

**Company Registration No. 10119873**

**Charity Registration No. 1165752**

**MCS Charitable Foundation**

**Trustees' Report and Consolidated Financial  
Statements for the year ended 31 December 2024**



MCS Charitable Foundation

Charity reference and administrative details

---

Trustees	Fabio Nehme (Chair) Karen Shearer (Vice Chair) Mary Black Matthew Billson Sarah Gosling David Pinder Rebecca Ritchie Sandra Walmsley
Chief Executive Officer	Garry Felgate
Charity Number	1165752
Company Number	10119873
Registered office	First Floor Violet 3 Sci-Tech Daresbury Warrington United Kingdom WA4 4AB
Auditor	Saffery LLP 71 Queen Victoria Street London EC4V 4BE
Solicitor	Bates Wells and Braithwaite London LLP 10 Queen Street Place London EC4R 1BE
Bank	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
Investment advisors	Rathbones Investment Management Limited 10 Queen Square Bristol BS1 4NT

MCS Charitable Foundation

Contents

---

	Page
Trustees’ report	1 – 20
Independent auditor’s report	21 – 24
Consolidated statement of financial activities	25
Consolidated balance sheet	26
Charity balance sheet	27
Consolidated cash flow statement	28
Notes to the financial statements	29 – 44

## **MCS Charitable Foundation**

### **Trustees' report**

#### **For the year ended 31 December 2024**

---

The Trustees (who are also directors of the MCS Charitable Foundation for the purposes of the Companies Act) present their annual report together with the audited consolidated financial statements of MCS Charitable Foundation ("the Foundation") for the period 1 January 2024 to 31 December 2024.

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), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

### **Origins and History of the Foundation**

The Microgeneration Certification Scheme (MCS) plays an important part in the growth of the installation of renewables in homes and small businesses.

It was set up by the Government in 2008 to certify buildings-scale renewable electricity and heat products and installers, to provide assurance to consumers about the quality and standard of their installation.

The Government transferred the assets comprising MCS, as well as the MCS Fund (the historical profits from the operation of the Scheme) to the MCS Charitable Foundation on 25 April 2018.

In 2023 the MCS Charitable Foundation changed its trading name to The MCS Foundation.

The MCS Service Company Limited ("the Service Company") now operates as a trading arm of the MCS Foundation. Surplus income from the Service Company is added to the MCS Foundation funds.

The Foundation aims to fulfil a number of charitable objects, including;

- educating the public about;
- promoting research about;
- improving the quality of;
- supporting the development of standards for; and
- raising confidence and consumer awareness of renewable energy and low carbon technologies.

These objects sit within the Foundation's overall vision to make every UK home carbon free.

The Foundation's mission is to decarbonise homes, heat and energy throughout the UK by driving positive change.

**MCS Charitable Foundation**

**Trustees’ report**  
**For the year ended 31 December 2024**

---

**Structure, Governance and Management**

The MCS Charitable Foundation is a registered charity (no. 1165752) and a limited company (no. 10119873). Its constitution is its Memorandum and Articles of Association. The company was incorporated on 12 April 2016.

On 25 April 2018 the Foundation became the parent undertaking of The MCS Service Company Limited (Company registration number 07759366), a company limited by guarantee. This report consolidates the financial reporting of the Group.

**Trustees (including Recruitment and Training)**

Overall strategic direction and governance rest with the Board of Trustees. The Trustees were recruited in accordance with the Memorandum and Articles of Association of the Foundation. The Trustees during the year were as follows:

Fabio Nehme	Chair
Gareth Williams	Vice Chair (Resigned 31 January 2024)
Karen Shearer	Vice Chair (Vice Chair since 20 March 2024)
Sandra Walmsley	
Mary Black	(Appointed 1 February 2024)
Sarah Gosling	(Appointed 1 February 2024)
David Pinder	(Appointed 1 June 2025)
Matthew Bilson	(Appointed 1 June 2025)
Rebecca Ritchie	(Appointed 1 June 2025)

The Foundation and the Service Company executive teams continued to develop during the year, reflecting the growing ambitions of the Group and the increasing income levels. In July 2024, the previous CEO of the Foundation resigned after being elected MP for Waveney Valley and in April 2025 Dr Garry Felgate joined to continue the excellent work and drive towards our charitable objectives. Joint working between the Foundation and Service Company was further enhanced, with several initiatives drawing on skills and knowledge from across the Group to advance the Group’s sector-convening work, such as on skills and external affairs, and through MCS facilitation of sector-wide technical working groups for the development and maintenance of standards. The Group and Service Company Chief Executives also work closely together in planning the activities of the Group and monitoring performance, supported by the Group Senior Management team.

