

Charity Registration No. 1075679

Company Registration No. 03621022 (England and Wales)

ACT ON ENERGY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

ACT ON ENERGY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr A Boad Dr S Juned Mr D Johnston Mr P Evans Dr W J Buckler Mrs M M Unwin Mr D Cowcher (appointed 17/09/2021) Mr R Dunlevy (appointed 17/09/2021)
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Secretary	Ms R Jones
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Charity number	1075679
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Company number	03621022
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Registered office	Unit 1.4 Lauriston Business Park Pitchill Evesham WR11 8SN
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Auditor	Leigh Graham Associates 10 John Street Stratford-upon-Avon Warwickshire CV37 6UB
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ACT ON ENERGY

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report and financial statements for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Company's Memorandum and Articles of Association, section 4 of the Charities Act 2016, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

There was no change to the Charity's objectives which remain to advance the education of the public and promote public involvement in energy conservation and efficiency and in all matters concerning the conservation of environmental resources insofar as they are related to energy and to assist in the relief of fuel poverty.

The policies adopted in furtherance of these objects include:-

- the provision of free and impartial advice to the general public
- the marketing and promotion of energy efficiency
- delivering educational programmes in schools and colleges
- devising and managing specific schemes on behalf of others to promote the take-up of energy efficiency measures and seeking funding to cover the costs of such schemes
- working in partnership with charities, voluntary bodies, statutory authorities and others that can assist in the achievement of the objects

There has been no change in these policies during the year.

Public Benefit

The Charity aims to encourage the general population to reduce their need for energy by good housekeeping, improved efficiency and the use of renewable technologies. This will benefit everyone both locally and globally by helping to mitigate to effects of Climate Change, to help secure our energy supplies for future generations and assist in removing fuel poverty from the most vulnerable households.

All of the activities are intended to lead to the ultimate aim of developing local communities where individuals desire to use energy more responsibly and reduce their total carbon emissions and where adequate energy, to maintain good health and well-being, is affordable to those most in need.

The Charity will continue to work with partner organisations that support Act on Energy's aims to carry out its activities, lending support in promoting the activities and assisting in developing new and innovative projects that will encourage more people and communities to engage in energy saving practices.

The level of advice and support provided to individuals and organisations will be based on their needs and ability to make use of the advice given. In some circumstance, Act on Energy may make a charge for a service, if it is deemed to be additional to its charitable objects and requiring special skills, training or equipment.

Covid-19

On 11 March 2020 the World Health Organization (WHO) declared COVID-19 to be a global pandemic. The Company adopted all the relevant recommendations made by the UK Government for commercial activities. Our top priority remains the health and safety of our staff which we are addressing through additional social distancing procedures in the workplace and ensure we are operating withing the guidelines set by central government.

The trustees have been closely monitoring the impact of COVID-19 on our 2020/21 financial results and cashflows and met virtually more frequently. The overall impact of COVID-19 on the financial performance of the business has been limited and in fact the year has lead to an increase in revenue due to the delivery of a number of covid support schemes

Draft Financial Statements
ACT ON ENERGY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Members and their interests

Act on Energy is a charitable company limited by guarantee and was incorporated on 25 August 1998 as Warwickshire Energy Efficiency Advice Centre and registered its change of company name to Act on Energy on 30 October 2008. It is governed by its memorandum and articles of association. The liability of members is limited to £10 per member in the event of winding up. The trustees, as listed below, are members of the company and served throughout the year.

Trustees

The present trustee/directors are shown below.

A Boad (trustee)

W Buckler (trustee)

P Evans (trustee and treasurer)

S Juned (trustee)

D Johnston (trustee and chairman)

M Unwin (trustee)

D Cowcher (trustee appointed 17/09/2021)

R Dunleavy (trustee appointed 17/09/2021)

In accordance with the Company's Articles of Association, A Boad and W Buckler will retire by rotation at the next Annual General Meeting and be eligible for re-election.

Results and business review

The financial results for the year are as set out in the annexed accounts.

