Power To Change	10,837	(10,838)	-	(1)
Winter Grant Fund	-	823	(822)	1
Green Homes Grant	-	6,991	-	6,991
Moths to a Flame	-	(3,074)	3,074	-
Household Support Fund	-	222,328	-	222,328
Nat Grid warm homes ext	-	10,665	-	10,665
Plymouth Net Zero	-	16,004	-	16,004
Warm and Well 2 (from Big Lottery)	-	32,419	-	32,419
Sail GP	-	18,200	-	18,200
	<u>93,285</u>	<u>385,454</u>	<u>3,666</u>	<u>482,405</u>
TOTAL FUNDS	<u>250,627</u>	<u>739,386</u>	<u>-</u>	<u>990,013</u>

PEC Trust

Notes to the Financial Statements - continued
For The Year Ended 30 June 2022

16. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	449,438	(95,506)	353,932
Restricted funds			
Homes England	90,000	(92,507)	(2,507)
Solar Panel Installation	30,234	(55,234)	(25,000)
Groundwork UK	-	(9,700)	(9,700)
Warm Homes Fund	89,177	(111,120)	(21,943)
Cohesive Communities Fund	-	(11,702)	(11,702)
Redress	807,509	(644,721)	162,788
Power To Change	74,051	(84,889)	(10,838)
Winter Grant Fund	290,000	(289,177)	823
The National Lottery Community Fund	55,115	(55,115)	-
Green Homes Grant	250,143	(243,152)	6,991
MCS Charitable Foundation	30,000	(30,000)	-
Moths to a Flame	43,628	(46,702)	(3,074)
Eligibility Webtool	22,500	(22,500)	-
Household Support Fund	746,831	(524,503)	222,328
Mees Landlord project	71,582	(71,582)	-
Nat Grid warm homes ext	66,000	(55,335)	10,665
Plymouth Net Zero	24,960	(8,956)	16,004
Sustainable Warm (formerly LAD3)	100,224	(100,224)	-
Warm and Well 2 (from Big Lottery)	85,246	(52,827)	32,419
Sail GP	18,200	-	18,200
	<u>2,895,400</u>	<u>(2,509,946)</u>	<u>385,454</u>
TOTAL FUNDS	<u><u>3,344,838</u></u>	<u><u>(2,605,452)</u></u>	<u><u>739,386</u></u>

Transfers between funds

Transfers from general funds to restricted funds occurred in the year to cover overspend on specific projects.

17. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 June 2022.

PEC Trust

Detailed Statement of Financial Activities
For The Year Ended 30 June 2022

	30.6.22 £	30.6.21 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	63,378	12,697
Grants	-	3
	63,378	12,700
Charitable activities		
Grants	1,812,468	1,083,319
Other grant income	13,735	5,235
Contract income	195,245	158,758
	2,021,448	1,247,312
Total incoming resources	2,084,826	1,260,012
EXPENDITURE		
Charitable activities		
Subcontractors	164,848	194,274
Consulting	176,606	63,043
Crisis and repair	34,319	6,118
Management recharges	312,891	452,138
Legal fees	54,737	82,758
Supply & installation	36	4,693
Fuel vouchers	183,924	35,094
Agency staff	196,271	1,820
White goods	82,486	74,653
Gas safety repairs	24,606	28,296
Credit customer payments	163,232	77,438
Grants to other organisations	17,573	9,700
Workshops	28,167	18,854
	1,439,696	1,048,879
Support costs		
Management		
Insurance	5,405	4,526
Telephone	1,324	677
Postage and stationery	247	237
Advertising	8,071	10,282
Subscriptions	1,644	1,565
Vehicle lease	1,922	100
IT software and consumables	40,308	6,497
Staff training	6,104	3,224
Sundry	849	405
Donations	-	2,400
Entertainment	-	314
Rent	4,133	2,190
	70,007	32,417
Finance		
Bank charges	56	59

PEC Trust

Detailed Statement of Financial Activities
For The Year Ended 30 June 2022

	30.6.22 £	30.6.21 £
Finance		
Other		
Motor vehicles	104	-
Computer equipment	2,509	-
	<hr/> 2,613	<hr/> -
Governance costs		
Auditors' remuneration	1,900	1,900
Accountancy fees	3,950	3,975
	<hr/> 5,850	<hr/> 5,875
Total resources expended	<hr/> 1,518,222	<hr/> 1,087,230
Net income	<hr/> 566,604	<hr/> 172,782