During the year there were some minor changes to the membership of the Board of Trustees, with a Trustee stepping down in January 2024, two new Trustees joining at the beginning of February 2024 and a further three Trustees joining in June 2025. Trustees review the skills required on the Board to support the Foundation’s strategic objectives and will add to the Board’s membership during 2025.

In April 2025 MCS Charitable Foundation was granted Charitable Status in Scotland (SC054191) by the Scottish Charity Regulator (OSCR) and will be planning to use this responsibility to further push forward the decarbonisation of homes in Scotland.

## **MCS Charitable Foundation**

### **Trustees' report**

**For the year ended 31 December 2024**

---

#### **Trustees (including Recruitment and Training) (continued)**

The Trustees consider that the Board of Trustees, the Foundation Chief Executive Officer, the Service Company Chief Executive Officer, the Director of External Affairs, the Programmes Director and the Group Finance Director comprise the key management personnel of the Foundation, with Trustees ensuring good governance and clear strategic direction, and the executive team leading the delivery of the strategy and Foundation operations. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts. The pay bands of the Foundation/Group CEO and the Service Company CEO are set by the Board of Trustees and reviewed periodically. The pay bands for other staff are set by the two Chief Executives as part of a framework across the Group. The remuneration is set to ensure it is fair and will attract and retain staff of the appropriate calibre and experience required by the Foundation and its Service Company.

The Foundation is a member of the National Council of Voluntary Organisations ("NCVO") and the Association of Charitable Foundations ("ACF") which both provide helpful information and training on good practice, changes in the law affecting charities and act as an authoritative lobby on behalf of charitable foundations with government and regulators. Trustees use NCVO and ACF resources and events to keep up to date.

Trustees are required to disclose all relevant interests and register them with the Board. In the event of a conflict of interest or loyalty, the Foundation's policy is that Trustees should withdraw from the decision-making process.

#### **Risk Management**

The Trustees have assessed the major risks to which the Foundation is exposed, in particular those related to the operations and finances of the Foundation and the Service Company.

The principal risks and uncertainties identified by the Trustees are:

- Investment performance is below expectations or not adequately monitored;
- Significant government policy shift either drives installers away from MCS as a voluntary scheme or introduces competition;
- Consumers don't receive adequate protection as a result of the Scheme delivery structure.

A risk register is in place through which all risks are monitored. The Trustees are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Performance of the Foundation's investments is monitored on a quarterly basis with Rathbones investment management providing any significant updates in between times. The Board invited the Rathbones investment management team to a recent board meeting to discuss performance and strategy in the light of economic conditions. In 2024 there was a reasonable return in the first 3 quarters followed by a significant dip in Q4, that has carried on into Q1 2025. As the Foundation is not reliant on this fund for short to medium term expenditure there is time to allow for the fund to recover.

## **MCS Charitable Foundation**

### **Trustees' report**

**For the year ended 31 December 2024**

---

#### **Risk Management (continued)**

The Service Company surpluses were healthy in 2024. The Service Company Business Plan is focused on ensuring that the MCS Scheme remains effective and is simplified to ensure it is accessible for the benefit of installers, consumers and stakeholders with several initiatives underway to advance this work, particularly around consumer protections. The Scheme continues to see growth in the number of registered installs, primarily for the installation of electricity generating technologies such as solar PV but also an increase in heat pumps and battery storage. The current main government incentive (Boiler Upgrade Scheme) has been extended to 2028 and the 24/25 funding budget was increased due to the uptake of the Scheme. The Service Company plays a key role in the delivery of this Scheme alongside Ofgem.