The trustees consider the financial position of the company to continue to be viable and we are implementing plans and procedures to address any further issues that may arise from Covid-19. In addition, significant income is available as reserved bank accounts to service grant funding for energy efficiency improvements to households that qualify. This funding is provided by our partner local authorities in addition to their service level agreement funding. The charity has also had success in securing funding to support local partnerships through other organisations including some government initiatives. Act on energy is located at Unit 1.4 Lauriston Business Park, Pitchill, Warwickshire.

The Charity relies on funding through the local authorities where it operates and through project funding bids to local, regional and national government and other agencies. It does not seek to raise funds from the general public, is not a member of the Fundraising Standards Board and has no trading subsidiary to contribute to its funding. Some income is earned from specialist work such as home and business energy surveys and referral fees from commercial organisations.

Governance and Employees

The trustees govern the overall business of the Charity and meet quarterly to discuss the charity's performance and consider its future direction. In addition, they hold an Annual General Meeting in accordance with the rules of the Charity. Prior to all formal meetings, the trustees declare any interests they may have in relation to the work carried out by the Charity. In the event of a potential conflict of interest they agree to either leave the meeting during any subsequent discussion or abstain from voting if a vote is called for. Extra meetings have been held to oversee the work of the Charity during the COVID 19 crisis

The Trustees receive no remuneration for their services and do not claim expenses.

Day-to-day activities are managed by Rachel Jones (chief executive and company secretary) who is responsible for the performance of the Charity in achieving its objectives, planning its future activities, developing resources and maintaining the quality of the service and the welfare of staff.

The Charity has two key areas of activity, managing partner agreements which include the provision of advice to the general public and developing and delivering specialist services including home energy audits. The Charity currently has a total of 4 part time and 15 full time employees. All employees are trained to a minimum of Level

ACT ON ENERGY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Activities of the Charity

During the period, the Charity has continued to support the local community by acting as the local energy advice centre for free and impartial advice and access to free and subsidised improvement schemes.

This has included:-

- The provision of a freephone advice line operated by qualified energy advisers and maintaining an up-to-date library of information on materials and services related to energy efficiency and sending appropriate information to callers.
- Maintaining a website which contains information on energy saving measures, local contractors who provide energy saving and renewable energy services, advice on how to switch energy supplier and with an e-mail advice service for on-line enquiries.
- Maintaining a referral service for government, energy supplier and local council funded schemes to local contractors who operate the free and subsidised insulation schemes and to encourage local householders to have energy saving measures installed. The Charity may earn a commission from some schemes but this will not affect the cost to the householder and is not the basis for scheme selection.
- Carrying out a range of activities within the local community, including talks and presentations to community groups, attending local events and exhibitions, providing energy efficiency training to other organisations, carrying out home visits and providing articles and interviews for the local media and assisting local environmental groups to develop and deliver their own energy related projects.
- Delivering training to frontline workers working with vulnerable consumers

In furtherance of the Charity's objectives, formal partnerships with other local organisations have been maintained. There are several councils within the territory that the Charity has traditionally supported through service level agreements and other ad hoc arrangements for specific local projects including projects with several housing associations. These all support our objectives by encouraging more energy efficiency activity from home owners and private and social housing tenants to help deliver local authority and housing association climate change, energy and affordable warmth strategies.

Local projects this year have included:

- "Warm and Well in Warwickshire" a continuation project through Warwickshire Public Health, providing insulation and boiler grants to low income households with health related issues.
- "Heat 4 Health" a health focused project working with the health sector to support the most vulnerable in our communities. The project has a geographical focus on Stratford Town and the wider district.
- "Energy Price Comparison service" to enable those without internet access to benefit from tariff details from cheaper energy suppliers with more than 700 carried out during the year.
- "Local Referral Service" working through local contractors and energy suppliers to access nationally available grants for energy saving improvements.
- "Local Grant Schemes" assisting householders who qualify for support to have renewables, insulation, and heating improvements installed by agreed contractors with funding held by the Charity.
- "Warm Homes West Midlands" – new initiative to support residents across the wider midlands areas of Birmingham and the Black Country
- Warm Homes Fund – to support the delivery of first time central heating to vulnerable households across Worcestershire.
- Covid Crisis Funds – managing the delivery of crisis funds for those impacted by covid. Included energy

Wider influence

- "Association of Local Energy Officers" for the Midlands region is chaired by the Charity and represents the Midlands at National events.
- The charity acts as the Secretariat for the National Association of Local Energy Officers
- Big Energy Saving Network – We provide support across the region to deliver the programme training over 250 staff.

