

SUSTAINABILITY FIRST

England & Wales · Charity number 1078994

Details

Status	Registered
Legal form	Charitable company
Company number	03897720
Registered	2000-01-18
Register	View on the Charity Commission register

Contact

Address	Sustainability First 85 Great Portland Street First Floor London W1W 7LT
Phone	02031379798
Email	info@sustainabilityfirst.org.uk
Website	www.sustainabilityfirst.org.uk

Activities

Objects: TO ADVANCE KNOWLEDGE AND UNDERSTANDING OF THE ENVIRONMENTAL, ECONOMIC AND SOCIAL DIMENSIONS OF SUSTAINABILITY AND TO UNDERTAKE AND PROCURE RESEARCH AND STUDY AND TO PUBLISH ANY USEFUL RESULTS. TO PROMOTE IDEAS, ACTIONS AND CHANGES TO FURTHER THE INTEGRATION OF QUALITY OF LIFE WITH ENVIRONMENTAL PROTECTION, INCLUDING THE COMBATING OF CLIMATE CHANGE AND GLOBAL WARMING; AT A COMMUNITY, REGIONAL, NATIONAL AND INTERNATIONAL LEVEL..

Activities: Research and publication of policy papers and sustainability eg. water, waste, energy.

Classification

- **How:** Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£470,877	£468,184	-	-
2023-12-31	£294,202	£411,416	-	-
2022-12-31	£356,897	£356,643	-	-
2021-12-31	£258,503	£355,293	-	-
2020-12-31	£406,083	£317,373	-	-

Trustees

Name	Role	Appointed
John Matthew Lunn	Chair	2024-09-26
Amy Louise Whitney		2023-06-15
DEREK LICKORISH		2013-01-18
EDWARD STANLEY DE SALIS YOUNG		2024-09-26
Eugenio Lupi		2023-06-15
Joe Perkins		2020-09-23
Lucy Jane Holdaway		2023-06-15
Sarah Helen Deasley		2016-02-01
Steven John Harman		2023-06-15

Accounts

Company registration number: 3897720

Charity registration number: 1078994

Sustainability First

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2024

Community Accounting Plus
Units 1 & 2 North West
41 Talbot Street
Nottingham
NG1 5GL

Sustainability First

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Sustainability First

Reference and Administrative Details

Patrons

Edward Cattle
Lord Larry Whitty
Baroness Anne McIntosh
Lord Robin Teverson

Trustees

John Lunn, Chair
Edward de Salis Young, Treasurer
Sarah Deasley
David Sigsworth
Derek Lickorish
Joe Perkins
Lucy Holdaway
Steve Harman, Vice Chair
Eugenio Lupi
Amy Whitney

Secretary

Claire Williams

Senior Management Team

David Murray, Executive Director
Claire Williams

Charity Registration Number

1078994

Company Registration Number

3897720

Registered Office

85 Great Portland Street
First Floor
London
W1W 7LT

Independent Examiner

John O'Brien, employee of
Community Accounting Plus
Units 1 & 2 North West
41 Talbot Street
Nottingham
NG1 5GL

Sustainability First

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2024.

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	Philip Barton, Chair, resigned 26/09/24
	Professor Gordon Mackerron, resigned 13/06/24
	Sarah Deasley
	David Sigworth
	Derek Lickorish
	Joe Perkins, Treasurer to 26/09/24
	Steve Harman, Vice Chair
	Jade McGhee, resigned 26/09/24
	Lucy Holdaway
	Eugenio Lupi
	Amy Whitney
	Edward de Salis Young, appointed 26/09/24, Treasurer from 26/09/24
	John Lunn, appointed 26/09/24, Chair from 26/09/24

Secretary:

Claire Williams

Structure, governance and management

Nature of governing document

The charity is a company limited by guarantee and registered charity. It is operated under the rules of its memorandum and articles of association dated 21st December 1999 and recently amended 30th June 2016. It has no share capital and the liability of each member in the event of winding-up is limited to £1.

Recruitment and appointment of trustees

Overall management of the charity is the responsibility of the trustees who are elected and co-opted under the terms of the memorandum and articles of association. New trustees are sought by recommendation or through advertisement and interviewed, selected candidates are appointed with the agreement of the Board. Day to day project activity is managed and carried out by employees, supported by associates, who are contracted experts in sustainability, and unpaid trustees.

Sustainability First

Trustees' Report

Objectives and activities

Objects and aims

The principal objects of the charity are:

- To advance the knowledge and understanding of the environmental, economic and social dimensions of sustainability;
- To undertake and procure research and study, publishing any useful results;
- To promote ideas, actions and changes to further the integration of the quality of life with environmental protection. This includes the combating of climate change and global warming, at a community, regional, national and international level.

Public benefit

The main activities undertaken to benefit the public are to procure research on sustainability, promote wider education on sustainability and public interest issues, particularly in water and energy, and publish useful results. These activities benefit the public by advancing the knowledge and understanding of the environmental, economic and social dimensions of sustainability. This is achieved by engaging in research and analysis, publishing the results freely and using research for discussion for key players in the fields of sustainable energy and water. The beneficiaries are the users and future users of energy and water supplies in the UK and the environment in which they live.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

During this year Sustainability First has continued to champion progressive thinking and practical solutions at the intersection of energy, water, and climate. Against a backdrop of growing environmental urgency and economic uncertainty, we have worked to amplify unheard voices, challenge outdated governance models, and bring people together to shape a fairer, more sustainable future. From advocating for vulnerable energy consumers to spearheading national conversations on emerging environmental threats, our work has been rooted in collaboration, integrity, and impact. Our funding comes through subscriptions to our Sustainability Leaders programme, project funding for advisory work, grants for specific studies and some donations. This report sets out the highlights from the past year and our ambitions for the road ahead.

Sustainability Leaders Group

Our new subscription approach to consultancy support continues to go from strength to strength. Representing close to 50% of our annual revenues, our growing group of companies in the energy and water sectors meet for policy roundtable discussions, have quarterly bilateral meetings, enjoy consultancy expertise at a discounted rate, and have cross-sectoral networking opportunities. We will continue to grow this income stream, and the scale of this network in the years ahead.

Kickstarting a national conversation on SF6

SF6 is a highly potent greenhouse gas, widely used by the electricity networks in their equipment. New legislation at EU level makes finding alternatives a priority. However, alternatives that have been piloted typically use “forever chemicals” (PFAS). This raises questions about how networks should balance these concerns given the significant network growth needed to meet net zero. Sustainability First hosted a roundtable seminar on SF6 to start a national conversation on how we manage the use of SF6 and other forever chemicals in our energy networks.

Sustainability First

Trustees' Report

Advocating flexibility in regulation

Sustainability First advocated the importance of flexibility and outcomes based regulation rather than process-led regulation through our input into the price review methodology for the water industry, PR24.

Speaking up for unheard voices - Economy 7

Sustainability First hosted a roundtable on time of use tariffs and the energy price cap, highlighting the need for changes to be made to the price cap to better support and protect vulnerable consumers who may be on the wrong energy tariff. It is estimated that of the 3 million households on Economy 7 tariffs, 50% of these consumers do not have Economy 7 heating systems in their homes anymore, leading to extremely high energy costs in the day (in some cases, three times the capped energy price). We advocated change with Ofgem, and continue to pursue this important policy area as time of use tariffs will become a larger portion of the energy consumer landscape in the future.

RIIO3 Energy Price Review

Sustainability First made formal submissions to the various Ofgem consultations on the future energy price review, known as RIIO 3. We welcomed the focus on the investment needed to meet Net Zero but urged Ofgem to emphasise the companies' own environmental impacts in areas like SF6 emissions, energy losses and methane leakage. We also highlighted the need for wider engagement on the difficult inter-generational questions around the future of the gas networks.

Reform of Electricity Market Arrangements (REMA)

The REMA options being considered represent not just a potential opportunity for consumers but also many potential risks. In the latest consultation from DESNZ on REMA, we continued to urge DESNZ, Ofgem and the NESO to ensure fair outcomes for all end-users.

Environmental Performance Assessments

Ahead of the Environment Agency's consultation, Sustainability First made the case for a fundamental reset on how water company performance for the environment is assessed. Our paper highlighted the need for an independent EPA with robust enforcement powers, embedding key environmental principles, such as precaution and polluter pays, into decision-making. We call for clear monitoring, reporting, and enforcement mechanisms to ensure compliance and the need for collaboration between government, regulators, businesses, and communities for more effective environmental management.

Jobs and Skills in Green Technology

The energy and water sectors need to make a transformative shift to decarbonise, expand and upgrade ageing infrastructure, harnessing the latest technological advancements. This shift presents a huge opportunity to inject fresh, diverse talent into the utilities' workforce through a surge in green tech jobs and skills. Sustainability First hosted a roundtable and then published a report, funded by the Hg Foundation, examining the opportunities and challenges that green tech jobs and skills present to the energy and water sectors.

Sustainability First

Trustees' Report

Nature Based Solutions in Water

We urged the water industry to embrace community and nature-based solutions as part of a wider overhaul of the outdated governance models in water, to safeguard water quality and revive river health. At the annual Fresh Water Conference, hosted by the Chartered Institute for Water and Environmental Management (CIWEM), we outlined transformative recommendations for policy, leadership, and community engagement to tackle the urgent threats facing our waterways. We propose a radical rethink of catchment governance, aligning efforts with the actual pressures on water systems and empowering those best placed to address them: Addressing land use, infrastructure, pollution, and societal behaviours to create a comprehensive plan and integrated management; Collaborative Partnerships aimed at optimising co-investment between public and private entities to address both environmental and social challenges; empowering Catchment Plans by establishing authoritative plans with clear governance structures and a systems-based hierarchy; and promoting adaptive Governance to embrace risk-based, flexible approaches to reflect the complexities of natural systems while ensuring plans remain financeable.

Tackling Vulnerability

Supporting customers in vulnerable situations remains a central focus for Sustainability First. Over the past year, we have successfully advocated for the introduction of minimum standards in the water sector to enhance access to essential services, particularly for those with additional needs. This includes new requirements for water companies to develop, in consultation with stakeholders, comprehensive strategies for supporting both current and future vulnerable customers and those on low incomes. Companies are now expected to transparently report on their progress in these areas, ensuring greater accountability and continuous improvement. We have also inputted into the Cunliffe review to ensure a fairer and more inclusive water sector and supported calls for a water social tariff, with a particular focus on ensuring the working poor are eligible.

We have championed the safeguarding of innovation funding for services aimed at vulnerable customers and community initiatives within the RIIO-3 energy price controls. Our ongoing engagement and research strives to ensure that decisions about the future of energy retail markets and the broader energy transition are made fairly, with particular attention to the needs of low-income households and those at risk of exclusion. Our efforts to address fuel poverty have included partnerships with other NGOs and charities, ministerial meetings to discuss the new fuel poverty strategy, and contributions to research on delivering affordable warmth.

Our vulnerability forecasting has highlighted the increasing and evolving need for support services and inclusive design, reflecting the challenges posed by an aging and increasingly disabled population, as well as the impacts of climate and social change on household and community resilience. We continue to assist utilities in improving their service planning and design through new research and enhanced use of data and insights.

Additionally, we have initiated discussions with the Essential Services Access Network (ESAN) to explore the possibility of coordinating its work in the coming years. Looking ahead, tackling vulnerability will remain a key objective for Sustainability First in 2025 and beyond.

Plans for 2025

Our primary long-term goal is to promote transformative change in the energy and water sectors, achieving a fairer, more sustainable future through research, engagement, and advocacy. The energy and water sectors play a critical role in combating climate change and environmental degradation. By embedding sustainability, they can support a just transition to a decarbonised future. Rising costs and inequitable access to energy and water exacerbate social inequalities. We aim to promote affordability and inclusivity to help rebuild public trust and support consumers living in vulnerable situations. We will aim to engage diverse stakeholders and communities to ensure decision-making better reflects the needs and values of all, including future generations, enhancing inclusivity and societal buy-in.

Sustainability First

Trustees' Report

We have five key objectives for the year ahead:

1. **Literacy and Engagement:** We aim to enhance the public's understanding of energy, water, and climate issues through creative and inclusive engagement, empowering informed decision-making.
2. **Policy Advocacy:** We will work to develop evidence-based recommendations and influence policies, regulations, and business practices to further embed sustainability at all levels.
3. **Equity-Centric Solutions:** We will promote the importance of centring affordability and fairness in investment and pricing strategies, to ensure accessibility for all, while safeguarding environmental goals.
4. **Collaboration and Partnerships:** Working with governments, regulators, industry, and communities we aim to co-create innovative, sustainable solutions through collaboration and partnership building.
5. **Transparent Measurement:** Tracking and communicating impact through clear metrics, annual reporting, and stakeholder feedback to ensure accountability and continuous improvement.

Staff Changes

This year, we said thank you and farewell to our Senior Communications Officer, Clare Davidson, who took up a post in central government, and Sophie Grinnell, our Senior Policy Researcher, who is now Associate Director at Jacobs leading their health impact assessment work. We have recruited replacements for both roles as we continue to need both research and communications expertise and capacity in the organisation. Our two part-time Policy Directors, Zoe McLead and Martin Hurst, completed their short-term contracts in June 2024 but have continued to be involved with Sustainability First as contractors, from time to time.

Trustee Changes

After many years of support, Phil Barton, Chair, retired from our board of trustees in September. We thank him for his significant contributions to the charity over this time. We also said farewell to Gordon Mackerron who retired from the board, in June and Jade McGhee who resigned from the Board in September. We went through a successful and competitive recruitment process for a new chair and a new treasurer, and welcome John Lunn to the post of Chair and Ed de Salis Young as Treasurer, both were appointed at the September 2024 board meeting.

Sustainability First

Trustees' Report

Financial review

Sustainability First reports a net movement in funds for the year ended 31 December 2024 of £2,693 inflow (2023: £117,214 outflow). The income for the year of £ 470,877 (2023: £294,202) was mainly generated from subscriptions to our Sustainability Leaders Programme and a series of projects involving research and analysis as described above. We received a grant from Hg Foundation in 2024 which was applied to a project to identify opportunities for increasing Green tech jobs and skills in the energy and water sectors. We also were awarded a grant by the European Climate Foundation for work over a 15-month period which seeks to demonstrate to a targeted high-level audience of policy and industry decision makers the crucial role of community engagement and embed best practice into decision making.

Other income has been secured in the early months of 2025 which will fund the charity's work going forward. Some of the projects were completed during the year, others were on-going at the end of the year. The total expenditure on charitable activities during the year was £468,184 (2023: £411,416). The reserves carried forward at the end of the period were £191,341 (2023: £188,648). Some expenditure was made completing projects funded in 2023, utilising the designated reserves in the year. The trustees recognise and anticipate that there will be some expenditure out of the reserves to complete the projects that were on-going at the end of the year. The trustees have decided to designate £12,200 (2023: £7,000) of General funds to cover delayed project activities (mainly research and workshops) which will be delivered in 2025. Details will be provided in the Financial Statements to 31 December 2025 in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations at that date. Income will also be used to continue to develop new income streams to allow for an increase in the range of activities undertaken by Sustainability First including dissemination, research and communications.

During 2025, as highlighted earlier in the report, we have already generated income from renewed and new subscriptions to our Sustainability Leaders Network and secured funding for several new projects. Securing income remains a priority for the trustees and staff as Sustainability First continues to improve its financial stability.

Policy on reserves

The trustees of Sustainability First have considered the Charity Commission Guidance; Charity Reserves : Building Resilience (CC19 updated 14 June 2023), The charity's Policy seeks to: set suitable levels of reserves which the charity should hold; monitor actual reserves against the agreed targets and take action to maintain reserves at the agreed levels. The desired level of unrestricted reserves is discussed by trustees at least annually. The level of any designated reserves is not included in the unrestricted reserves balance.

Policy on Reserves: The Trustees consider that the charity should aim to hold sufficient reserves to cover forecast core costs so that the charity may continue in operation; so that existing projects can be completed; and new income can be secured. As most of the Charity's funding is secured on a year-by-year basis rather than being guaranteed, the Trustees consider that they wish to aim to retain sufficient reserves to meet core overhead costs for one year ahead. As a minimum, so as to allow for changes to be made should funding not be secured as hoped, Sustainability First will always aim to maintain sufficient reserves to cover core costs for a minimum of six months. The Trustees have agreed on courses of action the charity will take if reserve levels are forecast to drop below the agreed target levels. The actual and forecast levels of Sustainability First's reserves are noted each quarter via the finance report to Trustees and the policy is considered annually.

Sustainability First

Trustees' Report

Use of reserves and viability

At the end of 2024 the level of reserves was £191,341. As mentioned above, £12,200 was designated from the General fund to cover costs to complete projects that were on-going at the end of the year, also there were £276 worth of net fixed assets. This effectively left General reserves, not designated, of £178,865 which represented 10.9 months' worth of core operating and development costs, other than those covered by designated funds. Whilst this level is slightly lower than the target, the trustees have examined the projected reserves level in years to come and anticipate that the level can be maintained or increased. New projects and income sources continue to be developed. The Trustees have considered the plans for the future and are confident that the charity remains viable.

Principal risks and uncertainties

Main risks

The trustees have reviewed the risks to the charity during the year and have identified the main risks as relating to: potential loss of key staff and sub-contractors; lack of long term funding as well as new shorter term projects; quality assurance and reputational loss (especially on short term pieces of work and from sub-contracted work with other organisations). Of moderate risk the trustees included: project capacity constraints, possible conflicts of interest and possible breaches of sponsor confidentiality / IP and breaches of GDPR, IT and data security and the forecast reserves level. Other risks considered to be more minor, such as political risks, were also discussed.

The trustees consider that suitable actions are being taken and controls have been put in place to control and mitigate these risks. These include: reviewing salaries to ensure they are competitive; recruiting more sub-contractors and maintaining their involvement; developing a range of funding initiatives and securing subscription membership renewals; regular Chair/ Executive Director 1:1s, maintaining involvement of a range of associates and improving project management; instigating more regular reviews of the financial position and prospective income between the Treasurer and senior staff; having more core support staff available; continued input from the Remuneration and Personnel Panel which has been looking at personnel matters; ensuring quality control of reports and publications by review processes; holding regular team discussions and sharing project outputs and increasing the methods of communicating with our audiences, sponsors and the public; ensuring sponsors remain satisfied with work produced by discussion with them; seeking new sponsors; improving web-site, branding and communications, benefiting from the advice of the Communications Panel; ensuring all staff and contractors are aware of the need for confidentiality relating to IP and GDPR; keeping a register of interests for trustees, staff and contractors; ensuring suitable insurance policies are in place; maintaining IT capability to store data safely.