#### **Objectives and Activities**

The Objects of the Foundation are:

- (a) the advancement of education and environmental protection and improvement by educating the public in the subject of the design, development, manufacture and installation of renewable energy and low carbon technologies (products and systems) (including, for the avoidance of doubt, providing bursaries to those wishing to pursue careers in this area and institutions providing education in this area);
- (b) the advancement of education and environmental protection and improvement by promoting study and research into the design, development, manufacture and installation of renewable energy and low carbon technologies (products and systems), provided that the useful results of such study and research are disseminated to the public at large;
- (c) the advancement of health and the saving of lives and environmental protection and improvement by promoting study and research into improving the safety of the design, development, manufacture and installation of renewable energy and low carbon technologies (products and systems), provided that the useful results of such study and research are disseminated to the public at large;
- (d) the advancement of environmental protection and improvement by supporting the development of standards and related guidance for the renewable energy and low carbon technology sector; and
- (e) the advancement of environmental protection and improvement by raising awareness and confidence amongst consumers in the area of renewable energy and low carbon technologies (products and systems).

## **MCS Charitable Foundation**

### **Trustees' report**

**For the year ended 31 December 2024**

---

#### **Objectives and Activities (continued)**

In late 2021, a Group Strategic Plan was adopted which focuses on utilising the knowledge, assets and market position of MCS to drive the sector's growth in support of the mission to decarbonise the UK's homes. Under the strategy, the core elements of the group's work continue: running and growing the MCS Scheme to give confidence in domestic and small scale renewables; and using the surplus income from the Scheme to advocate for changes in the policy landscape that will support the sector's growth, while making grants to innovative projects aimed at accelerating the adoption of low-carbon technologies.

In addition to these areas of work, MCS Group also has an increasing focus on advancing the skills and training needed to support the sector's growth, while catalysing action at a local level towards delivery of mass scale retrofit strategies through working with leading local authorities and other key stakeholders.

During the 2025 financial year the Board, along with the senior management team, will be working on the next 5-year strategy plan for the Foundation and the Service Company.

#### **Public Benefit Statement**

The Trustees confirm that they have paid due regard to the Charity Commission's Guidance on Public Benefit, when considering the Foundation's objects.

#### **Strategic Report**

##### **Sector Convening Activities: Removal of Barriers**

Central to the Group strategy is acting as a convenor of our sector, harnessing the Foundation and Service Company's assets, knowledge and networks to catalyse action on addressing the barriers to retrofit at scale.

##### **Sector Skills Development**

Building on the launch of the Low Carbon Heating Technician Apprenticeship in 2023 is enabling a substantial step forward to increase the size of the workforce. The apprenticeship provides a support structure for new entrants to start a career installing heat pumps and other low carbon heating technology which will drive recruitment to the sector.

To date 24 training providers have registered for the apprenticeship with the Department of Education, 7 of the training providers have launched the apprenticeship and are actively delivering. Approximately 70 apprentices have been recruited with a significant increase expected over the remaining months of 2025.

We also launched a grants scheme to encourage training providers and employers to invest in the apprenticeship by covering training equipment or other necessities.



## **MCS Charitable Foundation**

### **Trustees' report**

**For the year ended 31 December 2024**

---

#### **Strategic Report (continued)**

##### **Local Area Retrofit Accelerator (LARA)**

The Local Area Retrofit Accelerator (LARA) builds on the current hands-on grants programme. The most recent grants round and other previous grants have focused on testing place-based interventions to drive uptake of retrofit. LARA will take this a step further by working with localities to develop and test holistic approaches to scaling up retrofit.

The current programme builds on the previous work and will focus on the challenges for local authorities of retrofit strategy, finance, skills and consumer engagement – treating these key topics not in silos, but as intrinsically linked. It is intended to use this project to build intelligence and partnerships to form the business case for a mass scale retrofit demonstrator project. This will be a learning and development tool for the whole sector.

Four localities were selected by a panel made up of representatives from the Foundation, Ashden, National Retrofit Hub and the UK Green Building Council. The chosen localities are: East Midlands Combined Authority, Hertfordshire County Council, Liverpool Combined Authority and Surrey County Council.

##### **External Affairs**

The Foundation is helping to change the policy landscape and accelerate the decarbonisation of our homes, heat and energy through research and engagement with the Government. It commissions reports, conducts literature reviews and uses independent science to form positions, which are then used to help inform policy creation within government.