ACT ON ENERGY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

This year's performance builds on our stable position after securing additional funding through the following; Local Government to run a number of Covid Crisis Scheme; Midlands Energy Hub to provide the customer journey across parts of the West Midlands; EST Redress Bid – Warm Homes West Midlands.

Investment policy

Under the memorandum and articles of association, the Charity has the power to invest monies not immediately required for the furtherance of its objects, as it thinks fit. The trustees' policy is to maximise income within a low risk environment. However, with the present economic conditions, investment income remains minimal.

Reserves policy

It is the policy of the charity to maintain unrestricted funds, which includes the free reserves of the Charity, at a level which provides sufficient funds to meet the ongoing operating expenditure. The trustees are satisfied to report that at present the free reserves still provide about 12 months of such expenditure.

Risk Management

The charity continues to examine the major strategic, business and operational risks which it faces, and develop and ultimately implement systems to mitigate any exposure.

The loss of a significant amount of funding is a risk for the long term. The Charity has maintained funds to cover the loss of some income in the short term but may not withstand it long term. The trustees and the chief executive will continue to maintain close control of the financial situation to ensure that appropriate action is taken to support Act on Energy's future viability.

The trustees have identified a major risk for the Charity as being in the provision of advice. All staff are required to receive advice training in 'Energy Awareness' and pass the City and Guilds examination and receive on-going training as appropriate. Any other activity requiring the Charity's staff to undertake energy audits in private homes and other buildings will be covered by public liability insurance with training in appropriate risk assessment procedures.

Staff hold regular team meetings to update themselves on current practice and techniques and this information is held in an electronic database to which all staff have access from their individual PCs. To protect against claims for inappropriate advice, the Charity maintains professional indemnity insurance covering against claims of up to £2,000,000 and public liability covering claims up to £10,000,000.

A health and safety at work risk assessments are carried out and procedures are in place to ensure that all staff are made aware of any real or potential issues.

The Charity may come into contact with children and vulnerable adults in its activities and therefore requires all staff to provide basic DBS checks which are renewed every 3 years.

The Charity handles personal data as defined in the Data Protection Act 2018 and is registered with the Data Protection Registrar as a data controller and processor. The General Data Protection Regulations have been fully implemented and no breaches have been recorded.

The Charity has a Health and Safety at work policy and staff handbook containing all relevant information and other policies and procedures including an office risk assessment and a risk assessment for out of office activities.

Auditor

The previous auditors Leigh Graham Associates have indicated their willingness to continue in office.

ACT ON ENERGY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Disclosure of information to auditor

Each of the Trustees 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 Trustees.



Dr S Juned

Trustee

Dated: 2nd December 2021



Mr D Johnston

Trustee

Dated: 2nd December 2021

ACT ON ENERGY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

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

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

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

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

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

ACT ON ENERGY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ACT ON ENERGY

Opinion

We have audited the financial statements of Act on Energy (the 'Company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
 - the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.
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ACT ON ENERGY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ACT ON ENERGY

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Company 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 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 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.

Auditor's 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 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.

ACT ON ENERGY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ACT ON ENERGY

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.