In addition to the review of risks which took place during the year, the trustees considered the various Sustainability First policies and procedures and updated these and added to them to reflect the nature of work undertaken. The trustees reviewed the plans for the organisation, continued to implement the 2023 strategy for the next few years and regularly considered how these plans needed to be adapted to deal with the development of the charity.

Sustainability First

Trustees' Report

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Sustainability First for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 8 April 2025 and signed on its behalf by:

John Lunn
John Lunn
Trustee and Chair

Sustainability First

Independent Examiner's Report to the trustees of Sustainability First ('the Company')

Independent examiner's report to the trustees of Sustainability First ('the Company')

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2024.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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

John O'Brien

.....

John O'Brien MSc, FAIA, FCIE, employee of Community Accounting Plus
Fellow of the Association of Charity Independent Examiners

Units 1 & 2 North West
41 Talbot Street
Nottingham
NG1 5GL

Date: 11.06.2025

Sustainability First

Statement of Financial Activities for the Year Ended 31 December 2024 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Income and Endowments from:					
Donations and legacies	2	26,761	-	26,761	38,300
Charitable activities	3	374,266	66,335	440,601	252,599
Investment income	5	3,515	-	3,515	3,303
Total income		404,542	66,335	470,877	294,202
Expenditure on:					
Charitable activities	6	(404,958)	(63,226)	(468,184)	(411,416)
Total expenditure		(404,958)	(63,226)	(468,184)	(411,416)
Net (expenditure)/income		(416)	3,109	2,693	(117,214)
Transfers between funds		3,109	(3,109)	-	-
Net movement in funds		2,693	-	2,693	(117,214)
Reconciliation of funds					
Total funds brought forward		188,648	-	188,648	305,862
Total funds carried forward	14	191,341	-	191,341	188,648

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for the period is shown in note 14.

Sustainability First

Statement of Financial Activities for the Year Ended 31 December 2024 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

These are the figures for the previous accounting period and are included for comparative purposes

	Note	Unrestricted funds (as restated) £	Restricted funds (as restated) £	Total 2023 £
Income and Endowments from:				
Donations and legacies	2	38,300	-	38,300
Charitable activities	3	250,099	2,500	252,599
Investment income	5	3,303	-	3,303
Total income		291,702	2,500	294,202
Expenditure on:				
Charitable activities	6	(408,916)	(2,500)	(411,416)
Total expenditure		(408,916)	(2,500)	(411,416)
Net expenditure		(117,214)	-	(117,214)
Net movement in funds		(117,214)	-	(117,214)
Reconciliation of funds				
Total funds brought forward		305,862	-	305,862
Total funds carried forward	14	188,648	-	188,648

The notes on pages 14 to 24 form an integral part of these financial statements.

Sustainability First
(Registration number: 3897720)
Balance Sheet as at 31 December 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	8	276	552
Current assets			
Debtors	9	118,698	13,816
Cash at bank and in hand		304,041	230,391
		422,739	244,207
Creditors: Amounts falling due within one year	10	(231,674)	(56,111)
Net current assets		191,065	188,096
Net assets		191,341	188,648
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		191,341	188,648
Total funds	14	191,341	188,648

For the financial year ending 31 December 2024 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 11 to 24 were approved by the trustees, and authorised for issue on 8 April 2025 and signed on their behalf by:

Edward de Salis Young
Edward de Salis Young
Trustee and Treasurer

The notes on pages 14 to 24 form an integral part of these financial statements.

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2024

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

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

Going concern

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

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

Exemption from preparing a cash flow statement

Under the exemption available to smaller charities the Board of Trustees has chosen not to include a Statement of Cash Flows within the financial statements.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2024

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Expenditure

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

Charitable activities

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

Taxation

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

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
IT equipment	33.3% straight line

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

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

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2024

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

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

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

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those grants for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. Pension costs charges in the Statement of Financial Activities represent the contributions payable by the charity during the year.

2 Income from donations and legacies

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Donations and legacies;			
Donations from individuals	1,761	1,761	38,300
Grants, including capital grants;			
Grants from other charities	25,000	25,000	-
	26,761	26,761	38,300

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2024

3 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2024 £	Total 2023 £(as restated)
Membership & sponsorship fees	374,266	-	374,266	250,099
Grants	-	66,335	66,335	2,500
	<u>374,266</u>	<u>66,335</u>	<u>440,601</u>	<u>252,599</u>

4 Grants & donations

	Unrestricted funds £	Restricted funds £	Total £
Hg Foundation	-	47,500	47,500
European Climate Foundation	-	18,835	18,835
The Meads Trust	25,000	-	25,000
Sundry donations	1,761	-	1,761
	<u>26,761</u>	<u>66,335</u>	<u>93,096</u>

5 Investment income

	Unrestricted funds General £	Total 2024 £	Total 2023 £
Interest receivable and similar income;			
Interest receivable on bank deposits	3,515	3,515	3,303
	<u>3,515</u>	<u>3,515</u>	<u>3,303</u>

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2024

6 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2024 £	Total 2023 £
Communications	-	-	-	2,063
Accountancy & bookkeeping service	12,600	-	12,600	12,000
Competition & exhibition costs	-	-	-	75
Consultancy fees	197,989	25,922	223,911	132,283
Depreciation	276	-	276	276
Incentive payments	-	-	-	10,540
Insurance	5,241	-	5,241	5,124
Irrecoverable VAT	827	4,227	5,054	2,834
IT consultancy & software	21,730	-	21,730	9,283
Legal & professional	3,172	195	3,367	700
Meals & catering	390	-	390	-
Office accommodation	401	-	401	840
Payroll fees	595	-	595	708
Printing, postage & stationery	56	19	75	133
Subscriptions	9,741	-	9,741	7,612
Sundry expenditure	183	17	200	793
Travel, meetings & conference costs	3,640	401	4,041	9,350
Trustee travel & subsistence	243	-	243	410
Wages, NI & pension	146,458	32,445	178,903	216,392
Bank charges	62	-	62	-
Advertising	1,354	-	1,354	-
	404,958	63,226	468,184	411,416

The figures in note 6 represent expenditure made and committed in the year. The trustees have identified £12,200 of expenditure relevant to projects which represent expected costs of delivery of certain projects in future periods which Sustainability First has indicated to sponsors will be incurred in the forthcoming periods. The trustees have chosen to designate these funds accordingly see notes 14 and 15.

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2024

7 Staff costs

The aggregate payroll costs were as follows:

	2024 £	2023 £
Staff costs during the year were:		
Wages and salaries	158,949	191,550
Social security costs	11,157	14,108
Pension costs	8,797	10,734
	<u>178,903</u>	<u>216,392</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2024 No	2023 No
Average number of employees	<u>4</u>	<u>6</u>

3 (2023 - 5) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £8,797 (2023 - £10,734).

The number of employees whose emoluments fell within the following bands was:

	2024 No	2023 No
£90,001 - £100,000	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel, including the role of Company Secretary, of the charity were £126,640 (2023 - £152,279).

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2024

8 Tangible fixed assets

	Computer equipment £	Total £
Cost		
At 1 January 2024	1,475	1,475
At 31 December 2024	1,475	1,475
Depreciation		
At 1 January 2024	923	923
Charge for the year	276	276
At 31 December 2024	1,199	1,199
Net book value		
At 31 December 2024	276	276
At 31 December 2023	552	552

9 Debtors

	2024 £	2023 £
Trade debtors	58,200	-
Prepayments	7,591	5,686
Accrued income	52,907	8,130
	118,698	13,816

10 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	3,503	8,375
Other taxation and social security	12,003	1,058
Other creditors	943	-
Accruals	124,886	24,845
Deferred income	90,339	21,833
	231,674	56,111

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2024

11 Charity status

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

12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

13 Fees payable to independent examiner

During the period, the fees payable (excluding VAT) to the charity's independent examiner Community Accounting Plus are analysed as follows:

	2024 £	2023 £
Independent examination	775	700
Other financial services	595	708
	1,370	1,408

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2024

14 Funds

	Balance at 1 January 2024 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2024 £
Unrestricted funds					
<i>General</i>					
General	181,648	404,542	(404,958)	(2,091)	179,141
<i>Designated</i>					
Activities	7,000	-	-	5,200	12,200
Total unrestricted funds	188,648	404,542	(404,958)	3,109	191,341
Restricted funds					
Hg Foundation	-	47,500	(44,391)	(3,109)	-
European Climate Foundation (ECF)	-	18,835	(18,835)	-	-
Total restricted funds	-	66,335	(63,226)	(3,109)	-
Total funds	188,648	470,877	(468,184)	-	191,341

The transfer from the Hg Foundation fund to the General fund relates to activities which have ceased, and the release of any restrictions on the use of these funds.

The transfer from the General fund to the Activities fund represents the increase needed for the expenditure identified per the note in note 6.

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

The Designated activities fund is to cover activities (workshops, conferences, travel and sub-contractors) which will be delivered in future periods.

Hg Foundation - Relates to a grant of £50,000 from the Hg Foundation for work relating to the production of a research report exploring green tech jobs and skills in the energy and water sectors in Great Britain.

European Climate Foundation (ECF) - This grant of up to £94,513 for work during 2024 and 2025, seeks to demonstrate to a targeted high-level audience of policy and industry decision makers the crucial role of community engagement and embed best practice into decision making.

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2024

	Balance at 1 January 2023 £	Incoming resources (as restated) £	Resources expended (as restated) £	Transfers £	Balance at 31 December 2023 £
Unrestricted funds					
<i>General</i>					
General	288,862	291,702	(408,916)	10,000	181,648
<i>Designated</i>					
Activities	17,000	-	-	(10,000)	7,000
Total unrestricted funds	305,862	291,702	(408,916)	-	188,648
Restricted					
Hg Foundation	-	2,500	(2,500)	-	-
Total funds	305,862	294,202	(411,416)	-	188,648

15 Analysis of net assets between funds

	Unrestricted			2024
	General	Designated	Restricted	Total funds
	£	£	£	£
Tangible fixed assets	276	-	-	276
Current assets	382,117	12,200	28,422	422,739
Current liabilities	(203,252)	-	(28,422)	(231,674)
Total net assets	179,141	12,200	-	191,341

	Unrestricted			2023
	(as restated)	Designated	(as restated)	Total funds
	General	£	Restricted	£
	£	£	£	£
Tangible fixed assets	552	-	-	552
Current assets	234,707	7,000	2,500	244,207
Current liabilities	(53,611)	-	(2,500)	(56,111)
Total net assets	181,648	7,000	-	188,648

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2024

16 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

David Sigsworth

£Nil (2023: £205) of expenses were reimbursed to David Sigsworth during the year.

Philip Barton

£243 (2023: £206) of expenses were reimbursed to Philip Barton during the year.

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

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

17 Related party transactions

There were no related party transactions in the year.

Accounts

Company registration number: 3897720

Charity registration number: 1078994

Sustainability First

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2023

Community Accounting Plus
Units 1 & 2 North West
41 Talbot Street
Nottingham
NG1 5GL

Sustainability First

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Sustainability First

Reference and Administrative Details

Patrons	Edward Cattle Lord Larry Whitty Baroness Anne McIntosh Lord Robin Teverson
Trustees	Philip Barton, Chair Professor Gordon Mackerron Sarah Deasley David Sigsworth Derek Lickorish Joe Perkins, Treasurer Jade McGhee Lucy Holdaway Steve Harman, Vice Chair Eugenio Lupi Amy Whitney
Secretary	Claire Williams
Senior Management Team	David Murray, Executive Director, Zoe McLeod, Policy Director, Martin Hurst, Policy Director, from April 2023
Charity Registration Number	1078994
Company Registration Number	3897720
Registered Office	85 Great Portland Street First Floor London W1W 7LT
Independent Examiner	John O'Brien, employee of Community Accounting Plus Units 1 & 2 North West 41 Talbot Street Nottingham NG1 5GL

Sustainability First

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2023.

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	Philip Barton, Chair
	Professor Gordon Mackerron, Vice Chair until 07/12/23
	Sarah Deasley
	David Sigworth
	Derek Lickorish
	Joe Perkins, Treasurer from 21/09/23
	Steve Harman, appointed 15/06/23, Vice Chair from 07/12/23
	Jade McGhee, appointed 15/06/23
	Lucy Holdaway, appointed 15/06/23
	Eugenio Lupi, appointed 15/06/23
	Amy Whitney, appointed 15/06/23
	Xiao Yu, resigned 21/09/23
Secretary:	Claire Williams

Structure, governance and management

Nature of governing document

The charity is a company limited by guarantee and registered charity. It is operated under the rules of its memorandum and articles of association dated 21st December 1999 and recently amended 30th June 2016. It has no share capital and the liability of each member in the event of winding-up is limited to £1.

Recruitment and appointment of trustees

Overall management of the charity is the responsibility of the trustees who are elected and co-opted under the terms of the memorandum and articles of association. New trustees are sought by recommendation or through advertisement and interviewed, selected candidates are appointed with the agreement of the Board. Day to day project activity is managed and carried out by employees, supported by associates, who are contracted experts in sustainability, and unpaid trustees.

Objectives and activities

Objects and aims

The principal objects of the charity are:

- To advance the knowledge and understanding of the environmental, economic and social dimensions of sustainability;
- To undertake and procure research and study, publishing any useful results;
- To promote ideas, actions and changes to further the integration of the quality of life with environmental protection. This includes the combating of climate change and global warming, at a community, regional, national and international level.

Sustainability First

Trustees' Report

Public benefit

The main activities undertaken to benefit the public are to procure research on sustainability, promote wider education on sustainability and public interest issues, particularly in water and energy, and publish useful results.

These activities benefit the public by advancing the knowledge and understanding of the environmental, economic and social dimensions of sustainability. This is achieved by engaging in research and analysis, publishing the results freely and using research for discussion for key players in the fields of sustainable energy and water. The beneficiaries are the users and future users of energy and water supplies in the UK and the environment in which they live.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

The cost of living crisis continues and while energy prices have come down, still remain considerably higher than in recent years. The war in Ukraine sees no end in sight and other geopolitical turmoil including the conflict in Israel/Palestine, means there remains considerable uncertainty over world economies including the price of energy. In 2024, nearly half the world will be voting for new leaders including the world's largest economy, the US, compounding this uncertainty. In the UK we will see an election sometime between now and 28 January 2025. This will add to public policy and business uncertainty. This is particularly hard for planning to mitigate climate change, which requires a long term view.

Public trust in both the energy and water sectors is lacking, prompted by high returns to shareholders and executives in oil and gas, and within water media coverage has focused on untreated sewage in our waters and rising bills for customers.

While the need to address climate change and reach net zero remains urgent, it is being pitted against affordability and vulnerability, in a way that damages long term sustainability goals.

In terms of staffing, former associate at Sustainability First Zoe McLeod successfully concluded her initial contract as Policy Director in the Spring 2023, continuing with the team as a part time Policy Director. Martin Hurst also joined the staff team as a part time Policy Director from April 2023. In addition, we have boosted our pool of experts, and recruited three expert associates: Martin Crouch (formerly an Ofgem director), George Day (Catapult and formerly an Ofwat director), and William Baker (fuel poverty expert).

A group of voluntary special advisors to the Executive Director have also joined to share their commercial acumen and knowledge with the charity. These individuals are: Kate Dutton (Ayala Advisors), Steve Phillips (founder, Zappi), Angie Ma (Faculty AI), Jo Knowles (Smedvig Capital), Edward de Salis Young (energy entrepreneur), Will Johnson (Herringbone), Christopher Fielding (HG Capital), Lina Arbelaez (Anglo Mining). We are indebted to these individuals for their support. Special thanks, in particular, are owed to Zappi for in kind office and meeting room space for staff, and to HG for introducing us to their charitable foundation.

We have refreshed and revised our strategy and have four ambitions for the energy and water sectors. These are to promote literacy through meaningful engagement with citizens; go beyond net zero and respect environmental limits; place affordability and equity at the centre of pricing and investment decisions; embed sustainability principles to positively transform business culture and operations.

Sustainability First

Trustees' Report

We have made great strides in improving our financial sustainability through the introduction of our Sustainability Leaders subscription service. Special thanks go to the first four founding members: SSEN, UKPN, South Staffs Water and SEW. We are pleased to be able to report that, in 2024, we have renewed existing and secured new subscriptions for the Sustainability Leaders Network. In addition we have worked with staff and associates to secure funding for a series of projects which will be undertaken during 2024.

This annual report shows some highlights in numbers of our impact in the last year before looking at each of our aims in more detail, both in terms of what we have achieved in 2023 and what we plan for the future.

Sustainability First in numbers - highlights of our outputs and impact in 2023

Seventeen consultation responses driving substantive change	Sustainability First is often one of the only independent voices / NGOs that responds to technical consultations and calls for evidence from government and regulators. Our responses are 'open source' and widely disseminated. They provide detailed proposals on how to make sustainability mainstream.
Nine Expert Viewpoints and briefings shared	These cutting-edge outputs provide thought leadership and technical insights in key areas for sustainability in utilities such as the energy crisis and the nexus where energy and water meet. Where appropriate we commission these from external thought leaders.
Fair Transition	We ran a series of workshops with stakeholders and members of the public to ensure a fair and inclusive shift to clean energy, through effective engagement. Commissioned by National Grid we have published a report based on the six workshops and three roundtables. We are working with National Grid to help them consider how best to embed the recommendations. We ran a pilot project for 18-30 years old with Ofgem, to hear their views so that lesser heard voices are engaged to better inform decision-makers. We ran a teach-in with managers working across SSEN group, introducing sustainability principles to business leaders across the company.
Social value	We facilitated a workshop with National Grid group executives, to focus on developing a new social value strategy for their company. In parallel, we have contributed our thinking on what constitutes a return on investment tool that could help measure and report on social benefits within the energy sector.
Reform of electricity markets	As part of the shift to renewable energy, the electricity markets will undergo the most radical overhaul in the past decade. These changes aim to deliver a cost effective, resilient and secure electricity system by 2035. This work specifically addressed how everyone will be expected to pay for electricity in ten years' time. We put consumers interests' (households, businesses, communities) at the heart of this complex energy reform debate.
Affordability and vulnerability	A range of projects has looked at affordability and how to protect the most vulnerable customers. These have included: a review and refresh of social tariffs in water for South East Water; better protections for Economy 7 and other customers on 'time of use' tariffs.