Current priority areas of work include: the reform of building regulations to support net zero and require domestic renewables in new build; advancing green finance mechanisms; seeking commitments for long-term renewables incentives schemes; and pressing for measures to reduce the cost of electricity to improve the economics of the electrification of heat. In addition, the Foundation is working to demonstrate the case for heat pumps (a readily available technology) to be assumed as the primary solution to the decarbonisation of heat and – central to its founding purpose – to advance the case for standards to be written into regulations and incentive schemes.

On all these topics, the Foundation advanced the case during the year through commissioning research, building evidence, and engaging with industry, academic and Non-Governmental Organisation (“NGO”) sector specialists. It also worked to make its evidence available to policy makers and government through responding to consultations, building relationships with civil servants and where appropriate engaging directly with politicians from across the political spectrum.

## **MCS Charitable Foundation**

### **Trustees' report**

**For the year ended 31 December 2024**

---

#### **Strategic Report (continued)**

##### **Grant Funded Projects**

The following projects were delivered during the year, all of which are featured on the Foundation's website with links to project outputs and research. The Foundation is a strategic and active grantor, providing funding for initiatives that seek to make or test strategic level interventions in addressing barriers to retrofit at scale, and often acting as an active partner to grantees:

##### ***Research & Consumer Information***

##### **Property Linked Finance (delivered by Green Finance Institute) – work completed during the year:**

Property Linked Finance (PLF) is a financial instrument that supports homeowners to fund up to 100% of the upfront costs of energy efficiency improvements. PLF is not currently available in the UK: however, it would unlock significant benefits. Almost two-thirds of consumers stated they were 'open' or 'likely' to use PLF for energy efficiency improvements – a remarkably positive response to a new financial solution. Since the energy crisis began, 52% of consumers are more likely to use PLF compared to 2021.

This project aims to catalyse the UK's Property Linked Finance market, which will require co-ordinated collaboration across the finance, legal, retrofit, property and public sectors. The project will design and test a 'blueprint' model for UK PLF, raise awareness of this solution across relevant sectors, and encourage UK financial institutions to bring a PLF pilot to market.

##### ***Community Capacity Building***

##### **Green Live Learning Lab (delivered by Westminster Adult Education Services ("WAES")) – work completed during the year:**

The 'Green Live Learning Lab' Project in North Westminster harnesses authentic learning opportunities by bringing together two elements: Family Learning with real-life Sustainability Learning. They are using the local neighbourhood which is undergoing regeneration and retrofit investment as an outdoor classroom to teach sustainability across the generations.

Collaborating with cutting-edge specialists and expert practitioners, WAES are working on renewable energy and low carbon technologies; architects, designers, environmental specialists and building development professionals who are currently undertaking a mix of projects in the area. With much of the environmental industry outpacing the curriculum, this project is a valuable "see it, be it, understand it" opportunity to bridge this gap. Co-creating a full pack of teaching resources with the local family learners themselves is the main outcome, with a working title of "How to use my neighbourhood to learn about sustainability". It will also be suitable for participants who do not have English as a first language.

## MCS Charitable Foundation

### Trustees' report

For the year ended 31 December 2024

---

#### Strategic Report (continued)

##### **Community Energy Planning (delivered by Centre for Sustainable Energy ("CSE")) – work completed during the year:**

The Community Energy Planning project aims to create exemplar policies for other communities to encourage locally led community climate action.

This will be achieved by increasing the amount of renewable energy installed in two local authorities by supporting them to work with local communities, co-producing robust and well-evidenced local energy strategies which are consequently embedded in local plans and by developing a clear template for the wording of local authority policy regarding the development models and ownership structures that should be favoured in local planning policy.

The output of this project is to produce replicable guidance for local authorities across England.

##### **The Big Solar Co-op (delivered by Sharenergy Co-operative Ltd) – work completed during the year:**

Seeking to support the expansion of the community renewables sector by taking away some of the barriers faced by volunteer-run local community renewables groups, solar activists are invited to work locally but as part of a UK-wide solar co-op. This will nurture and support the growth of their volunteer base by providing support through training and peer mentoring and breaking down the work into more manageable portions to enable people with less time to participate.

The project aims to also engage 250 active volunteers across 25 local groups, generate 5 new sustainable jobs, create ethical, accessible social investment opportunities raising £25m and save over £300,000 annually on fuel bills for community buildings and social housing.