Leigh Day (Senior Statutory Auditor)
for and on behalf of Leigh Graham Associates

Chartered Accountants
Statutory Auditor

2/12/2021

10 John Street
Stratford-upon-Avon
Warwickshire
CV37 6UB

ACT ON ENERGY

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 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
<u>Income from:</u>							
Donations and legacies	2	8,952	-	8,952	-	-	-
Charitable activities	3	631,279	293,600	924,879	369,713	217,070	586,783
Investments	4	180	-	180	1,209	-	1,209
Total income		640,411	293,600	934,011	370,922	217,070	587,992
<u>Expenditure on:</u>							
Charitable activities	5	658,091	119,233	777,324	429,385	141,280	570,665
Other		1,488	-	1,488	-	-	-
Total resources expended		659,579	119,233	778,812	429,385	141,280	570,665
Net (outgoing)/incoming resources before		(19,168)	174,367	155,199	(58,463)	75,790	17,327
Gross transfers between funds		174,367	(174,367)	-	75,790	(75,790)	-
Net income for the year/ Net movement in funds		155,199	-	155,199	17,327	-	17,327
Fund balances at 1 April 2020		349,069	-	349,069	331,742	-	331,742
Fund balances at 31 March 2021		504,268	-	504,268	349,069	-	349,069

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.

ACT ON ENERGY

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	8		38,114		3,312
Current assets					
Debtors	9	271,955		59,780	
Cash at bank and in hand		827,453		370,692	
		<u>1,099,408</u>		<u>430,472</u>	
Creditors: amounts falling due within one year					
Loans and overdrafts		5,692		-	
Taxation and social security		110,240		7,853	
Other creditors	10	517,322		76,862	
		<u>633,254</u>		<u>84,715</u>	
Net current assets			466,154		345,757
Total assets less current liabilities			<u>504,268</u>		<u>349,069</u>
Income funds					
Unrestricted funds			504,268		349,069
			<u>504,268</u>		<u>349,069</u>

The financial statements were approved by the Trustees on 2nd December 2021

Dr S Juned
Trustee



Mr D Johnston
Trustee



Company Registration No. 03621022

ACT ON ENERGY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Act on Energy is a private company limited by guarantee incorporated in England and Wales. The registered office is Unit 1.4, Lauriston Business Park, Pitchill, Evesham, WR11 8SN.

1.1 Accounting convention

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

The Company has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

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

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

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

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

1.4 Income

Income relating to service level agreements with local or regional authorities is recognised when the Company 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. Typically this is equally over the term of the agreement which tends to be on an accounting year basis.

Income relating to general services is recognised when task is completed, typically relating to Energy performance certification and Thermal imaging.

ACT ON ENERGY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Income relating to grants or funding from local or regional authorities for specific activities is recognised when the Company 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. Typically, this is when costs are incurred meaning that the criteria for the grant or funding are met.

1.5 Expenditure

Resources expensed are included in the Statement of Financial Activities on an accruals basis.

1.6 Tangible fixed assets

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

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

Plant and machinery	20% reducing balance
Fixtures, fittings & equipment	25% straight line & 25% reducing balance

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 Cash and cash equivalents

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

1.8 Financial instruments

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

Financial instruments are recognised in the Company's balance sheet when the Company 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.

ACT ON ENERGY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

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 Company's contractual obligations expire or are discharged or cancelled.

1.9 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 Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

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

2 Donations and legacies

	Unrestricted funds 2021 £	Total 2020 £
Government Grant Income	8,952	-

ACT ON ENERGY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Income from Charitable activities

	2021 £	2020 £
Sales within charitable activities	33,113	46,760
Services provided under contract	891,766	540,023
	<u>924,879</u>	<u>586,783</u>
Analysis by fund		
Unrestricted funds	631,279	369,713
Restricted funds	293,600	217,070
	<u>924,879</u>	<u>586,783</u>

4 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Interest receivable	<u>180</u>	<u>1,209</u>

Investment income is derived from the Charities cash savings.