Sustainability First

Trustees' Report

North Sea art residencies	We concluded our North Sea artist residencies which culminated in an online exhibition, a series of blogs and a series of social media posts. The project in three different locations on the North Sea coast (Holderness Coast, Yorkshire; Wells next the Sea (Norfolk) and Lowestoft (Suffolk) used direct engagement with communities impacted by the shift to clean energy. The project underlined the urgent need for genuine public engagement on the climate crisis and the energy transition.
Sustainability Leaders	By year end, we were approaching 50% of our annual turnover coming from subscriptions to our new Sustainability Leaders' group. The roundtables that we hosted were on: the energy Strategic Policy Statement (SPS); the water environment; Ofgem 'Framework for Future Systems' regulation. We provided bi-lateral advice, insights and analysis to our members on topics including social value, social tariffs, effective public engagement, policy reform, future of regulation, the price review process, sustainability principles in practice.

Below are some highlights of the impacts delivered by staff and Associates at Sustainability First over 2023.

Shaping agendas in essential services for a sustainable future

In the last year, Sustainability First has made a significant contribution to the sustainability agenda in the energy, water sectors and wider regulatory and consumer landscapes. We continued to champion environmental, social and economic well-being within businesses, regulators, and the civil service, including through our responses to key consultations throughout the year.

We advocated the need to focus on Economy 7 customers in Ofgem's annual work programme (as they account for 10% of consumers but did not feature in the regulator's plans). Allied to this, we highlighted the lack of discussion of the impacts that the price cap provisions have for multi-rate customers (including Economy 7 consumers) compared with standard rate customers.

We promoted the important role that prepayment can play for vulnerable consumers, advocating it as a preferred payment method for many customers given the budgeting control it offers, helping to protect against further economic hardship, especially through the cost-of-living crisis. So we argued against a ban on prepayment in Ofgem's call for evidence, provided that suppliers behave responsibly, deliver a good service, treat customers fairly and comply with their licence obligations.

Looking at Distribution Network Operators (DNOs), Annual Environmental reports, we sought greater emphasis on the need for consistency in reported figures and asked for more detail on what companies are doing to tackle the risks associated with the potent greenhouse gas SF6, as well as tackling energy losses.

With regards to future local energy institutions and governance, we believe Ofgem should think more deeply about the practical reality that local actors face in delivering net-zero. This includes the regulator considering a wider range of positive outcomes in an energy world where location is important. We also asked for more discussion on how the Future System Operator is best-suited to the role of regional energy-system planner and market facilitator. On the Future Systems and Network regulation, we agreed that the pace and scale of investment needed in electricity networks means new approaches may be needed. However, we raised concerns that this sort of review also risks creating a hiatus when we do not have time to slow down when tackling climate change.

Sustainability First

Trustees' Report

The Department of Energy Security and Net Zero (DESNZ) consulted us on new guidance around community benefit from electricity transmission network infrastructure development. We supported the idea of greater funding and clarity on how new projects could benefit local communities, but were wary of a voluntary approach and believe communities must be properly engaged within this process far in advance of planning proposals for specific major infrastructure projects.

Debate around smarter regulation stepped up in the summer, including the proposed introduction of economic growth duties on energy, water and telecommunications sectors. We set out our arguments highlighting how vital it is that regulators drive the right kind of growth with their rules. In our latest consultation response, we opposed the extension of the 2015 Deregulation Act Growth Duty to Ofwat and Ofgem, as the Duty has unintended negative consequences by strengthening industry interests at the expense of consumers, wider society and the environment.

Enabled by the Energy Act 2013, we are hopeful that the Strategy and Policy Statement introduced in 2023 will provide broad strategic direction and a clear indication of government priorities, both to the energy regulator and the Future Systems Operator. Seeing government priorities transparently in this way is vital for stakeholders and creates a more robust legal framework.

Connecting, engaging and inspiring people on sustainability

Our North Sea artists' residency, supported by National Grid, explored the changing role for coastal communities and opportunities provided by renewable energy in the North Sea. Building on the heritage of these communities, this public outreach and engagement using art-making was designed to help create a safe space for people to share their own views and aspirations for a more sustainable future in their own coastal communities. The three artists: Joanne Coates, Isabella Martin and Alison Cooke hosted a virtual gallery in the spring to celebrate and conclude this work. From sea shanties and poetry; to community initiatives and oral histories; to walking, drawing and sculpting with natural materials, these residencies covered coastal wildlife, sustainable energy, fishing, and industrial & maritime heritage. We are grateful to each artist for their proactive participation in this project, and note our thanks to National Grid for the sponsorship that enabled this community engagement work to happen.

Our blog on how Ofgem is failing 3 million energy customers was popular, with over 9,500 impressions online, further supplemented by a high profile article on the same subject covered by Cornwall Insight highlighting a regulatory blind spot for Economy 7 customers. Our work on local governance was also cited by Cornwall Insight. In advance of our water policy roundtable The Water Report published a piece analysing the unintended consequences and missed opportunities due to the public outcry over storm discharges, and an overview of longer term trends in the sector. The Water Report also featured an article on the risks associated with concrete-heavy infrastructure. We also committed to writing regular op-eds for Utility Week, at the editor's request.

Embedding sustainability in practice

Our ongoing research into the potential for a minimum energy allowance considered the cost-of-living crisis, soaring energy prices and a sense that social tariffs as they stand might not be the best solution. Concerned that the eligibility criteria to access financial help being used by companies has prompted us to put a spotlight on those struggling financially who are also still missing out on the support that they need to live life with dignity.

We ran a workshop for all senior managers working for the energy company SSEN, providing an introduction to sustainability principles in business practice, and facilitating discussions around how these principles could be applied to each area of their business.

Sustainability First

Trustees' Report

We designed and facilitated workshops for South East Water's front line staff, to examine the water company's existing Social Tariff and financial support, and to help the company to further develop its offer to consumers struggling to pay their water bills.

We facilitated a workshop for business leaders across National Grid's group of companies, focussed on development of the firm's Social Value Strategy.

Following on from our input into the development of the Price Review methodology used by Ofwat, we have since bilaterally helped two water companies with reviews of their Long Term Delivery Strategies as part of the Price Review '24.

We delivered our Fair Transition project over the first half of this year. Working with National Grid to think about how to make the shift to clean energy fair, inclusive and affordable, our engagement was aimed to foster discussion, empower citizens, and develop recommendations for National Grid and other decision makers in the energy sector in response to the opportunities and challenges we face in the UK as we work through a decarbonising, clean energy transition.

Sustainability First ran a pilot project with Ofgem and a group of twelve 18-30 year-olds, seeking to address the under-representation of young people in energy policy development. Our Sustainable Futures Energy Forum was an online forum for young people to share perspectives and experiences and to shape decision-making on current and future energy issues, with senior executives and policy experts at Ofgem.

REMA (Review of Electricity Market Arrangements) is the most radical overhaul of the electricity markets in a decade. Our role this year has been to ensure that outcomes for end-users are fair - including who pays for and who benefits from these changes to the energy market. Sustainability First was pleased to support the Department for Energy Security and Net Zero, together with Citizens Advice in setting up a new REMA End-User Forum (EUF). The aim is to help encourage government, the regulator and energy companies to gain insights into the potential impacts for end-users of these reforms. We contend that end-users (the public and business consumers) should not be an afterthought but instead be at the heart of rethinking this marketplace.

As we reached the first anniversary, in December, of Sustainability First's annual corporate membership (now called the Sustainability Leaders Group) we are happy with how this repeatable income stream is creating a more sustainable financial model for the long-term health of the charity. At the same time, we were able to maintain high level relationships in water and energy businesses through ongoing bilaterals, cross sector roundtables, sharing of industry insights, and networking, all through this new additional approach to our advocacy for the charity. Roundtable topics included Future Energy Network Regulation, better price protections for Economy 7 consumers, The Energy Strategic Policy Statement, and The Water Environment.

Building our capacity

Staff changes

The organisation continued to be led by David Murray, Executive Director, supported by our two part-time Policy directors: Zoe McLeod and Martin Hurst. Both have worked with Sustainability First over many years as associates.

Our small staff team have continued to provide their expertise in Research, Communications and Finance.

Sustainability First

Trustees' Report

Trustee changes

Xiao Yu resigned from the board and from her role as Treasurer in September 2023. Existing Trustee Joe Perkins has taken on the role of Treasurer, on an interim basis, while we recruit a replacement. We thank Xiao for all her hard work and commitment to the charity.

We welcomed five new Trustees: Eugenio Lupi, Lucy Holdaway, Steve Harman, Jade McGhee and Amy Whitney in June 2023. Steve Harman replaced Gordon MacKerron as Vice Chair as of December 2023.

As part of our succession planning, we will be recruiting a new Chair and Treasurer in 2024.

As part of the Board's development of good practice in governance it was decided to make use of a number of Board panels to allow for the development of policies and good working practice in a number of areas. Each panel comprises a number of Trustees, the Executive Director and other staff members as appropriate. The following panels met during the year: Finance; Remuneration and Personnel; Policy and Communications. The panels report their deliberations and recommendations to the full Board for discussion and ratification.

Plans for 2024

Over the course of 2024, we aim to:

1. Promote energy and water literacy through meaningful engagement with citizens;
2. Encourage companies, regulators and government to go beyond net zero and respect environmental limits;
3. Ensure affordability and equity are integral to pricing and investment decisions;
4. Embed sustainability principles to positively transform business culture and operations;
5. Grow and nurture our new Sustainability Leaders' Network, to ensure we build and maintain our influence with senior leaders working in the water and energy sectors and to better enable a long-term sustainable financial footing for the charity;
6. Create new opportunities for unheard voices to become part of sustainability discussion and thinking;
7. Ensure that engagement becomes a standard practice for all businesses, government and regulators in energy and water;
8. Create new opportunities for creative people to help set the sustainability agenda through art and other creative mediums;
9. Increase awareness of the issues we care about and the role we play in making change happen. This includes gaining more media coverage in both traditional press and digital media;
10. Develop our approach to measuring and reporting on our impact.

Sustainability First

Trustees' Report

Financial review

Sustainability First reports a net movement in funds for the year ended 31 December 2023 of £117,214 outflow (2022: £254 inflow). The income for the year of £294,202 (2022: £356,897) was mainly generated from a series of projects involving research and analysis as described above. We are also pleased to announce that we will receive a grant from HG Foundation in 2024 which will be applied to a project to identify opportunities for increasing Green tech jobs and skills in the energy and water sectors. Other income has been secured in the early months of 2024 which will fund the charity's work going forward. Some of the projects were completed during the year, others were on-going at the end of the year. The total expenditure on charitable activities during the year was £411,416 (2022: £356,643). The reserves carried forward at the end of the period were £188,648 (2022: £305,862). As indicated last year several projects funds which had been received in 2023 were designated for the completion of projects. In completing projects and developing the organisation it was necessary to utilise the designated reserves in the year. Sustainability First therefore showed a reduction in the designated funds. The trustees recognise and anticipate that there will be some further expenditure out of the reserves to complete the projects that were on-going at the end of the year. The trustees have decided to designate £7,000 (2022: £17,000) of General funds to cover delayed project activities (workshops, conferences, travel and sub-contractors) which will be delivered in 2024. Details will be provided in the Financial Statements to 31 December 2024 in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations at that date. Income will also be used to continue to develop new income streams to allow for an increase in the range of activities undertaken by Sustainability First including dissemination, research and communications.

During 2024, as highlighted earlier in the report, we have already generated income from renewed and new subscriptions to our Sustainability Leaders Network and secured funding for several new projects. Securing income remains a priority for the trustees and staff as Sustainability First continues to improve its financial stability.

Policy on reserves

The trustees of Sustainability First keep the financial reserves for the charity under regular review. The desired level of reserves is discussed by trustees at least annually. Our current aim is to retain sufficient reserves to meet core overhead costs for one year ahead. In line with Charity Commission guidance, Sustainability First will always maintain sufficient reserves to cover core costs for a minimum of six months. The level of Sustainability First reserves is noted each quarter via the finance report to trustees.

At the end of 2023 the level of reserves was £188,648, as mentioned above, £7,000 was designated from the General fund to cover costs to complete projects that were on-going at the end of the year also there were £552 worth of net fixed assets. This effectively left General reserves, not designated, of £181,096 which represented 8.2 months' worth of core operating and development costs, other than those covered by designated funds. Whilst this level is slightly lower than the target, the trustees have examined the projected reserves level in years to come and anticipate that the level can be maintained or increased. New projects and income sources continue to be developed.

Sustainability First

Trustees' Report

Principal risks and uncertainties

Main risks

The trustees have reviewed the risks to the charity during the year and have identified the main risks as relating to: a reduced level of reserves and lack of long term funding as well as new shorter term projects; key staff and associates (identifying, keeping and dealing with resignation or sudden loss); ; and quality assurance (especially on short-term / one-off pieces of work). Of moderate risk the trustees included loss of reputation, project capacity constraints, possible conflicts of interest and possible breaches of sponsor confidentiality / IP and breaches of GDPR, IT and data security. Other risks considered to be more minor, such as political risks, were also discussed.

The trustees consider that suitable actions are being taken and controls have been put in place to control and mitigate these risks. These include: instigating more regular reviews of the financial position and prospective income and plans for income development through the monthly meetings of the Finance Panel and developing a range of funding initiatives; maintaining involvement of a range of associates and having more core staff available; maintaining close dialogue with staff and associates and developing new personnel and associates where relevant together with the introduction of a Remuneration and Personnel panel which has been looking at personnel matters; ensuring quality control of reports and publications by review processes; holding regular team discussions and sharing project outputs and increasing the methods of communicating with our audiences, sponsors and the public; continuing to develop new ideas to broaden the reach of our work eg via the Sustainability Leaders Network, ensuring sponsors remain satisfied with work produced by discussion with them; seeking new sponsors; allocating resources to allow for the strategic development of Sustainability First including its sources of funding and communication strategy; ensuring comprehensive support for the Executive Director and appointing policy directors, ensuring all staff and associates are aware of the need for confidentiality relating to IP and GDPR; keeping an up to date register of interests for trustees, staff and associates; ensuring suitable insurance policies are in place; maintaining IT capability to store data safely.

In addition to the review of risks which took place during the year, the trustees considered the various Sustainability First policies and procedures and updated these and added to them to reflect the nature of work undertaken. The trustees reviewed the plans for the organisation, developed a strategy for the next few years and regularly considered how these plans needed to be adapted to deal with the development of the charity and considered what action should be taken as the situation evolved.

Sustainability First

Trustees' Report

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Sustainability First for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 28 March 2024 and signed on its behalf by:

.....
Philip Barton
Trustee and Chair

Sustainability First

Independent Examiner's Report to the trustees of Sustainability First ('the Company')

Independent examiner's report to the trustees of Sustainability First ('the Company')

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2023.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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

.....
John O'Brien MSc, FAIA, FCCA, FCIE, employee of Community Accounting Plus
Fellow of the Association of Charity Independent Examiners

Units 1 & 2 North West
41 Talbot Street
Nottingham
NG1 5GL

30 April 2024

Sustainability First

Statement of Financial Activities for the Year Ended 31 December 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2023 £	Total 2022 £
Income and Endowments from:				
Donations and legacies	2	38,300	38,300	65,800
Charitable activities	3	252,599	252,599	290,096
Investment income	5	3,303	3,303	1,001
Total income		<u>294,202</u>	<u>294,202</u>	<u>356,897</u>
Expenditure on:				
Charitable activities	6	(411,416)	(411,416)	(356,643)
Total expenditure		<u>(411,416)</u>	<u>(411,416)</u>	<u>(356,643)</u>
Net (expenditure)/income		<u>(117,214)</u>	<u>(117,214)</u>	<u>254</u>
Net movement in funds		(117,214)	(117,214)	254
Reconciliation of funds				
Total funds brought forward		<u>305,862</u>	<u>305,862</u>	<u>305,608</u>
Total funds carried forward	14	<u><u>188,648</u></u>	<u><u>188,648</u></u>	<u><u>305,862</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for the period is shown in note 14.

The notes on pages 16 to 25 form an integral part of these financial statements.

Sustainability First

Statement of Financial Activities for the Year Ended 31 December 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

These are the figures for the previous accounting period and are included for comparative purposes

	Note	Unrestricted funds £	Total 2022 £
Income and Endowments from:			
Donations and legacies	2	65,800	65,800
Charitable activities	3	290,096	290,096
Investment income	5	1,001	1,001
Total income		<u>356,897</u>	<u>356,897</u>
Expenditure on:			
Charitable activities	6	<u>(356,643)</u>	<u>(356,643)</u>
Total expenditure		<u>(356,643)</u>	<u>(356,643)</u>
Net income		<u>254</u>	<u>254</u>
Net movement in funds		254	254
Reconciliation of funds			
Total funds brought forward		<u>305,608</u>	<u>305,608</u>
Total funds carried forward	14	<u><u>305,862</u></u>	<u><u>305,862</u></u>

The notes on pages 16 to 25 form an integral part of these financial statements.

Sustainability First
(Registration number: 3897720)
Balance Sheet as at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	8	552	-
Current assets			
Debtors	9	13,816	102,656
Cash at bank and in hand		<u>230,391</u>	<u>310,193</u>
		244,207	412,849
Creditors: Amounts falling due within one year	10	<u>(56,111)</u>	<u>(106,987)</u>
Net current assets		<u>188,096</u>	<u>305,862</u>
Net assets		<u><u>188,648</u></u>	<u><u>305,862</u></u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>188,648</u>	<u>305,862</u>
Total funds	14	<u><u>188,648</u></u>	<u><u>305,862</u></u>

For the financial year ending 31 December 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 13 to 25 were approved by the trustees, and authorised for issue on 28 March 2024 and signed on their behalf by:

.....
Joe Perkins
Trustee and Treasurer

The notes on pages 16 to 25 form an integral part of these financial statements.

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2023

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

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

Going concern

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

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

Exemption from preparing a cash flow statement

Under the exemption available to smaller charities the Board of Trustees has chosen not to include a Statement of Cash Flows within the financial statements.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2023

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Expenditure

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

Charitable activities

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

Taxation

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

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
IT equipment	33.3% straight line

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

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

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2023

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

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

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

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. Pension costs charges in the Statement of Financial Activities represent the contributions payable by the charity during the year.