##### **Accelerating the uptake of renewable energy and low carbon technology in a multi-tenure industrial estate (delivered by Wealden District Council) – work completed during the year:**

Engaging and working with Small and Medium Enterprises ("SMEs") and property owners to accelerate the implementation of renewable and low carbon technology in a multi-tenure industrial estate setting, this project demonstrates a model for rolling out low carbon solutions. This will be achieved through a three-track approach: identifying the barriers preventing SMEs from installing renewable or low carbon technology; raising awareness of the incentives and benefits of installing measures; and providing SMEs with additional, bespoke, technical support to help convert energy audit reports into installed measures and overcome later stage obstacles.

## MCS Charitable Foundation

### Trustees' report

For the year ended 31 December 2024

---

#### Strategic Report (continued)

##### *Mass Scale Retrofit*

##### **Retrofit Support Service (delivered by Exeter City Council) – work started during 2022 and ongoing:**

The Energy Saving Devon partnership (partnership of all Devon councils including Exeter City Council) has been working to develop an innovative, best practice support service for homeowners to enable them to carry out the right retrofit and deliver carbon-savings as well as other benefits as determined by the homeowner.

The funding allows the partnership to launch their Retrofit Advice Service. This will include a Quality Assurance Officer and telephone support service to provide advice on next steps for homeowners in Devon. Once this start-to-finish strategy is evaluated and finalised, methodologies could be adapted, replicated, and used to scale up capacity and delivery across the UK.

##### **Innovative programme design and capacity building for area-based retrofit (delivered by Leeds City Council) – work started during 2022 and ongoing:**

All local authorities need to find ways to reduce carbon emissions from homes of all tenures, including more affluent private sector households, to achieve local and national net zero ambitions. However, there are currently no incentives or support systems in place to encourage able-to-pay households to act.

Leeds City Council has been working with the private sector, via the Prime Minister's Business Council, since late 2022 to develop a blueprint to tackle this problem. This is an innovative area-based approach, aiming to design and create a smooth customer journey and new incentives or financial products, largely financed by the private sector, to remove barriers to entry.

##### **Retrofit Supply Chain Pilot: piloting council-led area-based schemes to develop the retrofit supply chain (delivered by Carbon Co-op, Manchester City Council and B4Box) – work started during 2022 and ongoing:**

Carbon Co-Op is an energy services and advocacy cooperative that helps people and communities to make the radical reductions in home carbon emissions necessary to avoid runaway climate change. They have set up a partnership with Manchester City Council to pilot an area-based whole house retrofit scheme in Levenshulme, Manchester, which takes a street-by-street approach and is funded through grants or 0% loans. Working collaboratively with a contractor and training provider, B4Box, they will upskill the workforce who will gain immediate practical experience through the project. It will also result in more qualified trainers and the establishment of a key local provider of future retrofit training.

## **MCS Charitable Foundation**

### **Trustees' report**

**For the year ended 31 December 2024**

---

#### **Strategic Report (continued)**

##### **Launch Pad Project (delivered by Somerset Climate Action Network) – work completed during the year:**

Somerset Climate Action Network ("SCAN") is working with Somerset County Council to help deliver the county's zero carbon aspirations through harnessing skills in the community. This work brings people up to speed with the challenges faced and communicates the most up-to-date information and new findings on both the current climate situation, what is coming in the future and the smartest ways to tackle it at every level, providing case studies of local examples of action.

The project has given people, businesses and communities the tools they need to take action and make smart changes with an aim to develop a county-wide resource for climate action, encompassing scaling up renewable energy generation capacity in liaison with Somerset Community Energy, Zero Carbon projects, energy saving, business, transport and more.

##### **Integrating Skills and Competency in Green / Retrofit through new learning pathways (delivered by Neath Port Talbot Council ("NPT")) – work completed during the year:**

In response to the skills requirements to deliver the NPT Council led 'Homes As Power Stations', this will deliver a regional skills project across the Swansea Bay City Deal area.

Working with partners in order to develop further education provider readiness to deliver MCS certifiable green skills provision, the Group will provide oversight and strategic support and planning for the project.

##### **Feasibility to support Oxford Rose Hill Community informed retrofit (delivered by Oxford City Council) – work completed during the year:**

With detailed feasibility work to cost and plan an area specific retrofit pilot project across different tenure/ building types with high levels of community and stakeholder engagement, this pilot project demonstrates retrofit at greater scale than previously delivered in Oxford and tests the delivery model for future replication and expansion in Rose Hill and the rest of Oxford.