ACT ON ENERGY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Expenditure on Charitable activities

	2021 £	2020 £
Staff costs	334,844	212,357
Depreciation and impairment	5,969	2,232
Projects	275,834	267,904
Rent and rates	16,395	14,340
Training	3,826	2,402
Insurance	9,068	4,302
Expenses	4,466	19,498
Office repairs and renewals	1,739	1,727
Postage	1,870	2,035
Stationery	750	832
Telephone	8,365	10,199
Marketing	5,303	3,067
Professional fees	96,986	16,462
Computer and IT costs	7,840	7,794
Lease and motor costs	4,069	5,514
	<u>777,324</u>	<u>570,665</u>
	<u>777,324</u>	<u>570,665</u>
Analysis by fund		
Unrestricted funds	658,091	429,385
Restricted funds	119,233	141,280
	<u>777,324</u>	<u>570,665</u>

6 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2021 £	2020 £
Audit of the annual accounts	5,000	5,000
Non-audit services		
All other non-audit services	6,722	9,040

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Auditor's remuneration

The nature of the services provided during 2020 was payroll advice, consulting and financial statements preparation.

7 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Employees	13	9

Employment costs

	2021 £	2020 £
Wages and salaries	298,267	185,803
Social security costs	20,205	12,198
Other pension costs	16,372	14,356
	<u>334,844</u>	<u>212,357</u>

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

8 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 April 2020	-	30,310	30,310
Additions	28,650	13,609	42,259
Disposals	-	(19,644)	(19,644)
At 31 March 2021	<u>28,650</u>	<u>24,275</u>	<u>52,925</u>
Depreciation and impairment			
At 1 April 2020	-	26,998	26,998
Depreciation charged in the year	1,910	4,059	5,969
Eliminated in respect of disposals	-	(18,156)	(18,156)
At 31 March 2021	<u>1,910</u>	<u>12,901</u>	<u>14,811</u>
Carrying amount			
At 31 March 2021	<u>26,740</u>	<u>11,374</u>	<u>38,114</u>
At 31 March 2020	<u>-</u>	<u>3,312</u>	<u>3,312</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	261,652	50,915
Other debtors	4,500	4,500
Prepayments and accrued income	5,803	4,365
	<u>271,955</u>	<u>59,780</u>

10 Other creditors falling due within one year

	2021	2020
	£	£
Trade creditors	78,759	25,745
Other creditors	258	214
Accruals and deferred income	438,305	50,903
	<u>517,322</u>	<u>76,862</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Restricted funds

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

	Movement in funds		Balance at 31 March 2021
	Incoming resources £	Resources expended £	
Warm & Well in Warwickshire Home Improvement Pilot	79,979	(79,979)	-
Wychavon District Council	3,797	(3,797)	-
Solihull Crisis Fund	50,672	(50,672)	-
Bromsgrove Energy Efficiency	10,362	(10,362)	-
Worcester Winter Fuel Scheme	148,790	(148,790)	-
			-
	<u>293,600</u>	<u>(293,600)</u>	<u>-</u>

Details of funds

Unrestricted funds

These relate to the numerous local and regional service level agreements made with authorities along with any 3rd party sales made by the Charity as a part of its ongoing activities.

Restricted funds

All restricted funds have criteria attached to the funding which require funding to be ring-fenced in a separate bank account.

Warm and Well in Warwickshire Home Improvement Pilot - Arranging home visits and assessments to those within the geographical area whom meet eligibility criteria. Referral to appropriate providers for the identified improvement work to be completed.

Wychavon District Council Warm and Healthy Homes - repair and replacement of inefficient or ineffective domestic heating systems, installation of new central heating systems and installation of home insulation measures for the district of Wychavon.

Solihull Crisis Fund - is a final safety net for those who are experiencing a crisis and cannot resolve financial difficulties any other way. Solihull CF provides essential items for people in urgent need. It does not provide cash.

Bromsgrove Energy Efficiency Fund - servicing, repair and replacement of inefficient or ineffective domestic heating systems, installation of new central heating systems and installation of home insulation measures in the area.

Worcester Winter Fuel Scheme - A government funded scheme that provides grants for heating and insulation for people living in their own or privately rented homes. The funding is only available to those in receipt of certain means tested benefits.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Operating lease commitments

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

	2021	2020
	£	£
Within one year	29,000	15,000
Between two and five years	58,146	45,000
	<u>87,146</u>	<u>60,000</u>

13 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