2 Income from donations and legacies

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Donations and legacies;			
Donations from individuals	38,300	38,300	65,800
	<u>38,300</u>	<u>38,300</u>	<u>65,800</u>

3 Income from charitable activities

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Membership & sponsorship fees	252,599	252,599	290,096
	<u>252,599</u>	<u>252,599</u>	<u>290,096</u>

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2023

4 Grants & donations

	Unrestricted funds £	Total £
Donations via CAF	37,500	37,500
Sundry donations via CAF	800	800
	<u>38,300</u>	<u>38,300</u>

5 Investment income

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Interest receivable and similar income;			
Interest receivable on bank deposits	<u>3,303</u>	<u>3,303</u>	<u>1,001</u>

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2023

6 Expenditure on charitable activities

	Unrestricted General funds £	Total 2023 £	Total 2022 £
Communications	2,063	2,063	-
Accountancy and bookkeeping service	12,000	12,000	12,000
Competition & exhibition costs	75	75	2,030
Consultancy fees	132,283	132,283	102,236
Depreciation	276	276	-
Incentive payments	10,540	10,540	-
Insurance	5,124	5,124	5,023
Irrecoverable VAT	2,834	2,834	1,018
IT consultancy & software	9,283	9,283	6,682
Legal & professional	700	700	683
Meals & catering	-	-	613
Office accommodation	840	840	3,571
Payroll fees	708	708	599
Printing & stationery	133	133	307
Recruitment expenses	-	-	2,076
Subscriptions	7,612	7,612	4,762
Sundry expenditure	793	793	755
Travel, meetings & conference costs	9,350	9,350	790
Trustee travel & subsistence	410	410	290
Wages, NI & pension	216,392	216,392	213,208
	<u>411,416</u>	<u>411,416</u>	<u>356,643</u>

The figures in note 6 represent expenditure made and committed in the year. The trustees have identified £7,000 of expenditure relevant to projects which represent expected costs of delivery of certain projects in future periods which Sustainability First has indicated to sponsors will be incurred in the forthcoming periods. The trustees have chosen to designate these funds accordingly see notes 14 and 15.

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2023

7 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	191,550	186,689
Social security costs	14,108	15,963
Pension costs	10,734	10,556
	<u>216,392</u>	<u>213,208</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2023 No	2022 No
Average number of employees	<u>6</u>	<u>5</u>

5 (2022 - 3) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £10,734 (2022 - £10,556).

The number of employees whose emoluments fell within the following bands was:

	2023 No	2022 No
£60,001 - £70,000	-	1
£90,001 - £100,000	<u>1</u>	<u>-</u>

The total employee benefits of the key management personnel, including the role of Company Secretary, of the charity were £152,279 (2022 - £164,155).

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2023

8 Tangible fixed assets

	Computer equipment £	Total £
Cost		
At 1 January 2023	647	647
Additions	828	828
At 31 December 2023	1,475	1,475
Depreciation		
At 1 January 2023	647	647
Charge for the year	276	276
At 31 December 2023	923	923
Net book value		
At 31 December 2023	552	552
At 31 December 2022	-	-

9 Debtors

	2023 £	2022 £
Trade debtors	-	91,797
Prepayments	5,686	5,976
Accrued income	8,130	3,751
Other debtors	-	1,132
	13,816	102,656

10 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	8,375	6,981
Other taxation and social security	1,058	21,144
Accruals	24,845	8,029
Deferred income	21,833	70,833
	56,111	106,987

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2023

11 Charity status

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

12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

13 Fees payable to independent examiner

During the period, the fees payable (excluding VAT) to the charity's independent examiner Community Accounting Plus are analysed as follows:

	2023 £	2022 £
Independent examination	700	670
Other financial services	708	599
	<u>1,408</u>	<u>1,269</u>

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2023

14 Funds

	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2023 £
Unrestricted funds					
<i>General</i>					
General	288,862	294,202	(411,416)	10,000	181,648
<i>Designated</i>					
Activities	<u>17,000</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>7,000</u>
Total funds	<u>305,862</u>	<u>294,202</u>	<u>(411,416)</u>	<u>-</u>	<u>188,648</u>
	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2022 £
Unrestricted funds					
<i>General</i>					
General	145,108	356,897	(356,643)	143,500	288,862
<i>Designated</i>					
Activities	<u>160,500</u>	<u>-</u>	<u>-</u>	<u>(143,500)</u>	<u>17,000</u>
Total funds	<u>305,608</u>	<u>356,897</u>	<u>(356,643)</u>	<u>-</u>	<u>305,862</u>

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

The Designated activities fund is to cover activities (workshops, conferences, travel and sub-contractors) which will be delivered in future periods.

15 Analysis of net assets between funds

	Unrestricted funds General £	Designated £	Total funds at 31 December 2023 £
Tangible fixed assets	552	-	552
Current assets	237,207	7,000	244,207
Current liabilities	<u>(56,111)</u>	<u>-</u>	<u>(56,111)</u>
Total net assets	<u>181,648</u>	<u>7,000</u>	<u>188,648</u>

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2023

	Unrestricted funds		Total funds at 31 December 2022
	General	Designated	
	£	£	£
Current assets	395,849	17,000	412,849
Current liabilities	(106,987)	-	(106,987)
Total net assets	<u>288,862</u>	<u>17,000</u>	<u>305,862</u>

16 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

David Sigsworth

£205 (2022: £158) of expenses were reimbursed to David Sigsworth during the year.

Philip Barton

£206 (2022: £132) of expenses were reimbursed to Philip Barton during the year.

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

17 Related party transactions

There were no related party transactions in the year.

Accounts

Company registration number: 3897720

Charity registration number: 1078994

Sustainability First

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2022

Community Accounting Plus
Units 1 & 2 North West
41 Talbot Street
Nottingham
NG1 5GL

Sustainability First

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Sustainability First

Reference and Administrative Details

Patrons	Edward Cattle Lord Larry Whitty Baroness Anne McIntosh Lord Robin Teverson
Trustees	Philip Barton, Chair Professor Gordon Mackerron, Vice Chair Xiao Yu, Treasurer Sarah Deasley David Sigsworth Derek Lickorish Joe Perkins
Secretary	Claire Williams
Senior Management Team	David Murray, Executive Director Zoe McLeod, Policy Director
Charity Registration Number	1078994
Company Registration Number	3897720
Registered Office	85 Great Portland Street First Floor London W1W 7LT
Independent Examiner	John O'Brien, employee of Community Accounting Plus Units 1 & 2 North West 41 Talbot Street Nottingham NG1 5GL

Sustainability First

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2022.

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	Philip Barton, Chair
	Professor Gordon Mackerron, Vice Chair
	Xiao Yu, Treasurer
	Sarah Deasley
	David Sigsworth
	Derek Lickorish
	Joe Perkins
	Frederic Osborn, retired 16/06/2022
	Tracey Cotterill, resigned 23/03/2022

Secretary:	Claire Williams
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Structure, governance and management

Nature of governing document

The charity is a company limited by guarantee and registered charity. It is operated under the rules of its memorandum and articles of association dated 21st December 1999 and recently amended 30th June 2016. It has no share capital and the liability of each member in the event of winding-up is limited to £1.

Recruitment and appointment of trustees

Overall management of the charity is the responsibility of the trustees who are elected and co-opted under the terms of the memorandum and articles of association. New trustees are sought by recommendation or through advertisement and interviewed, selected candidates are appointed with the agreement of the Board. Day to day project activity is managed and carried out by employees, paid associates and unpaid trustees.

Objectives and activities

Objects and aims

The principal objects of the charity are:

- To advance the knowledge and understanding of the environmental, economic and social dimensions of sustainability;
- To undertake and procure research and study, publishing any useful results;
- To promote ideas, actions and changes to further the integration of the quality of life with environmental protection. This includes the combating of climate change and global warming, at a community, regional, national and international level.

Sustainability First

Trustees' Report

Public benefit

The main activities undertaken to benefit the public are to procure research on sustainability, promote wider education on sustainability and public interest issues, particularly in water and energy, and publish useful results.

These activities benefit the public by advancing the knowledge and understanding of the environmental, economic and social dimensions of sustainability. This is achieved by engaging in research and analysis, publishing the results freely and using research for discussion for key players in the fields of sustainable energy and water. The beneficiaries are the users and future users of energy and water supplies in the UK and the environment in which they live.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

The breakout of war in the Ukraine brought energy security starkly into focus at the start of 2022. Coupled with a wider energy and cost-of-living crisis this created a perfect storm for energy consumers in the UK. At the same time, in this decisive decade for the climate, there remains an urgent need to turn net zero commitments into action, and so arguably Sustainability First's expertise and independent voice for people and planet has never been more important.

This year saw the arrival of our new Executive Director, David Murray (April), and the creation of a new post of Policy Director; Zoe McLeod, a former Associate at Sustainability First was appointed to this role (April). We also welcomed Sophie Grinnell to the Policy Researcher post (November).

Throughout 2022, Sustainability First (SF) continued to build on its two plus decades of research expertise to develop practical solutions to better deliver social, environmental and economic wellbeing in UK utilities such as energy, water and communications. Our work was focused on delivering three external aims: shaping agendas in essential services for a sustainable future; connecting, engaging and inspiring people on sustainability; and embedding sustainability in practice.

This annual report starts with some highlights in numbers of our impact in the last year before looking at each of our aims in more detail, both in terms of what we have achieved in 2022 and what we plan for the future.

Sustainability First in numbers - highlights of our impact in 2022

13 Consultation responses driving substantive change	Sustainability First is often one of the only independent voices / NGOs that responds to technical consultations and calls for evidence from government and regulators. Our responses are 'open source' and widely disseminated. They provide detailed proposals on how to make sustainability mainstream.
8 Expert viewpoints and briefings shared	These cutting-edge outputs provide thought leadership and technical insights in key areas for sustainability in utilities such as the energy crisis and nexus where energy and water meet. Where appropriate we commission these from external thought leaders.
80% of sponsoring companies reported greater innovation	80% of companies who responded to our annual impact survey reported that our work with them had a significant impact on the development of new ideas and innovation in their company. And overall, Our stakeholders have a very positive view of Sustainability First, with the majority of respondents reporting their working relationship with us as 'very good' (71%) or 'fairly good' (21%).

Sustainability First

Trustees' Report

North Sea art residencies	Our North Sea artist residencies saw 134 applications, with work of a generally very high calibre. Our Instagram account, which is a main portal for our art/creative content output has risen from less than 1,000 followers before the residency to around 1200 now. Unable to choose between applicants, National Grid agreed to sponsor three artists not two as had originally been planned.
Growth in social media followers	The significant increase in our reach from a very low base has led us to have an active presence on YouTube, Twitter, Instagram and LinkedIn. This has been organic growth – we have not paid for advertising, so while our numbers are relatively low compared with competitors, we are being read and watched by key industry and regulatory players.
23 sponsors	Our work is sponsored by most of the main UK utility companies, along with key stakeholders such as Ofgem and the Energy Systems Catapult. We would like to thank them for all their support; without them this work would not be possible.
3.4 staff and 5 associates	Our small staff team and network of senior associates with deep expertise in essential services punch well above their weight.

Below are some highlights of the impacts delivered by staff and Associates at Sustainability First over 2022.

Shaping agendas in essential services for a sustainable future

In the last year, Sustainability First has made a significant impact in ensuring that the agenda in the energy, water and communications sectors is focused on delivering environmental, social and economic wellbeing, for both today and tomorrow.

We participated in a number of working groups and made formal and informal representations to influence the shape of the next water price control (PR24) at senior and operational levels. We had a direct influence over Ofwat's approach to long-term strategies via consultancy support to Ofwat. And via advocacy and collaboration we shifted Ofwat to move away from consideration of just customers to citizens and communities (building on our Fair for the Future work); we helped the regulator to put greater focus on measuring social value, alongside cost efficiency and environmental value and we highlighted the importance of fair recovery of costs through different generations of customers. Learning from Project Inspire prompted interest in tariff innovation to support affordability. We also promoted a greater focus on biodiversity, and pollution in the final methodology; and pressed for new rules around financial resilience and senior leaders rewarded proportionate to service deliver. We encouraged Ofwat to set clear early expectations of how companies should support customers in vulnerable situations and improve monitoring of performance and compliance with rules.

Ofwat invited Sustainability First to participate in discussions on a potential new customer facing Licence Condition, because of our repeated calls for more accessible and inclusive products and services. This may require firms to treat customers fairly, which we will advocate should include a requirement to meet customers' different needs.

Sustainability First

Trustees' Report

In Energy, we played an important role in shaping the Electricity Distribution Network Operators (ED2) Business Plans programme of work at Ofgem, in particular looking at losses in the energy system. We had a letter published in the Financial Times and the Sunday Times (Sept 2022), written by Maxine Frerk, about the monetary cost of losses to consumers. We hosted a roundtable to raise the profile of losses (including Ofgem representation at director level and Alan Whitehead MP), and we held meetings held with both the Ofgem engineering team and the price control lead to help shape the ED2 agenda.

The Department for Business, Energy and Industrial Strategy (BEIS) response of 6th April 2022 reflected many of the issues raised by SF including the net-zero duty of the Future Systems Operator (FSO); a recommendation that the FSO should be a public body and have power to ask for data from licenced energy companies. SF's recommendation on access to smart meter data was adopted by BEIS and Ofgem and we continue to advise on this issue through the Public Interest Advisory Group (PIAG).

Connecting, engaging and inspiring people on sustainability

We instigated a North Sea artists' residency, supported by National Grid. Resident artists explored the changing role for coastal communities and opportunities provided by renewable energy in the North Sea - building on the heritage of these communities, engaging them in the art-making process and helping share their visions for a sustainable future.

We had a terrific response to the open call from artists along the East Coast, with 134 applications; from the Orkney Islands to Margate, in every discipline. From sea shanties and poetry; to community initiatives and oral histories; to walking, drawing and sculpting with natural materials. Covering coastal wildlife, sustainable energy, fishing, and industrial & maritime heritage. We shared some of the wider entries in a series of Instagram takeovers to showcase the breadth of talent put forward to support our work on this project. We were so impressed by the calibre of the applicants that we decided with National Grid to select three artists for the residencies, not two as originally planned. The three artists are: Joanne Coates, Isabella Martin and Alison Cooke. We plan to host a virtual gallery in the spring of 2023 to celebrate and conclude this work.

We featured in The Water Report (Sept) with a two-page article on the aquatic environment and the Supplementary Policy Statement (SPS), written with Martin Hurst, Zoe McLeod and Clare Davidson. The same publication also included a well received briefing on challenges facing the new Ofwat chair, written by Martin Hurst.

Embedding sustainability in practice

Ofwat published its Paying Fair Guidelines - guidelines for water companies in supporting residential customers pay their bill, access help and repay debts. This reflects our ongoing calls over the last few years for water companies to be required to treat customers in debt fairly and to ensure that company practices enable bills that are affordable. It was a recommendation in the 'Covid-19, what next' report. We were particularly pleased to see guidance to improve billing frequency and payment options including the retention of cash payment options; and inclusive design of financial services. Consideration to be given to customers' ability to pay when setting debt repayment levels. These were all recommendations in our Covid-19 report. The next stage will be to push for effective monitoring of these guidelines (as is the case in energy firms) and making them mandatory.

Zoe McLeod participated in UKPN's CEO panel discussion on vulnerability - we were pleased that our suggestions were being taken forward, including that the company is developing a package of support for its own staff; the need to consider small businesses who may be struggling to reduce bills and become more energy efficient; the importance of cross-sectoral resilience and cross-utility solutions that are affordable. We will monitor the company's activity going forwards.

Sustainability First

Trustees' Report

Zoe McLeod became a facilitator supporting the Energy Innovation Centre's working group of transmission network companies on vulnerability. This will enable companies to work better together and think more strategically about how they help customers and communities. The outputs will be a series of collaborations on key topics.

As of December 2022, SF launched a new annual corporate membership to improve stability of income, and income growth, as well as to maintain high level relationships in water, energy and telecoms businesses.

Building our capacity

Associate and staff changes

At the end of April, after five years leading the organisation, Sustainability First's Director Sharon Darcy stepped down. We are very grateful to Sharon for her fantastic leadership and for building the organisation up over this time. She left on a high, having successfully grown the charity and most recently delivered the ground-breaking "Fair for the Future" project and in partnership with National Grid launched the innovative "Together for a Fair Climate Future" Programme, which has reached out to younger, creative, educational and more diverse NGO communities, and whose work was represented at COP26 in Glasgow. Sharon has continued to work with us as a senior fellow supporting an effective transition to the new senior management team.

We were delighted to welcome David Murray as Executive Director, starting 25 April 2022. David brings a wealth of experience from the third sector and wider sustainability issues.

We were also extremely pleased that our long-time Associate Zoe McLeod joined our small staff team as our first ever Policy Director. Zoe's expertise and deep sectoral insights help to ensure Sustainability First is able to maintain momentum for change at this crucial time for people and planet. David and Zoe, working closely with our fantastic staff and associate teams, are together providing the leadership and vision to take Sustainability First to a new level.

In the Autumn we were sad to say goodbye to Alice Cross our Research Officer. We thank her for her contribution to Sustainability First and for all her hard work. We were very pleased to welcome Sophie Grinnell to our small staff team as Research Officer.

Trustee changes

Derek Osborn retired from the Trustee Board at the end of June 2022. We thank him for his many years of service and support to Sustainability First.

Tracey Cotterill resigned as a trustee in March 2022. We thank her for her insightful contribution to the charity.

After a successful recruitment process we are pleased to announce that we will be appointing six new trustees in 2023. Details will be available in the accounts for 2023 and on our web site.

Sustainability First

Trustees' Report

Plans for 2023

Over the course of 2023, we aim to:

1. Proactively contribute innovative ideas to the energy and cost of living crisis (and share them with other charities, government and businesses).
2. Grow and nurture our new Corporate Members Network, to ensure we build and maintain our influence with senior leaders working in the water and energy sectors.
3. Deliver a successful Sustainability Futures Forum for Ofgem, ensuring young people have a voice in shaping the future of the energy market.
4. Help National Grid to positively engage with the general public to explore what a fair transition to a low-carbon energy system should look like.
5. Create new opportunities for unheard voices to become an integral part of sustainability discussion and thinking.
6. Seek opportunities to diversify and grow income sources to better enable a long-term sustainable financial footing for the charity.
7. Create new opportunities for creative people to help set the sustainability agenda through art and other creative mediums and disseminate our work with National Grid on the North Sea residencies.
8. Increase our media coverage in both the mainstream and specialist press and pro actively seek coverage of our work.
9. Collaborate with other charities and civil society organisations to spread our messages further.