The feasibility project's main objective is to develop a business case for a pilot project and set out the optimum way of delivering the pilot and is expected to be followed by a larger-scale retrofitting project, which will learn from the pilot and benefit from the expertise, structures and relationships developed.

##### **Low Carbon Communities ("LCC") (delivered by Stroud District Council) – work started during 2022 and ongoing:**

The Low Carbon Communities project is the next step in The Retrofit Centre collaboration (one-stop advice/signposting and tools). The project looks to create 'pockets' of high activity, taking a 'learn by doing' approach and making the work visible across communities to nudge the development of social norms around the language and process of retrofit.

Low Carbon Communities is focused on a need to increase private investment in retrofit and, at the same time safeguard and expand affordable warmth work. These two aspects are building blocks towards the provision of wide-spread, end-to-end retrofit services that are rooted in whole house good practice principles of low carbon plans for buildings.

## **MCS Charitable Foundation**

### **Trustees' report**

**For the year ended 31 December 2024**

---

#### **Strategic Report (continued)**

##### **Mass Scale Retrofit Programme (UK Green Building Council) – work started during 2023 and ongoing:**

The Foundation and the UK Green Building Council will work together to determine market need through local authority forums, meetings with local area pioneers and second tier authorities to understand what they will need. The funding will be used to develop a regional assessment methodology and an impact/evaluation methodology.

The funding will be used to help create business case templates, financial models, workshops and associated materials to help local areas achieve their retrofit goals.

The following projects were commissioned during the year:

#### ***Research & Consumer Information***

##### **Optimising ventilation for sustainable retrofitting (delivered by University College London ("UCL")) – work started and finished in the year:**

Ventilation plays a critical role in occupant health within buildings, but measuring it accurately is difficult. Insufficient ventilation can lead to poor indoor air quality and mould growth, exacerbating health problems. While ventilation rates can be measured using chemicals known as 'tracer gases,' concerns about their safety and environmental impact remain.

This project investigated methods to assess the safety and suitability of alternative tracer gases. It began with a literature review to build a foundation of existing knowledge on tracer gases and identify gaps in the research. This review informed the criteria for testing new options. The work involved desk-based research and hands-on experiments conducted at UCL Here East. Experimental methods were designed based on existing research, complemented by novel approaches where necessary. A variety of equipment—including an environmental chamber, incubator, microbalance, and photoionisation detectors—was used to test a potential tracer gas.

##### **Heat Pump Installer and Deployment Analysis (delivered by Heat Pump Association) – work started and finished in the year:**

The project will update and improve the heat pump installation and capacity forecasts to aid the development of effective policy and projects by a range of stakeholders including government. The project will create a dynamic tool that has the ability to produce updated projections based on the latest data.

The ability to determine how many individuals will be needed over time to deliver the anticipated heat pump roll out is vital to understand whether we are on track, and if not, inform policy design to overcome the challenges which will assist in supporting growth in the installer base.

## MCS Charitable Foundation

### Trustees' report

For the year ended 31 December 2024

---

#### Strategic Report (continued)

#### **To establish a new not-for-profit focused on creating an enabling environment for the electrification of heat. (delivered by Subak) – work started and finished in the year:**

Running a 16 week research project which will precede and inform the establishment of a new independent single issue not-for-profit organisation focused on the creation of an enabling environment for the electrification of heat. By the end of this period, the new organisation will have a theory of change, business plan, funding strategy, etc. and be ready to launch, start recruiting a team, and secure follow-on funding.

#### ***Development & Policy***

#### **Political advocacy on low-carbon heat in Scotland (delivered by WWF-UK) – work started and finished in the year:**

Clean heat is one of WWF Scotland's key priorities and they work to secure the Scottish Government policies needed to accelerate the widespread adoption of renewable heating and energy efficiency and raise public awareness. WWF Scotland work in this area because the changes required will be noticeable to all and because clean-heat industries are still small relative to incumbents that are pushing high-risk solutions like hydrogen.