Financial review

Sustainability First reports a net movement in funds for the year ended 31 December 2022 of £254 inflow (2021: £96,790 outflow). The income for the year of £356,897 (2021: £258,503) was mainly generated from a series of projects involving research and analysis as described above. We were also pleased to receive a significant donation via CAF which has allowed us to pursue work as described above. Some of the projects were completed during the year, others were on-going at the end of the year. The total expenditure on charitable activities during the year was £356,643 (2021: £355,293). The reserves carried forward at the end of the period were £305,862 (2021: £305,608). As indicated last year several projects funds which had been received in 2021 were designated for the completion of projects. The trustees also designated funds for the strategic development of Sustainability First. In completing projects and developing the organisation it was necessary to utilise the designated reserves and in the year Sustainability First therefore showed a reduction in the designated funds. The trustees recognise and anticipate that there will be some further expenditure out of the reserves to complete the projects that were on-going at the end of the year. The trustees have also decided, given the successful appointment of the new Executive Director and the Policy Director that funds for strategic development were not needed for the year ahead. In recognition of these decisions the trustees have decided to designate £17,000 (2021: £160,500) of General funds to cover delayed project activities (workshops, conferences, travel and sub-contractors) which will be delivered in 2023. Details will be provided in the Financial Statements to 31 December 2023 in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations at that date. Reserves will also be used to develop new income streams to allow for an increase in the range of activities undertaken by Sustainability First including dissemination, research and communications.

Sustainability First

Trustees' Report

Policy on reserves

The trustees of Sustainability First keep the financial reserves for the charity under regular review. The desired level of reserves is discussed by trustees at least annually. Our current aim is to retain sufficient reserves to meet core overhead costs for one year ahead. In line with Charity Commission guidance, Sustainability First will always maintain sufficient reserves to cover core costs for a minimum of six months. The level of Sustainability First reserves is noted each quarter via the finance report to trustees.

At the end of 2022 the level of reserves was £305,862, however as mentioned above £17,000 was designated from the General fund to cover costs to complete projects that were on-going at the end of the year. This effectively left General reserves, not designated, of £288,862 which represented 13.0 months' worth of core operating and development costs, other than those covered by designated funds. Whilst this level is slightly higher than the target, the trustees have examined the projected reserves level in years to come and anticipate that the level will reduce as current income sources come to an end and projects are completed and will therefore allow time for the development of new projects and income sources.

Principal risks and uncertainties

Main risks

The trustees have reviewed the risks to the charity during the year and have identified the main risks as relating to: key staff and associates (identifying, keeping and dealing with resignation or sudden loss); future projects and project funding; and quality assurance (especially on short-term / one-off pieces of work). Of moderate risk the trustees included the on-going transition to the new director and possible breaches of sponsor confidentiality / IP and breaches of GDPR, IT and data security. Other risks considered to be more minor, such as political risks, were also discussed.

The trustees consider that suitable actions are being taken and controls have been put in place to control and mitigate these risks. These include: maintaining involvement of a range of Associates and having more core staff available; maintaining close dialogue with staff and Associates and developing new personnel and Associates where relevant; ensuring quality control of reports and publications by review processes; holding regular team discussions and sharing project outputs and increasing the methods of communicating with our audiences, sponsors and the public; continuing to develop new ideas to broaden the reach of our work eg via the corporate membership scheme, ensuring sponsors remain satisfied with work produced by discussion with them; seeking new sponsors; allocating resources to allow for the strategic development of Sustainability First including its sources of funding and communication strategy; ensuring comprehensive transition support which helped the new director establish himself and appointing a new policy director, ensuring all staff and associates are aware of the need for confidentiality relating to IP and GDPR; keeping an up to date register of interests for trustees, staff and associates; ensuring suitable insurance policies are in place; maintaining IT capability to store data safely.

In addition to the review of risks which took place during the year, the trustees considered the various Sustainability First policies and procedures and updated these and added to them to reflect the nature of work undertaken. The trustees reviewed the plans for the organisation and regularly considered how these plans needed to be adapted to deal with the development of the charity and considered what action should be taken as the situation evolved.

Sustainability First

Trustees' Report

Implications of COVID 19

The trustees continued to consider the implications of COVID 19 on the charity and the actions taken to deal with the situation during the year and continue to do so. Some of the implications and arrangements are detailed below.

Staff - at every stage the health and safety of staff has been a priority. Arrangements were made for staff to work from home. Guidance on home working had been issued and regular keep-in-touch arrangements, using virtual meetings in addition to electronic communication, were continued. Due to the nature of the charity's work and the plans implemented, no staff contracts were affected and no staff needed to be furloughed due to the pandemic.

Meetings - from the start of the first lock down in March 2020 arrangements were made to hold meetings virtually to avoid unnecessary travel by staff, trustees and other stakeholders. The main changes included on-line weekly meetings for staff and associates, conferences and discussion sessions held virtually and, in line with the provisions of the articles of association, holding trustees' meetings and the AGM virtually.

Impact on the charity's development during the year and its position at the reporting date - the charity was able to continue to fulfil its various projects successfully. Planned conferences were switched to an on-line format. Some new projects were developed and started. Plans were adapted to the Covid situation.

Use of reserves and viability - as mentioned in the accounts, the charity had reserves at the end of 2022 and plans to use part of these to complete existing projects. The trustees have considered that reserves will be sufficient to cover these costs and cover predicted expenditure in 2023 and part of 2024. The trustees have considered the availability of reserves and the on-going plans for the future and are confident that the charity remains viable.

Impact on wider stakeholders - the delivery of projects and our contact with our wider stakeholders have been considered and adapted to the circumstances and restrictions of the pandemic. Use has been made of virtual events and our communications strategy implemented to ensure continued and wider communication with our various stakeholders. When possible some meetings and an exhibition were held in person rather than virtually, recommended COVID 19 precautions were followed.

IT systems and office arrangements - software and IT systems and data security have been kept under review and upgraded as thought necessary. Our website continues to be developed and social media programme increased. We decided to temporarily cease the use of office premises in 2020 for staff and meetings and made alternative arrangements. Some ad hoc use of office space for staff meetings was introduced in 2021 during periods when the advice was that it was safe to do so. More regular meetings in person were re-introduced in 2022 as COVID 19 risks were reduced.

On-going review - the director of Sustainability First and the trustees meet quarterly and discussed all aspects of the charity and have kept arrangements to deal with the impact of the COVID 19 pandemic under review.

Sustainability First

Trustees' Report

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Sustainability First for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that can disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on .22/03/2023... and signed on its behalf by:

Phil Barton.....
Philip Barton
Trustee

Sustainability First

Independent Examiner's Report to the trustees of Sustainability First ('the Company')

Independent examiner's report to the trustees of Sustainability First ('the Company')

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2022.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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

..John O'Brien.....

John O'Brien MSc, FAIA, FCCA, FCIE, employee of Community Accounting Plus
Fellow of the Association of Charity Independent Examiners

Units 1 & 2 North West
41 Talbot Street
Nottingham
NG1 5GL

Date: 08/06/2023.....

Sustainability First

Statement of Financial Activities for the Year Ended 31 December 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2022 £	Total 2021 £
Income and Endowments from:				
Donations and legacies	2	65,800	65,800	3,190
Charitable activities	3	290,096	290,096	254,909
Investment income	5	1,001	1,001	404
Total income		<u>356,897</u>	<u>356,897</u>	<u>258,503</u>
Expenditure on:				
Charitable activities	6	<u>(356,643)</u>	<u>(356,643)</u>	<u>(355,293)</u>
Total expenditure		<u>(356,643)</u>	<u>(356,643)</u>	<u>(355,293)</u>
Net income/(expenditure)		<u>254</u>	<u>254</u>	<u>(96,790)</u>
Net movement in funds		254	254	(96,790)
Reconciliation of funds				
Total funds brought forward		<u>305,608</u>	<u>305,608</u>	<u>402,398</u>
Total funds carried forward	13	<u><u>305,862</u></u>	<u><u>305,862</u></u>	<u><u>305,608</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for the period is shown in note 13.

The notes on pages 15 to 23 form an integral part of these financial statements.

Sustainability First

Statement of Financial Activities for the Year Ended 31 December 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

These are the figures for the previous accounting period and are included for comparative purposes

	Note	Unrestricted funds £	Total 2021 £
Income and Endowments from:			
Donations and legacies	2	3,190	3,190
Charitable activities	3	254,909	254,909
Investment income	5	404	404
Total income		<u>258,503</u>	<u>258,503</u>
Expenditure on:			
Charitable activities	6	<u>(355,293)</u>	<u>(355,293)</u>
Total expenditure		<u>(355,293)</u>	<u>(355,293)</u>
Net expenditure		<u>(96,790)</u>	<u>(96,790)</u>
Net movement in funds		(96,790)	(96,790)
Reconciliation of funds			
Total funds brought forward		<u>402,398</u>	<u>402,398</u>
Total funds carried forward	13	<u><u>305,608</u></u>	<u><u>305,608</u></u>

The notes on pages 15 to 23 form an integral part of these financial statements.

Sustainability First
(Registration number: 3897720)
Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Current assets			
Debtors	8	102,656	40,044
Cash at bank and in hand		<u>310,193</u>	<u>453,839</u>
		412,849	493,883
Creditors: Amounts falling due within one year	9	<u>(106,987)</u>	<u>(188,275)</u>
Net assets		<u>305,862</u>	<u>305,608</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>305,862</u>	<u>305,608</u>
Total funds	13	<u>305,862</u>	<u>305,608</u>

For the financial year ending 31 December 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 12 to 23 were approved by the trustees, and authorised for issue on ~~22/03/2023~~..... and signed on their behalf by:

Sarah Deasley
.....
Sarah Deasley
Trustee

The notes on pages 15 to 23 form an integral part of these financial statements.

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2022

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

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

Going concern

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

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

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2022

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Expenditure

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

Charitable activities

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

Taxation

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

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
IT equipment	33.3% straight line

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2022

Trade creditors

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

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

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. Pension costs charges in the Statement of Financial Activities represent the contributions payable by the charity during the year.

2 Income from donations and legacies

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Donations and legacies;			
Donations from individuals	65,800	65,800	3,190
	<u>65,800</u>	<u>65,800</u>	<u>3,190</u>

3 Income from charitable activities

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Membership & sponsorship fees	290,096	290,096	254,909
	<u>290,096</u>	<u>290,096</u>	<u>254,909</u>

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2022

4 Grants & donations

	Unrestricted funds £	Total £
Nesta Enterprise Ltd	2,500	2,500
Donations via CAF	62,500	62,500
Sundry donations via CAF	800	800
	<u>65,800</u>	<u>65,800</u>

5 Investment income

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Interest receivable and similar income;			
Interest receivable on bank deposits	<u>1,001</u>	<u>1,001</u>	<u>404</u>

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2022

6 Expenditure on charitable activities

	Unrestricted General funds £	Total 2022 £	Total 2021 £
Communications	-	-	5,345
Company secretarial and bookkeeping service	12,000	12,000	17,100
Competition & exhibition costs	2,030	2,030	9,692
Consultancy fees	102,236	102,236	121,934
Depreciation	-	-	216
Donations made	-	-	1,000
Educational outreach	-	-	1,000
Insurance	5,023	5,023	4,447
Irrecoverable VAT	1,018	1,018	-
IT consultancy & software	6,682	6,682	12,360
Legal & professional	683	683	663
Meals & catering	613	613	-
Office accommodation	3,571	3,571	642
Payroll fees	599	599	488
Prizes	-	-	4,900
Printing & photocopying	307	307	892
Recruitment expenses	2,076	2,076	5,606
Subscriptions	4,762	4,762	3,263
Sundry expenditure	755	755	492
Travel, meetings & conference costs	790	790	16,133
Trustee travel & subsistence	290	290	-
Wages, NI & pension	213,208	213,208	149,120
	<u>356,643</u>	<u>356,643</u>	<u>355,293</u>

The figures in note 6 represent expenditure made and committed in the year. The trustees have identified £17,000 of expenditure relevant to projects which represent expected costs of delivery of certain projects in future periods which Sustainability First has indicated to sponsors will be incurred in the forthcoming periods. The trustees have chosen to designate these funds accordingly see notes 12 and 13.

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2022

7 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Staff costs during the year were:		
Wages and salaries	186,689	136,209
Social security costs	15,963	10,749
Pension costs	10,556	2,162
	<u>213,208</u>	<u>149,120</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2022 No	2021 No
Average number of employees	<u>5</u>	<u>4</u>

3 (2021 - 3) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £10,556 (2021 - £2,162).

The number of employees whose emoluments fell within the following bands was:

	2022 No	2021 No
£60,001 - £70,000	1	-
£100,001 - £110,000	<u>-</u>	<u>1</u>

The total employee benefits of the key management personnel of the charity were £164,155 (2021 - £105,935).

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2022

8 Debtors

	2022 £	2021 £
Trade debtors	91,797	35,106
Prepayments	5,976	4,685
Accrued income	3,751	253
Other debtors	1,132	-
	<u>102,656</u>	<u>40,044</u>

9 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	6,981	6,254
Other taxation and social security	21,144	16,693
Accruals	8,029	2,896
Deferred income	70,833	162,432
	<u>106,987</u>	<u>188,275</u>

10 Charity status

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

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

12 Fees payable to independent examiner

During the period, the fees payable (excluding VAT) to the charity's independent examiner Community Accounting Plus are analysed as follows:

	2022 £	2021 £
Independent examination	670	650
Other financial services	599	488
	<u>1,269</u>	<u>1,138</u>

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2022

13 Funds

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2022 £
Unrestricted funds					
<i>General</i>					
General	145,108	356,897	(356,643)	143,500	288,862
<i>Designated</i>					
Activities	<u>160,500</u>	<u>-</u>	<u>-</u>	<u>(143,500)</u>	<u>17,000</u>
Total funds	<u><u>305,608</u></u>	<u><u>356,897</u></u>	<u><u>(356,643)</u></u>	<u><u>-</u></u>	<u><u>305,862</u></u>
	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2021 £
Unrestricted funds					
<i>General</i>					
General	271,398	258,503	(355,293)	(29,500)	145,108
<i>Designated</i>					
Activities	<u>131,000</u>	<u>-</u>	<u>-</u>	<u>29,500</u>	<u>160,500</u>
Total funds	<u><u>402,398</u></u>	<u><u>258,503</u></u>	<u><u>(355,293)</u></u>	<u><u>-</u></u>	<u><u>305,608</u></u>

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

The Designated activities fund is to cover activities (workshops, conferences, travel and sub-contractors) which will be delivered in future periods.

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2022

14 Analysis of net assets between funds

	Unrestricted funds		Total funds at 31 December 2022
	General £	Designated £	£
Current assets	395,849	17,000	412,849
Current liabilities	(106,987)	-	(106,987)
Total net assets	<u>288,862</u>	<u>17,000</u>	<u>305,862</u>

	Unrestricted funds		Total funds at 31 December 2021
	General £	Designated £	£
Current assets	333,383	160,500	493,883
Current liabilities	(188,275)	-	(188,275)
Total net assets	<u>145,108</u>	<u>160,500</u>	<u>305,608</u>

15 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

David Sigsworth

£158 (2021: £Nil) of expenses were reimbursed to David Sigsworth during the year.

Philip Barton

£132 (2021: £Nil) of expenses were reimbursed to Philip Barton during the year.

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

16 Related party transactions

There were no related party transactions in the year.

Accounts

Company registration number: 3897720

Charity registration number: 1078994

Sustainability First

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2021

Community Accounting Plus
Units 1 & 2 North West
41 Talbot Street
Nottingham
NG1 5GL

Sustainability First

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Sustainability First

Reference and Administrative Details

Patrons	Edward Cattle Lord Larry Whitty Baroness Anne McIntosh Lord Robin Teverson
Trustees	Philip Barton, Chair Professor Gordon Mackerron, Vice Chair Xiao Yu, Treasurer Sarah Deasley Frederic Osborn Tracey Cotterill David Sigsworth Derek Lickorish Joe Perkins
Secretary	Claire Williams
Senior Management Team	Sharon Darcy, Director
Charity Registration Number	1078994
Company Registration Number	3897720
Registered Office	85 Great Portland Street First Floor London W1W 7LT
Independent Examiner	John O'Brien, employee of Community Accounting Plus Units 1 & 2 North West 41 Talbot Street Nottingham NG1 5GL

Sustainability First

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2021.

Trustees and officers

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	Philip Barton, Chair
	Professor Gordon Mackerron, Vice Chair
	Xiao Yu, Treasurer
	Sarah Deasley
	Frederic Osborn
	Tracey Cotterill
	David Sigsworth
	Derek Lickorish
	Joe Perkins
	Richard Adams, retired 31/12/2021
Secretary:	Claire Williams

Structure, governance and management

Nature of governing document

The charity is a company limited by guarantee and registered charity. It is operated under the rules of its memorandum and articles of association dated 21st December 1999 and recently amended 30th June 2016. It has no share capital and the liability of each member in the event of winding-up is limited to £1.

Recruitment and appointment of trustees

Overall management of the charity is the responsibility of the trustees who are elected and co-opted under the terms of the memorandum and articles of association. New trustees are sought by recommendation or through advertisement and interviewed, selected candidates are appointed with the agreement of the Board. Day to day project activity is managed and carried out by employees, paid associates and unpaid trustees.

Objectives and activities

Objects and aims

The principal objects of the charity are:

- To advance the knowledge and understanding of the environmental, economic and social dimensions of sustainability;
- To undertake and procure research and study, publishing any useful results;
- To promote ideas, actions and changes to further the integration of the quality of life with environmental protection. This includes the combating of climate change and global warming, at a community, regional, national and international level.

Sustainability First

Trustees' Report

Public benefit

The main activities undertaken to benefit the public are to procure research on sustainability, promote wider education on sustainability and public interest issues, particularly in water and energy, and publish useful results.

These activities benefit the public by advancing the knowledge and understanding of the environmental, economic and social dimensions of sustainability. This is achieved by engaging in research and analysis, publishing the results freely and using research for discussion for key players in the fields of sustainable energy and water. The beneficiaries are the users and future users of energy and water supplies in the UK and the environment in which they live.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

Summary of the main achievements during the period:

With the hosting of COP26 in Glasgow against a backdrop of escalating climate breakdown, 2021 was the year that many people, including much of the investment community, started to wake-up to the importance of sustainability. As we move towards the mid-point of this decisive decade for the climate crisis, it is clear that decisions made now will have a lasting impact on how we live, not just as consumers but also as citizens and communities and on the natural world.

Whilst sustainability has in many ways 'come of age', and Sustainability First has itself clocked up 21 years of activity, we maintain there is a greater need than ever for approaches which align interests, champion co-benefits and push the boundaries for transformational change. Work is needed to avoid green-wash to get action at the scale and pace necessary to deliver a sustainable future. Partnerships, and prioritisation are integral to such an approach.

Throughout 2021, Sustainability First continued to build on its two plus decades of cutting-edge research to develop practical solutions to better deliver social, environmental and economic wellbeing in UK utilities such as energy, water and communications. Our work is focused on delivering three external aims: shaping agendas in essential services for a sustainable future; connecting, engaging and inspiring people on sustainability; and embedding sustainability in practice.

This annual report starts with some highlights in numbers of our impact in the last year before looking at each of our aims in more detail, both in terms of what we have achieved in 2021 and what we plan for the future.

Sustainability First in numbers - highlights of our impact in 2021

11 Consultation responses driving substantive change	Sustainability First is often one of the only independent voices / NGOs that responds to technical consultations and calls for evidence from government and regulators. Our responses are 'open source' and widely disseminated. They provide detailed proposals on how to mainstream sustainability
14 Expert viewpoints and briefings shared	These cutting-edge outputs provide thought leadership and technical insights in key areas for sustainability in utilities such as the energy crisis and energy and water nexus issues. Where appropriate we commission these from external thought leaders

Sustainability First

Trustees' Report

5 out of 8 utility companies impacted	Five of the companies who took part in our major Fair for the Future Project and responded to our impact survey reported this work had a significant or moderate impact on their strategy development. Five of the companies involved in the project said they had reviewed their board sub-committees and engagement strategy as a result of this work. One company reviewed their Memorandum and Articles of Association and third party accreditation arrangements as a direct result of the Fair for the Future Project
13 agenda shaping events	We used our independent convening power and trusted status to bring members of the public and key stakeholders together in discussion events, conferences, workshops and roundtables to explore key topics for sustainability and build support for sustainable change
44% artists and writers thinking differently	Just under half of the artists and writers that applied for our 2021 Art and Writing Prize on the theme of 'Together for a Fair Climate Future' said this programme made them think differently about climate change and fairness
23% prize entrants taking action	Almost a quarter of the prize entrants said that they had taken specific actions around sustainability because of their engagement
1,141 public votes	The winning art entry for our 'People's Choice' public vote for our 2021 Art and Writing Prize, Moths to a Flame, received more than 400 votes out of 1,141 in total
600 visitors to our Reconnecting art exhibition	Our first ever art exhibition, in the influential Bermondsey Project Space Gallery, showcased the entries from our 2020 Art and Essay prizes on 'How do we recover from the pandemic for a sustainable future' and the work of our first ever artist in residence, Hugo Lamy, at UKPN
160,000 twitter interactions and 2,000 YouTube views	Our Together for a Fair Climate Future discussion events attracted significant interest on Twitter and YouTube. Participants were able to listen to, link up with and be inspired by our fantastic contributors that included around 26 NGOs that we had not previously worked with
92% increase in social media followers	The significant increase in our reach from a very low base has led us to have an active presence on YouTube, Twitter, Instagram and LinkedIn. This has been organic growth – we have not paid for advertising
23 sponsors	Our work is sponsored by most of the main UK utility companies, along with key stakeholders such as Ofgem and the Energy Systems Catapult. We would like to thank them for all their support; without them this work would not be possible
2.8 staff and 6 associates	Our small staff team and network of senior associates with deep expertise in essential services punch well above their weight

Shaping agendas in essential services for a sustainable future

In the last year, Sustainability First has made a significant impact in ensuring that the agenda in the energy, water and communications sectors is focused on delivering environmental, social and economic wellbeing, for both today and tomorrow. In 2021 our major Fair for the Future project helped shift the dial on how decision makers in these areas think about their purpose, and maximise public value.

Following analysis for us from law firm Slaughter and May, in early 2021, we held a webinar on how legal and regulatory frameworks in utilities currently deliver sustainability. The answer is that no one should 'hide behind the law' and that decision makers have flexibility in how they interpret and implement it. Building on this work and our Fair for the Future primary research from the previous three years, we held a conference in March on 'Fairness in utilities: What are the implications of public purpose for companies, policy makers and regulators?'

Sustainability First

Trustees' Report

This conference launched our major 'Regulation for the Future' report which established recommendations about how policy and regulation need to change to deliver sustainability. We have used the conclusions from this extensive research to shape Defra's Strategic Policy Statement for Ofwat and have shared this with BEIS as they develop the equivalent Statement for Ofgem.

One of our key Fair for the Future proposals has been the need for longer-term planning. In 2021 we worked with Frontier Economics to help them develop a framework for considering the intergenerational impacts of decarbonisation. Our presentation on long-term adaptive planning and regulation has been shared extensively with utility regulators and the water sector, helping shape long term decision making.

Our Fair for the Future research showed that if we are to avoid 'green wash' and a silo-based approach to sustainability, we must actively support the cultural change taking place amongst decision makers.

Connecting, engaging and inspiring people on sustainability

To attain transformational and sustainable change, meaningful and enduring public engagement is crucial. In 2021 we stepped-up our engagement agenda. Effective change needs to be done with people rather than to people; we took a different approach to engaging people and organisations in light of the uncertainty and challenges faced.

We had already carried out significant research on 'established' engagement mechanisms, culminating in the summer in a report on engagement and public value that we shared with key stakeholders in the energy and water sectors.

To engage further, we have started using art and more creative approaches to engage hearts as well as minds. In the summer we hosted our first art exhibition, on the theme of 'Reconnecting' with people and planet around the pandemic, and showcased the fantastic work of Hugo Lamy, our first artist-in-residence who had been working with UKPN in the first lock-down. This was alongside art works from our 2020 Art Prize, exploring how to recover sustainably from the pandemic. The amazing work from Geraint Ross Thomas, our second artist-in-residence, was shown by SSE in their offices during COP26 in Glasgow.

Following the IPCC's 2021 verdict that we are at 'code red for humanity' in terms of climate change, the need for a laser-like focus on net zero is vital. To ensure the transition is fair, and to build social support, engagement is crucial. Throughout 2021 our 'Together for a Fair Climate Future' programme worked with younger people, artists, activists and community groups to explore issues around the intersect of social and environmental justice. We are grateful to the Engagement Panel who advised us on this programme.

Our online discussion events looked at key issues such as how we can listen to the voices of the future, what we value in society, whether technology can be a force for good, how we can live more sustainably and what good leadership looks like for a fair climate future. Recognising that individual action is necessary but not sufficient to tackle the climate crisis, we held an inclusive participatory 'Shake up the system' conference which explored how to link individual, social, structural and political change.

To complement this activity, we launched our 2021 Art and Writing Prizes on the 'Together for a Fair Climate Future' theme. The amazing entries are summarised in our virtual book on the topic and a video compilation of highlights from the discussion series was shared at COP26. We've been talking to some of the entrants to the prizes about how we can use their work to address sustainability with more impact.

Sustainability First

Trustees' Report

At COP26 we were extremely pleased to participate in Ofgem's online event for the COP Youth and Public Empowerment Day to announce our joint pilot 'Sustainable Futures Energy Forum.' This Forum will seek to give those under-represented in energy decision making - younger people, those from more diverse ethnic backgrounds and those already experiencing climate impacts - a greater voice.

Embedding sustainability in practice

Working together with new stakeholders must lead to action 'on the ground' if we are going to build trust in the net zero transition. In 2021 we continued our vital technical work to make sustainability mainstream.

The energy network price controls play a key role in the net zero transition. As a member of the Ofgem Challenge Group for the RII price control at the beginning of the year, and through our subsequent consultation responses on price review methodologies and environmental reporting, we helped Ofgem ensure these were firmly focused on net zero and issues such as vulnerability. Since then, we have significantly contributed to consultations on issues ranging from energy efficiency and flexibility to the Future System Operator, raising crucial questions about future systems development and governance.

In the water sector we have made important submissions to Ofwat on customer engagement regarding price controls and the price control reviews, and methodologies in that sector with significant implications for issues including affordability and biodiversity.

In the summer, we celebrated the work of our major Public Interest Advisory Group (PIAG) on smart energy meter data that we have been running with partner the Centre for Sustainable Energy with a major event and final report. We were delighted this was picked up in July by BEIS in their 'Digitalising the energy system for net zero strategy and action plan'. This accepted our recommendation that DNO data should be used to support wider public interest goals. We are now working with the Energy Systems Catapult to help embed the recommendations in energy thinking in 2022, including in the BEIS Energy Digitalisation Task Force.

Building our capacity

Associate and staff changes

To Spring 2021, we were lucky to continue to have the support of associate Fiona Smith on the Fair for the Future project. We are grateful to Fiona for all her guidance on legal and corporate governance issues for this work.

In the Autumn we were sad to say goodbye to Sonya Peres, our Education and Outreach Officer, and Janine Duffy, our Communications and Engagement Officer. We thank them for all their hard work. We were very pleased to welcome Clare Davidson to our small staff team whose role now combines both education and communications.

Trustee changes

Richard Adams retired from the Trustee Board at the end of December 2021. We thank him for his many years of service and support to Sustainability First.

Sustainability First

Trustees' Report

Plans for 2022

- **Enable the transformational shift to sustainability in essential services by supporting decision makers to adopt a principles-based approach to change.** We will work with civil society stakeholders to test our 'sustainability principles' framework and strawman to ensure this resonates with their concerns, needs and priorities and is accessible to them in terms of language etc. We will also test this with decision makers against real life problems and use -cases (such as the cost of living crisis, decisions relating to biodiversity and the shift to electric vehicles).
- **Open up energy decision making to currently under-represented groups.** We will establish and run the Sustainable Futures Energy Forum so that this is an effective platform to bring the voice of young people, including people from diverse ethnic backgrounds and people already experiencing climate impacts, into energy decision making.
- **Encourage more radical solutions to the energy crisis.** As the energy crisis and the cost-of-living crisis culminate in a perfect storm, 2022 is proving to be difficult for many people. And decision makers are struggling to respond to the current energy crisis in a strategic way. We will use our in-depth knowledge of the energy sector to embed sustainability, ensuring that affordability does not distract from urgently needed decarbonisation. We will work with others to ensure that energy efficiency is given sufficient long-term strategic funding and will press for deeper social protection for the most vulnerable. Radical solutions to the energy retail market crisis are needed to protect people in vulnerable situations whilst maintaining innovation.
- **Help ensure policy and regulation in the water sector support a sustainable future.** We will work with Defra, Ofwat and the Environment Agency and other key stakeholders to ensure the next water price review delivers more sustainable outcomes.
- **Use art and creative writing to inspire action for a sustainable future.** We will a) Use the entries from our 2021 art and writing prizes on the theme of 'Together for a fair climate future' to: reach out to new communities and inspire them to take action for a fair transition; and engage decision makers in utilities about different visions for, and scenarios of, the future. b) Identify a suitable topic for a future art and writing prize (eg biodiversity) and a suitable group of partners who can work together to use the entries to inspire change. We currently have no funding for this work but are currently exploring possible collaborations.
- **Use art to help North Sea communities shape the low carbon transition.** Use our artist residencies in these areas to connect people with issues around the transition so through their visions and images they can help shape their future.
- **Support sustainability education in schools.** Disseminate our COP26 related educational outreach materials with wider teacher and school networks. Evaluate impact. Review utility company educational outreach activity and identify gaps. Make recommendations for future company educational support and collaborative arrangements.
- **Ensure policy and regulatory frameworks support sustainability.** We will respond to consultations and calls for evidence from bodies such as Ofgem, BEIS, the CMA etc to ensure the electricity distribution company price controls and other key decisions deliver sustainable outcomes (eg on net zero).
- **Work with decision makers to ensure that data from energy smart meters is used in the public interest.** Work with Ofgem and BEIS to ensure that the recommendations from our multiparty three year Public Interest Advisory Group on this topic are put into effect.
- **Fair transition.** We will provide strategic advice to the National Grid on the development of their fair transition strategy.

Sustainability First

Trustees' Report

Team changes

In 2022, we will be sorry to see our current Director, Sharon Darcy, stepping down. Sharon has led Sustainability First for the last five years and has helped grow the organisation so that its impact now spans multiple utility sectors and its engagement work reaches out to creatively involve a much wider range of stakeholders. We won't say goodbye straightaway and Sharon will stay on as a fellow for a while.

We are delighted that our new Director, David Murray, will be joining us full time at the end of April. David brings a wealth of experience from the third sector and wider sustainability issues. We are also extremely pleased that our long-time Associate Zoe McLeod will be joining our small staff team as our first ever Policy Director. Zoe's expertise and deep sectoral insights will ensure Sustainability First is able to maintain momentum for change at this crucial time for people and planet. David and Zoe, working closely with our fantastic staff and associate teams, will together provide the leadership and vision to take Sustainability First to a new level.

Financial review

Sustainability First reports a net movement in funds for the year ended 31 December 2021 of £96,790 outflow (2020: £88,710 inflow). The income for the year of £258,503 (2020: £406,083) was mainly generated from a series of projects involving research and analysis as described above. Some of these were completed during the year, others were on-going at the end of the year. The total expenditure on charitable activities during the year was £355,293 (2020: £317,373). The reserves carried forward at the end of the period were £305,608 (2020: £402,398). As indicated last year several projects funds which had been received in 2020 were designated for the completion of projects. The trustees also designated funds for the strategic development of Sustainability First. In completing projects and developing the organisation it was necessary to utilise the designated reserves and in the year Sustainability First therefore showed an outflow of funds. The trustees recognise and anticipate that there will be further expenditure out of the reserves to complete the projects that were on-going at the end of the year. The trustees have also decided to designate funds to allow for continuation of the strategic development of Sustainability First by seeking longer term funding from new sources and by building the in-house team delivering its charitable activities and in recognition of the need for support for the incoming director. In recognition of these the trustees have decided to designate £160,500 (2020: £131,000) of General funds to cover delayed project activities (workshops, conferences, travel and sub-contractors) which will be delivered in 2022 and for strategic development. Details will be provided in the Financial Statements to 31 December 2022 in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations at that date. Reserves will also be used to develop new income streams to allow for an increase in the range of activities undertaken by Sustainability First including dissemination, research and communications.

Policy on reserves

The trustees of Sustainability First keep the financial reserves for the charity under regular review. The desired level of reserves is discussed by trustees at least annually. Our current aim is to retain sufficient reserves to meet core overhead costs for one year ahead. In line with Charity Commission guidance, Sustainability First will always maintain sufficient reserves to cover core costs for a minimum of six months. The level of Sustainability First reserves is noted each quarter via the finance report to trustees.

At the end of 2021 the level of reserves was £305,608, however as mentioned above £160,500 was designated from the General fund to cover costs to complete projects that were on-going at the end of the year and for strategic development of the Charity. This effectively left General reserves, not designated, of £93,255 which represented 14.3 months' worth of core operating and development costs, other than those covered by designated funds. Whilst this level is higher than the target, the trustees have examined the projected reserves level in years to come and anticipate that the level will reduce as current income sources come to an end and projects are completed and will therefore allow time for the development of new projects and the transition to the new director.

Sustainability First

Trustees' Report

Principal risks and uncertainties

Main risks

The trustees have reviewed the risks to the charity during the year and have identified the main risks as relating to: key staff and associates (identifying, keeping and dealing with resignation or sudden loss); future projects and project funding; and quality assurance (especially on short-term / one-off pieces of work) contagious disease (including COVID 19), its impact on ways of working, projects and fundraising. New risks identified included the transition to the new director and possible breaches of sponsor confidentiality / IP and breaches of GDPR.

The trustees consider that suitable actions are being taken and controls have been put in place to control and mitigate these risks. These include: maintaining involvement of a range of Associates and having more core staff available; maintaining close dialogue with staff and Associates and developing new personnel and Associates where relevant; ensuring quality control of reports and publications by review processes; developing new ways of working including remote working and regular team discussions on-line and delivering project outputs virtually and increasing the methods of communicating with our audiences, sponsors and the public; continuing to develop new ideas to broaden the reach of our work eg via the essay and art competition, ensuring sponsors remain satisfied with work produced by discussion with them; seeking new sponsors; allocating resources to allow for the strategic development of Sustainability First including its sources of funding and communication strategy; putting in place comprehensive transition support to help the new director establish himself and appointing a new policy director, ensuring all staff and associates are aware of the need for confidentiality relating to IP and GDPR; keeping an up to date register of interests for trustees, staff and associates; ensuring suitable insurance policies are in place; maintaining IT capability to store data safely.

In addition to the review of risks which took place during the year, the trustees considered the various Sustainability First policies and procedures and updated these and added to them to reflect the nature of work undertaken, the wider staff and Associate team and the changes to remote working and engagement. The trustees reviewed the plans for the organisation and regularly considered how these plans needed to be adapted to deal with the impact of COVID 19 and considered what action should be taken as the situation evolved.

Implications of COVID 19

As mentioned above the trustees continued to consider the implications of COVID 19 on the charity and the actions taken to deal with the situation during the year and continue to do so. Some of the implications and arrangements are detailed below.

Staff - at every stage the health and safety of staff has been a priority. Arrangements were made for staff to work from home. Guidance on home working had been issued and regular keep-in-touch arrangements, using virtual meetings in addition to electronic communication, were continued. Due to the nature of the charity's work and the plans implemented, no staff contracts were affected and no staff needed to be furloughed due to the pandemic.

Meetings - from the start of the first lock down in March 2020 arrangements were made to hold meetings virtually to avoid unnecessary travel by staff, trustees and other stakeholders. The main changes included on-line weekly meetings for staff and associates, conferences and discussion sessions held virtually and, in line with the provisions of the articles of association, holding trustees' meetings and the AGM virtually.

Impact on the charity's development during the year and its position at the reporting date - the charity was able to continue to fulfil its various projects successfully. Planned conferences were switched to an on-line format. some new projects were developed and started. Plans were adapted to the Covid situation. The trustees agreed with the director that the time horizon for strategic development should be extended given the impact of COVID 19 and change of director and will continue in 2022.

Sustainability First

Trustees' Report

Use of reserves and viability - as mentioned in the accounts, the charity had reserves at the end of 2021 and plans to use part of these to complete existing projects and for strategic development. The trustees have considered that reserves will be sufficient to cover these costs and cover predicted expenditure in 2022 and part of 2023. The trustees have considered the availability of reserves and the on-going plans for the future and are confident that the charity remains viable.

Impact on wider stakeholders - the delivery of projects and our contact with our wider stakeholders have been considered and adapted to the circumstances and restrictions of the pandemic. Use has been made of virtual events and our communications strategy implemented to ensure continued and wider communication with our various stakeholders. When possible some meetings and an exhibition were held in person rather than virtually, recommended COVID 19 precautions were followed.

IT systems and office arrangements - new software and IT systems had been introduced to make communications easier. Our website has been developed and social media programme increased. We decided to temporarily cease the use of office premises in 2020 for staff and meetings and made alternative arrangements. Some ad hoc use of office space for staff meetings was introduced in 2021 during periods when the advice was that it was safe to do so.

On-going review - the director of Sustainability First and the trustees meet quarterly and discussed all aspects of the charity and have kept arrangements to deal with the impact of the COVID 19 pandemic under regular review.

Sustainability First

Trustees' Report

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Sustainability First for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations. The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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 charitable company will continue in business.

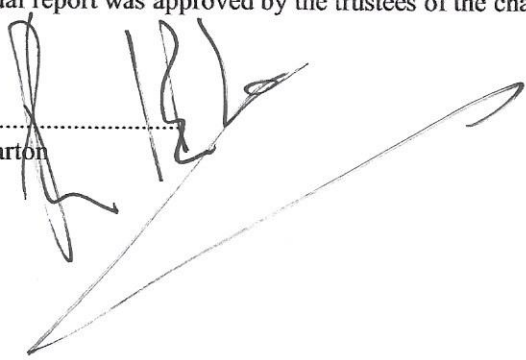
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 23 March 2022 and signed on its behalf by:

.....
Philip Barton
Trustee



Sustainability First

Independent Examiner's Report to the trustees of Sustainability First

Independent examiner's report to the trustees of Sustainability First ('the Company')

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2021.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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



John O'Brien MSc, FCCA, FCIE, employee of Community Accounting Plus
Fellow of the Association of Charity Independent Examiners

Units 1 & 2 North West
41 Talbot Street
Nottingham
NG1 5GL

Date: 04/04/2022

Sustainability First

Statement of Financial Activities for the Year Ended 31 December 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2021 £	Total 2020 £
Income and Endowments from:				
Donations and legacies	2	3,190	3,190	5,000
Charitable activities	3	254,909	254,909	400,887
Investment income	5	404	404	196
Total income		<u>258,503</u>	<u>258,503</u>	<u>406,083</u>
Expenditure on:				
Charitable activities	6	<u>(355,293)</u>	<u>(355,293)</u>	<u>(317,373)</u>
Total expenditure		<u>(355,293)</u>	<u>(355,293)</u>	<u>(317,373)</u>
Net (expenditure)/income		<u>(96,790)</u>	<u>(96,790)</u>	<u>88,710</u>
Net movement in funds		(96,790)	(96,790)	88,710
Reconciliation of funds				
Total funds brought forward		<u>402,398</u>	<u>402,398</u>	<u>313,688</u>
Total funds carried forward	12	<u><u>305,608</u></u>	<u><u>305,608</u></u>	<u><u>402,398</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for the period is shown in note 12.

The notes on pages 16 to 23 form an integral part of these financial statements.

Sustainability First

Statement of Financial Activities for the Year Ended 31 December 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

These are the figures for the previous accounting period and are included for comparative purposes

	Note	Unrestricted funds £	Total 2020 £
Income and Endowments from:			
Donations and legacies	2	5,000	5,000
Charitable activities	3	400,887	400,887
Investment income	5	196	196
Total income		<u>406,083</u>	<u>406,083</u>
Expenditure on:			
Charitable activities	6	<u>(317,373)</u>	<u>(317,373)</u>
Total expenditure		<u>(317,373)</u>	<u>(317,373)</u>
Net income		<u>88,710</u>	<u>88,710</u>
Net movement in funds		88,710	88,710
Reconciliation of funds			
Total funds brought forward		<u>313,688</u>	<u>313,688</u>
Total funds carried forward	12	<u><u>402,398</u></u>	<u><u>402,398</u></u>

The notes on pages 16 to 23 form an integral part of these financial statements.

Sustainability First

(Registration number: 3897720) Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	8	-	216
Current assets			
Debtors	9	40,044	46,350
Cash at bank and in hand		453,839	435,211
		493,883	481,561
Creditors: Amounts falling due within one year	10	(188,275)	(79,379)
Net current assets		305,608	402,182
Net assets		305,608	402,398
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		305,608	402,398
Total funds	12	305,608	402,398

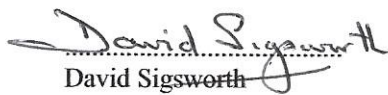
For the financial year ending 31 December 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 13 to 23 were approved by the trustees, and authorised for issue on 23 March 2022 and signed on their behalf by:


David Sigsworth
Trustee

The notes on pages 16 to 23 form an integral part of these financial statements.

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2021

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

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

Going concern

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

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

Exemption from preparing a cash flow statement

The charity opted to adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2021

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Expenditure

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

Charitable activities

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

Taxation

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

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
IT equipment	33.3% straight line

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

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

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2021

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

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

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

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. Pension costs charges in the Statement of Financial Activities represent the contributions payable by the charity during the year.

2 Income from donations and legacies

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Donations and legacies;			
Donations from individuals	3,190	3,190	-
Grants, including capital grants;			
Grants from other charities	-	-	5,000
	<u>3,190</u>	<u>3,190</u>	<u>5,000</u>

3 Income from charitable activities

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Membership & sponsorship fees	<u>254,909</u>	<u>254,909</u>	<u>400,887</u>

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2021

4 Grants & donations

	Unrestricted funds £	Total £
Nesta Enterprise Ltd	2,000	2,000
Designit	1,000	1,000
Sundry donations	190	190
	<u>3,190</u>	<u>3,190</u>

5 Investment income

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Interest receivable and similar income;			
Interest receivable on bank deposits	404	404	196
	<u>404</u>	<u>404</u>	<u>196</u>

6 Expenditure on charitable activities

	Unrestricted General funds £	Total 2021 £	Total 2020 £
Communications	5,345	5,345	8,230
Company secretarial and bookkeeping service	17,100	17,100	15,600
Competition & exhibition costs	9,692	9,692	-
Consultancy fees	121,934	121,934	134,456
Depreciation	216	216	215
Donations made	1,000	1,000	-
Educational outreach	1,000	1,000	-
Insurance	4,447	4,447	3,174
IT consultancy & software	12,360	12,360	5,767
Legal & professional	663	663	650
Meals & catering	-	-	23
Office accommodation	642	642	7,963
Payroll fees	488	488	392
Prizes	4,900	4,900	3,500
Printing & photocopying	892	892	-
Recruitment expenses	5,606	5,606	1,500
Subscriptions	3,263	3,263	3,302
Sundry expenditure	492	492	42
Travel, meetings & conference costs	16,133	16,133	2,537
Wages, NI & pension	149,120	149,120	130,022
	<u>355,293</u>	<u>355,293</u>	<u>317,373</u>

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2021

The figures in note 6 represent expenditure made and committed in the year. The trustees have identified £160,500 of expenditure relevant to projects which represent expected costs of delivery of certain projects in future periods which Sustainability First has indicated to sponsors will be incurred and also the costs required for the strategic development of the charity which the trustees have decided should take place in the forthcoming periods. The trustees have chosen to designate these funds accordingly see notes 12 and 13.

7 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	136,209	118,731
Social security costs	10,749	9,473
Pension costs	2,162	1,818
	<u>149,120</u>	<u>130,022</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2021 No	2020 No
Average number of employees	<u>4</u>	<u>3</u>

3 (2020 - 3) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £2,162 (2020 - £1,818).

The number of employees whose emoluments fell within the following bands was:

	2021 No	2020 No
£100,001 - £110,000	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel of the charity were £105,935 (2020 - £105,941).

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2021

8 Tangible fixed assets

	Computer equipment £	Total £
Cost		
At 1 January 2021	647	647
At 31 December 2021	647	647
Depreciation		
At 1 January 2021	431	431
Charge for the year	216	216
At 31 December 2021	647	647
Net book value		
At 31 December 2021	-	-
At 31 December 2020	216	216

9 Debtors

	2021 £	2020 £
Trade debtors	35,106	31,357
Prepayments	4,685	14,233
Accrued income	253	49
Other debtors	-	711
	40,044	46,350

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	6,254	23,211
Other taxation and social security	16,693	-
Accruals	2,896	16,698
Deferred income	162,432	39,470
	188,275	79,379

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2021

11 Charity status

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

12 Funds

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2021 £
Unrestricted funds					
<i>General</i>					
General	271,398	258,503	(355,293)	(29,500)	145,108
<i>Designated</i>					
Activities	<u>131,000</u>	<u>-</u>	<u>-</u>	<u>29,500</u>	<u>160,500</u>
Total funds	<u><u>402,398</u></u>	<u><u>258,503</u></u>	<u><u>(355,293)</u></u>	<u><u>-</u></u>	<u><u>305,608</u></u>
	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2020 £
Unrestricted funds					
<i>General</i>					
General	158,688	406,083	(317,373)	24,000	271,398
<i>Designated</i>					
Activities	<u>155,000</u>	<u>-</u>	<u>-</u>	<u>(24,000)</u>	<u>131,000</u>
Total funds	<u><u>313,688</u></u>	<u><u>406,083</u></u>	<u><u>(317,373)</u></u>	<u><u>-</u></u>	<u><u>402,398</u></u>

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

The Designated activities fund is to cover strategic development of Sustainability First and activities (workshops, conferences, travel and sub-contractors) which will be delivered in future periods.

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2021

13 Analysis of net assets between funds

	Unrestricted		2021
	General £	Designated £	Total funds £
Current assets	333,383	160,500	493,883
Current liabilities	(188,275)	-	(188,275)
Total net assets	<u>145,108</u>	<u>160,500</u>	<u>305,608</u>

	Unrestricted		2020
	General £	Designated £	Total funds £
Tangible fixed assets	216	-	216
Current assets	350,561	131,000	481,561
Current liabilities	(79,379)	-	(79,379)
Total net assets	<u>271,398</u>	<u>131,000</u>	<u>402,398</u>

14 Fees payable to independent examiner

During the period, the fees payable (excluding VAT) to the charity's independent examiner Community Accounting Plus are analysed as follows:

	2021 £	2020 £
Independent examination	650	650
Other financial services	488	392
	<u>1,138</u>	<u>1,042</u>

15 Taxation

The charity is a registered charity and is therefore exempt from taxation.

16 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

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

17 Related party transactions

There were no related party transactions in the year.

Accounts

Company registration number: 03897720

Charity registration number: 1078994

Sustainability *first*

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2020

Community Accounting Plus
Units 1 & 2, North West
Talbot Street
Nottingham
NG1 5GL

Sustainability First

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Sustainability First

Reference and Administrative Details

Patrons

E Cattle

Lord Larry Whitty

Baroness Anne McIntosh

Lord Robin Teverson

Trustees

P Barton, Chair

Professor G Mackerron, Vice Chair

X Yu, Treasurer

F Osborn

D Sigsworth

D Lickorish

R Adams

S Deasley

T Cotterill

J Perkins

Secretary

C Williams

Senior Management Team

S Darcy

Principal Office

85 Great Portland Street

First Floor

London

W1W 7LT

Company Registration Number

03897720

Charity Registration Number

1078994

Independent Examiner

John O'Brien, employee of

Community Accounting Plus

Units 1 & 2, North West

Talbot Street

Nottingham

NG1 5GL

Sustainability First

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2020.

Trustees

P Barton, Chair

Professor G Mackerron, Vice Chair

X Yu, Treasurer

F Osborn

D Sigsworth

D Lickorish

R Adams

S Deasley

T Cotterill

J Perkins (appointed 23 September 2020)

D Leiper (resigned 23 September 2020)

Structure, governance and management

Nature of governing document

The charity is a company limited by guarantee and registered charity. It is operated under the rules of its memorandum and articles of association dated 21st December 1999 and recently amended 30th June 2016. It has no share capital and the liability of each member in the event of winding-up is limited to £1.

Recruitment and appointment of trustees

Overall management of the charity is the responsibility of the trustees who are elected and co-opted under the terms of the memorandum and articles of association. New trustees are sought by recommendation or through advertisement and interviewed, selected candidates are appointed with the agreement of the Board. Day to day project activity is managed and carried out by employees, paid associates and unpaid trustees.

Objects and aims

The principal objects of the charity are:

- To advance the knowledge and understanding of the environmental, economic and social dimensions of sustainability;
- To undertake and procure research and study, publishing any useful results;
- To promote ideas, actions and changes to further the integration of the quality of life with environmental protection. This includes the combating of climate change and global warming, at a community, regional, national and international level.

Sustainability First

Trustees' Report

Public benefit

The main activities undertaken to benefit the public are to procure research on sustainability, promote wider education on sustainability and public interest issues, particularly in water and energy, and publish useful results. These activities benefit the public by advancing the knowledge and understanding of the environmental, economic and social dimensions of sustainability. This is achieved by engaging in research and analysis, publishing the results freely and using research for discussion for key players in the fields of sustainable energy and water. The beneficiaries are the users and future users of energy and water supplies in the UK and the environment in which they live.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

Summary of the main achievements during the period:

In 2020, Sustainability First continued to promote practical solutions to improve environmental, social and economic well-being within public utilities.

We convened senior policy, regulatory, corporate and civil society stakeholders in workshops and roundtables to test and disseminate our thinking and proposals and to educate and build understanding about sustainability. Due to Covid-19 these were moved to an online format.

During the year, we published more than 15 project papers and briefings and ten consultation responses, all of which can be accessed on our website. We have shared our work by speaking at online conferences and events and through blogs, media articles and via our social media channels, Twitter and Instagram. We also produced two newsletters which were sent to our supporters.

In November, we carried out our second annual impact assessment to gather feedback from key stakeholders. Over 90% of our stakeholder reported that their working relationship with Sustainability First is either very good or fairly good, with the majority of these - over 70% - very good. Stakeholders replied that the following aspects of their relationship with us were the most productive: the exchange of information/ideas, networking, new thinking, the value of challenge.

Our stakeholders also reported our biggest areas of impact as: new ideas and innovation, networking, shaping policy and regulation. Specific examples of impact provided by our stakeholders included: the development of new policy based on information sharing from a Sustainability First event, influencing regulation of the water market, shaping public interest in energy and water sectors, and framing discussion on how regulators need to work together and the strategic outcomes and threats they face.

Governance and staffing

At the September meeting we were extremely pleased to welcome and formally appoint our new Trustee, Joe Perkins. Don Leiper retired as a trustee and we thank him for his service to Sustainability First. We moved our registered office, details of the new office are shown on page 1.

We were sorry to see the departure of our Research Officer but were pleased to appoint three new members of staff to support the work of Sustainability First on research, project delivery, communications and education and outreach. We welcome the new staff.

Sustainability First

Trustees' Report

Fair for the Future Project

Our major three-year Fair for the Future project which is working with regulated utility sectors to help them better address the politics of fairness and the environment continued into its third and final year. The project has two workstreams: developing and testing a 'Sustainable Licence to Operate' for companies; and building understanding of political uncertainty and regulatory risk to better deliver social and environmental outcomes.

In September, we published several key outputs for the project, including: our 'How to Guide' on a purposeful business approach; our discussion paper on sustainability metrics in public utilities; and a Viewpoint on the role of the Company Secretary in putting a company's purpose into action. On risk, in April we produced a briefing paper to support strategic thinking in the pandemic and in October we published a board pack on policy and regulatory risk that brought together analysis of the risk backdrop to the public purpose debate and provided guidance to executives on resilience.

As part of the project we secured pro bono support from the international law firm, Slaughter and May, who carried out a piece of extensive analysis for us on sustainability, law and regulation in energy, water and telecoms. Building on this work, we held a webinar in January 2021 that examined how much flexibility there is within current legal and regulatory frameworks and asked whether further legislation on sustainability and net-zero was needed.

In November we held two brainstorms on adaptive approaches to regulation and the role of consumer engagement in regulation, which will help to develop our thinking ahead of our final project paper and conference in March 2021. The final conference and paper will focus on the implications of public purpose for policy and regulation.

During the year we have disseminated our Fair for the Future Project work extensively, including through a 'show and tell' to Ofgem's Chair and 80 Ofgem staff, to key members of Ofwat's leadership team, some of the energy team at BEIS and to Citizens Advice. We have also held bilateral meetings with, amongst others, Thames Water, the Energy Ombudsman CEO, the GIIA CEO and National Grid.

Public Interest Advisory Group for Smart Meter Energy Data

Convened with the Centre for Sustainable Energy, since 2017 the Public Interest Advisory Group (PIAG) on smart meter energy data has brought together a broad range of public interest stakeholders to consider how smart meter data can be put to best use to further public policy goals and aid in the energy transition. Phase 2 of the PIAG project began in late 2019 and focuses on building an evidence base for our Phase 1 recommendations. During the year we held three high-level workshops that explored the potential benefits of smart-meter data for regulatory assessments and systems efficiency, and devolved governments and local authorities. The penultimate workshop, which was held in November engaged a range of new actors who had not previously engaged with the PIAG work. We also submitted a response to Ofgem's Market-wide Half Hourly Settlement consultation, which addressed points around data access that have been explored by the PIAG project.

We are now preparing for the final PIAG report and workshop, which will be held in the Spring of 2021.

Sustainable Futures Project

Our latest programme, Sustainable Futures, aims to reconcile the focus on GDP with the need to secure economic, social, and environmental wellbeing within public utilities. The project brings together knowledge from these sectors and from within the arts, to encourage dialogue, change behaviours, educate and inspire people for a more sustainable future. This programme began with our artist residencies. Only the first of these, with UKPN, was able to start due to the pandemic.

Sustainability First

Trustees' Report

At the start of the crisis we launched an art and essay competition, in which we invited original, radical ideas and visions in response to the question: *'How do we build from the current corona crisis towards a more sustainable future?'* Over 1,100 artworks and 100 essays were submitted. Using the competition entries as a foundation for discussion, and supported by the insights of industry experts, our judging panel from the art and essay competition, and the wider literature, in Summer 2020 we produced our first-ever virtual book, *'Building from the Corona Crisis towards a Sustainable Future'*, which brings together this wide range of voices to 're-imagine' a more sustainable future. Alongside the virtual book, the insights and ideas from our art and essay competitions helped to shape our responses to the BEIS Select Committee Post-pandemic economic growth inquiry and The House of Lords Covid Committee.

The next stage of this programme, which is due to take place in 2021, will see us host a series of online discussion events that ask how we can address climate change and social justice issues as we recover from the pandemic. These events will feature a wide range of voices, including activists, artists, academics, policymakers, companies and community organisations. Through the events we hope to develop positive, imaginative visions for social, environmental and economic well being and practical actions for change. We are also currently developing an educational outreach element of the project which will target primary and secondary schools and aims to bring together science and art. This work is being funded by National Grid, who are a principal UK Government Partner for COP26.

RII02 network price controls

Sustainability First has been a member of Ofgem's Challenge Group for the RII02 network price review throughout the year and has taken an active role in various working groups on this subject. In August we held an informal workshop on the 'Just Transition' and the RII02 price controls. In September we submitted responses to Ofgem's consultations on the RII02 Draft Determinations for Transmission, Gas Distribution and the ESO, and on the RII02 ED2 Methodology.

The social and distributional impacts of decarbonisation and climate adaptation

In early 2020 we secured a seed corn grant from the Nuffield Foundation to carry out a meta-analysis on the existing and current research on this topic. We published this research in April and produced a briefing paper on this and held a high-level roundtable in June - with BEIS, HMT, Ofgem and Scottish Government representatives, academics and civil society groups. This year we also secured pro bono support from Frontier Economics to develop a framework and methodology for assessing the distributional impacts around decarbonisation and climate adaptation. This work will begin in January 2021.

Sustainability Principles

Building on a guest blog that the Director wrote for the independent thinktank Bright Blue in mid-2020, in October, we published an Expert Viewpoint that examines the need to change our economic approach - such as how we regulate for investment in our future energy and water networks - for a resilient future. The paper proposes eight 'sustainability principles' that should underpin economic policy and regulatory decision making in public utilities. On the back of this work, we are developing a major new Sustainability Principles Project, which we aim to run from summer 2021 to the end of 2022. The aim of this project would be to develop, test and embed a robust set of practical sustainability principles which economic decision-makers can readily adopt and apply. This will involve the development of a set of practical 'use cases.'

Bespoke pieces of work

In August, we started working on a project with Wessex Water on their social purpose.

Sustainability First

Trustees' Report

Consultation responses

During the year, Sustainability First responded to ten consultations and calls for evidence:

- Citizens Advice Draft Consumer Work Plan, January 2020
- Ofgem's Decarbonisation Programme Action Plan, February 2020
- RII02 Net-Zero Reopener, May 2020
- BEIS Economic Recovery Initiative, June 2020
- BEIS Committee – Post-Pandemic Economic Growth Inquiry, July 2020
- House of Lords – Life beyond Covid Inquiry, August 2020
- Ofgem, RII02, Draft Determinations for Gas and Electricity Transmission, Gas Distribution, Electricity System Operator RII02 Price Controls, September 2020
- Ofgem Consultation on Market-Wide Half Hourly Settlement, September 2020
- Ofgem, ED2 Methodology Consultation, September 2020
- Ofgem Impact Assessment Guidance, September 2020

Covid

During the year we have had to adapt our work to the Covid 19 pandemic. For example, we developed a log of actions public utilities were taking to put their purpose into action in the crisis and used this to shape our policy outputs. In addition to the work for our new Sustainable Futures Programme, we also produced several Viewpoints on the pandemic including a piece by our Founder and Patron Ted Cattle on actions to take in the crisis and by one of our Associates on vulnerability, affordability and utilities in the pandemic.

We started to hold weekly on-line team meetings in March to keep us in touch with each other and to provide a platform for information exchange, support and planning whilst we work remotely. We had to put on hold our plans to develop a 'strategic partners' programme as we were no longer able to meet in person; and some of those that we were in discussions with were facing financial constraints.

Plans for 2021

Sustainability First plans to continue its work through projects on-going at the year end, as indicated above. These include Fair for the Future; the Public Interest Advisory Group; and the Sustainable Futures Programme. We plan to launch our new Sustainability Principles project in mid 2021.

Sustainability First

Trustees' Report

Financial review

Sustainability First is pleased to report net movement in funds for the year ended 31 December 2020 of £88,710 (2019: £26,833). The income for the year of £406,083 (2019: £299,722) was mainly generated from a series of projects involving research and analysis as described above. Some of these were completed during the year, others were on-going at the end of the year. The total expenditure on charitable activities during the year was £317,373 (2019: £272,889). The reserves carried forward at the end of the period were £402,398 (2019: £313,688). The trustees recognise and anticipate that there will be further expenditure out of the reserves to complete the projects that were on-going at the end of the year. The trustees have also decided to designate funds to allow for the strategic development of Sustainability First by seeking longer term funding from new sources and by building the in-house team delivering its charitable activities. In recognition of these the trustees have decided to designate £131,000 (2019: £155,000) of General funds to cover delayed project activities (workshops, conferences, travel and sub-contractors) which will be delivered in 2021 and for strategic development. Details will be provided in the Financial Statements to 31 December 2021 in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations at that date. Reserves will also be used to develop new income streams to allow for an increase in the range of activities undertaken by Sustainability First including dissemination, research and communications.

Policy on reserves

The trustees of Sustainability First keep the financial reserves for the charity under regular review. The desired level of reserves is discussed by trustees at least annually. Our current aim is to retain sufficient reserves to meet core overhead costs for one year ahead. In line with Charity Commission guidance, Sustainability First will always maintain sufficient reserves to cover core costs for a minimum of six months. The level of Sustainability First reserves is noted each quarter via the finance report to trustees.

At the end of 2020 the level of reserves was £402,398, however as mentioned above £131,000 was designated from the General fund to cover costs to complete projects that were on-going at the end of the year and for strategic development of the Charity. This effectively left General reserves, not designated, of £271,398 which represented 16 months' worth of other core operating and development costs. Whilst this level is higher than the target, the trustees have examined the projected reserves level in years to come and anticipate that the level will reduce as current income sources come to an end and projects are completed and will therefore allow time for the development of new projects.

Sustainability First

Trustees' Report

Principal risks and uncertainties

Main risks

The trustees have reviewed the risks to the charity during the year and have identified the main risks as relating to: key staff and associates (identifying, keeping and dealing with sudden loss); future projects and project funding; and quality assurance (especially on short-term / one-off pieces of work). New risks identified related to COVID 19, its impact on ways of working, projects and fundraising. One risk saw its profile increase: reputational loss. This was due to the febrile environment around water and energy price reviews which sit at the heart of some of our ongoing work and thinking on regulation and consumer engagement. The IT/data security risk saw its profile reduced.

The trustees consider that suitable actions are being taken and controls have been put in place to control and mitigate these risks. These include: maintaining involvement of a range of Associates and having more core staff available; maintaining close dialogue with staff and Associates and developing new personnel and Associates where relevant; ensuring quality control of reports and publications by review processes; developing new ways of working including remote working and regular team discussions on-line and delivering project outputs virtually and increasing the methods of communicating with our audiences, sponsors and the public; developing new ideas to broaden the reach of our work eg via the essay and art competition, ensuring sponsors remain satisfied with work produced by discussion with them; seeking new sponsors; allocating resources to allow for the strategic development of Sustainability First including its sources of funding and communication strategy; keeping an up to date register of interests for trustees, staff and associates; ensuring suitable insurance policies are in place; maintaining IT capability to store data safely.

In addition to the review of risks which took place during the year, the trustees considered the various Sustainability First policies and procedures and updated these and added to them to reflect the nature of work undertaken, the wider staff and Associate team and the changes to remote working and engagement. The trustees reviewed the plans for the organisation and regularly considered how these plans needed to be adapted to deal with the impact of COVID 19 and considered what action should be taken as the situation evolved.

Implications of COVID 19

As mentioned above the trustees considered the implications of COVID 19 on the charity and the actions taken to deal with the situation during the year and continue to do so. Some of the implications and arrangements are detailed below.

Staff – at every stage the health and safety of staff has been a priority. Arrangements were made for staff to work from home. New guidance on home working was issued and regular keep-in-touch arrangements, using virtual meetings in addition to electronic communication, were introduced. Staff are encouraged to raise personal issues arising from the pandemic with the Director so that Sustainability First can try to support them. Due to the nature of the charity's work and the plans implemented, no staff contracts were affected and no staff needed to be furloughed due to the pandemic.

Meetings – from the start of the first lock down in March 2020 arrangements were made to hold meetings virtually to avoid unnecessary travel by staff, trustees and other stakeholders. The main changes included on-line weekly meetings for staff and associates, conferences and discussion sessions held virtually and, in line with the provisions of the articles of association, holding trustees' meetings and the AGM virtually.

Impact on the charity's development during the year and its position at the reporting date – the charity was able to continue to fulfil its various projects successfully. Planned conferences were switched to an on-line format. It had been hoped to develop new projects and sources of funds during the year. The plans were modified and new initiatives were developed, including an Art and Essay prize, and the major new Sustainable Futures project was secured. The trustees agreed with the director that the time horizon for strategic development should be extended given the impact of COVID 19 and will continue in 2021.

Sustainability First

Trustees' Report

Use of reserves and viability – as mentioned in the accounts, the charity had reserves at the end of 2020 and plans to use part of these to complete existing projects and for strategic development. The trustees have considered that reserves will be sufficient to cover these costs and cover predicted expenditure in 2021 and part of 2022. The trustees have considered the availability of reserves and the on-going plans for the future and are confident that the charity remains viable.

Impact on wider stakeholders – the delivery of projects and our contact with our wider stakeholders have been considered and adapted to the circumstances and restrictions of the pandemic. Use has been made of virtual events and our communications strategy developed to ensure continued and wider communication with our various stakeholders.

IT systems and office arrangements – new software and IT systems have been introduced to make communications easier. Our web site has been developed and social media programme increased. We decided to temporarily cease the use of office premises for staff and meetings and made alternative arrangements.

On-going review – The director of Sustainability First and the trustees meet quarterly and discuss all aspects of the charity and are keeping arrangements to deal with the impact of the COVID 19 pandemic under regular review.

Statement of Trustees' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 25 March 2021 and signed on its behalf by:

P Barton

P Barton
Trustee

Sustainability First

Independent Examiner's Report to the trustees of Sustainability First

Independent examiner's report to the trustees of Sustainability First ('the Company')

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2020.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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

John O'Brien

.....

John O'Brien MSc, FCCA, FCIE, employee of Community Accounting Plus
Fellow of the Association of Charity Independent Examiners

Units 1 & 2, North West
Talbot Street
Nottingham
NG1 5GL

Date:.....13/04/2021.....

Sustainability First

Statement of Financial Activities for the Year Ended 31 December 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2020 £	Total 2019 £
Income and Endowments from:				
Donations and legacies	2	5,000	5,000	-
Charitable activities	3	400,887	400,887	299,527
Investment income	4	196	196	195
Total Income		406,083	406,083	299,722
Expenditure on:				
Charitable activities	5	(317,373)	(317,373)	(272,889)
Total Expenditure		(317,373)	(317,373)	(272,889)
Net income		88,710	88,710	26,833
Net movement in funds		88,710	88,710	26,833
Reconciliation of funds				
Total funds brought forward		313,688	313,688	286,855
Total funds carried forward	15	402,398	402,398	313,688

All of the charity's activities derive from continuing operations during the above two periods.

Sustainability First

Statement of Financial Activities for the Year Ended 31 December 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Funds breakdown for the previous accounting period ended 31 December 2019

These are the figures for the previous accounting period and are included for comparative purposes

	Note	Unrestricted funds £	Total 2019 £
Income and Endowments from:			
Charitable activities	3	299,527	299,527
Investment income	4	195	195
Total income		<u>299,722</u>	<u>299,722</u>
Expenditure on:			
Charitable activities	5	<u>(272,889)</u>	<u>(272,889)</u>
Total expenditure		<u>(272,889)</u>	<u>(272,889)</u>
Net income		<u>26,833</u>	<u>26,833</u>
Net movement in funds		26,833	26,833
Reconciliation of funds			
Total funds brought forward		<u>286,855</u>	<u>286,855</u>
Total funds carried forward	15	<u>313,688</u>	<u>313,688</u>

Sustainability First
(Registration number: 03897720)
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	216	431
Current assets			
Debtors	9	46,350	61,577
Cash at bank and in hand	13	435,211	355,722
		481,561	417,299
Creditors: Amounts falling due within one year	10	(79,379)	(104,042)
Net current assets		402,182	313,257
Net assets		402,398	313,688
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		402,398	313,688
Total funds	15	402,398	313,688

For the financial year ending 31 December 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The financial statements on pages 11 to 22 were approved by the trustees, and authorised for issue on 25 March 2021 and signed on their behalf by:

X Yu

X Yu
Trustee

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

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

Going concern

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

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

Exemption from preparing a cash flow statement

The charity opted to adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2020

Expenditure

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

Charitable activities

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

Taxation

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

Tangible fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value of all tangible fixed assets with a cost exceeding £500 over their expected useful economic life as follows:

Asset class	Depreciation method and rate
IT equipment	33.3% straight line

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2020

Trade creditors

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

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

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. Pension costs charges in the Statement of Financial Activities represent the contributions payable by the charity during the year.

2 Income from donations and legacies

	Unrestricted funds		
	General	Total	Total
	£	2020	2019
		£	£
Grants, including capital grants;			
Grants from other charities	5,000	5,000	-
	5,000	5,000	-

3 Income from charitable activities

	Unrestricted funds		
	General	Total	Total
	£	2020	2019
		£	£
Membership & sponsorship fees	400,887	400,887	299,527

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2020

4 Investment income

	Unrestricted funds		
	General £	Total 2020 £	Total 2019 £
Interest receivable and similar income;			
Interest receivable on bank deposits	196	196	195

5 Expenditure on charitable activities

	Unrestricted General funds £	Total 2020 £	Total 2019 £
Company secretarial and bookkeeping service	15,600	15,600	18,888
Consultancy fees	134,456	134,456	96,565
Depreciation	215	215	216
Insurance	3,174	3,174	2,700
IT consultancy & software	5,767	5,767	3,125
Legal & professional	650	650	779
Meals & catering	23	23	720
Office accommodation	7,963	7,963	6,085
Payroll fees	392	392	312
Prizes	3,500	3,500	-
Printing & photocopying	-	-	619
Communications	8,230	8,230	7,607
Travel, meetings & conference costs	2,537	2,537	9,983
Trustee travel & subsistence	-	-	831
Wages, NI & pension	130,022	130,022	121,423
Subscriptions	3,302	3,302	3,008
Recruitment expenses	1,500	1,500	-
Sundry expenditure	42	42	28
	317,373	317,373	272,889

The figures above represent expenditure made and committed in the year. The trustees have identified £131,000 of expenditure relevant to projects which represent expected costs of delivery of certain projects in future periods which Sustainability First has indicated to sponsors will be incurred and also the costs required for the strategic development of the charity which the trustees have decided should take place in the forthcoming periods. The trustees have chosen to designate these funds accordingly see notes 15 and 16.

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2020

6 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

D Sigsworth

£Nil (2019: £831) of expenses were reimbursed to D Sigsworth during the year.

Trustee travel & subsistence expenses reimbursed

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

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

7 Fees payable to independent examiner

During the period, the fees payable (excluding VAT) to the charity's independent examiner Community Accounting Plus are analysed as follows:

	2020 £	2019 £
Independent examination	650	650
Other financial services	392	312
	<u>1,042</u>	<u>962</u>

8 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	118,731	109,275
Social security costs	9,473	10,496
Pension costs	1,818	1,652
	<u>130,022</u>	<u>121,423</u>

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2020

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2020 No	2019 No
Average number of employees	3	2

3 (2019 - 2) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £1,818 (2019 - £1,652).

The number of employees whose emoluments fell within the following bands was:

	2020 No	2019 No
£100,001 - £110,000	1	1

The total employee benefits of the key management personnel of the charity were £105,941 (2019 - £107,891).

9 Debtors

	2020 £	2019 £
Trade debtors	31,357	57,982
Prepayments	14,233	3,546
Accrued income	49	49
VAT recoverable	711	-
	<u>46,350</u>	<u>61,577</u>

10 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	23,211	4,731
Other taxation and social security	-	13,445
Accruals	16,698	11,790
Deferred income	39,470	74,076
	<u>79,379</u>	<u>104,042</u>

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2020

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

12 Tangible fixed assets

	Computer equipment £	Total £
Cost		
At 1 January 2020	647	647
At 31 December 2020	647	647
Depreciation		
At 1 January 2020	216	216
Charge for the year	215	215
At 31 December 2020	431	431
Net book value		
At 31 December 2020	216	216
At 31 December 2019	431	431

13 Cash and cash equivalents

	2020 £	2019 £
Cash at bank	435,211	355,722

14 Charity status

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

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2020

15 Funds

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2020 £
Unrestricted funds					
<i>General</i>					
General	158,688	406,083	(317,373)	24,000	271,398
<i>Designated</i>					
Activities	155,000	-	-	(24,000)	131,000
Total funds	<u>313,688</u>	<u>406,083</u>	<u>(317,373)</u>	<u>-</u>	<u>402,398</u>

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

The Designated activities fund is to cover strategic development of Sustainability First and activities (workshops, conferences, travel and sub-contractors) which will be delivered in 2021.

	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2019 £
Unrestricted funds					
<i>General</i>					
General	210,855	299,722	(272,889)	(79,000)	158,688
<i>Designated</i>					
Activities	76,000	-	-	79,000	155,000
Total funds	<u>286,855</u>	<u>299,722</u>	<u>(272,889)</u>	<u>-</u>	<u>313,688</u>

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2020

16 Analysis of net assets between funds

	Unrestricted funds		2020
	General £	Designated £	Total funds £
Tangible fixed assets	216	-	216
Current assets	350,561	131,000	481,561
Current liabilities	(79,379)	-	(79,379)
Total net assets	271,398	131,000	402,398

	Unrestricted funds		2019
	General £	Designated £	Total funds £
Tangible fixed assets	431	-	431
Current assets	262,299	155,000	417,299
Current liabilities	(104,042)	-	(104,042)
Total net assets	158,688	155,000	313,688

17 Related party transactions

There were no related party transactions in the year.