#### ***Skills & Education***

#### **Green Education Program Learning Resources covering one academic term (delivered by Generation C) – work started during this year and ongoing:**

The proposed project will embed various elements on the theme of "The Electrification of the Domestic Built Environment" into learning resources, taught by teachers at participating schools, which will enable pupils to begin to develop a clear understanding of the complexities of the elements involved in the subject matter and be exposed to options and opportunities around job roles and how they can contribute to delivering the solutions our society desperately needs.

They also integrate a range of green job roles into the resources; the project will widen pupils' understanding of the vast range of potential green careers open to them when they leave full-time education and move into employment, ranging from "on the tools" and vocational roles to senior management positions across the sector. It will also enable them to make more informed and intelligent decisions regarding future subject options for GCSE, A or T levels, and further develop the required skills to fulfil their chosen career choices.

#### ***Mass Scale Retrofit***

#### **National Retrofit Hub - Core Funding (delivered by National Retrofit Hub) – work started during this year and ongoing:**

Supporting work to capture and communicate the scale and quality of what has been delivered, the methods used, and the stakeholders involved to determine where innovation is needed - with a focus on Energy Performance Certificate ("EPC") reform.

## MCS Charitable Foundation

### Trustees' report

For the year ended 31 December 2024

---

#### Strategic Report (continued)

**Local Area Retrofit Accelerator, as part of the UK Green Building Council Regenerative Places Programme (delivered by UK Green Building Council ("UKGBC")) – work started during this year and ongoing:**

This grant is to support UKGBC in terms of staff time, and some direct costs to enable the UKGBC to continue its strategic partnership with the Foundation to develop the LARA programme and supporting infrastructure.

#### Activity of the Service Company 2024

2024 has been another good year for the Service Company. The Service Company has built on an exceptional year of growth in 2023 brought about by successfully repositioning the Certification Scheme as the sector's quality assurance, irrespective of MCS being a requirement to access government incentives.

According to data from the MCS Data Dashboard, there were more than 260,000 certified installations in UK homes and small businesses last year, including heat pumps, solar and battery storage. This is a 7% increase compared to 2023, which itself was a record year for installations.

The record-breaking numbers from last year have also taken the total number of certified installations past the 2 million mark, highlighting the nation's growing commitment to renewable technologies for heating and powering homes and businesses.

Heat pumps saw a significant and record-breaking rise in 2024, with almost 60,000 certified installations – a 43% increase on 2023. This milestone brings the total number of certified heat pump installations in the UK to over 275,000. The Boiler Upgrade Scheme ("BUS"), available in England and Wales, and the Home Energy Scotland ("HES") Grant and Loan, available in Scotland, have both played a key part in accelerating growth by making heat pumps more accessible and affordable for homeowners. The initiatives offer grants of up to £7,500 for certified heat pump installations, with the HES Grant & Loan offering to £9,000 for households that qualify for a rural uplift.

Solar PV continues to lead the way as the most popular renewable technology with over 180,000 certified installations recorded last year, while battery storage saw record-breaking numbers with nearly 20,000 certified installations.

Even with this growth in heat pump deployment, there is still a long way to go if we are to reach government ambitions of 600,000 heat pump installations a year by 2028. It's critical that we have a dedicated pathway to develop an army of renewable heating installers with certifiable skills who know how to design and fit low-carbon heating systems to the highest possible standard.



## **MCS Charitable Foundation**

### **Trustees' report**

**For the year ended 31 December 2024**

---

### **Strategic Report (continued)**

#### **Achievements and Performance**

During the year, the Foundation achieved the following;

- Helped facilitate a record year for the sector, with over 260,000 MCS certified installations registered.
- Supported the increase of the Boiler Upgrade Scheme funding for 2024/2025 to ensure that there would be a continuation of the good efforts of the sector.
- Worked with Industry experts to redefine consumer protections in the Microgeneration sector.
- The Low carbon heating technician apprenticeship has started to be delivered by training providers.
- Successfully advocated for 0% VAT for battery storage for existing solar and groundworks associated with ground source heat pumps, and for existing VAT exemptions for domestic renewables to be extended to Northern Ireland.
- Increased the volume of positive media coverage for heat pumps. With the MCS Foundation being quoted through print media and broadcasting media as well as a significant uplift in social media interest.
- The Local Area Retrofit Accelerator programme decided on the first 4 areas to work with and started the workshops to convene the sector in those areas

#### **Financial Review**

##### **a) Financial Review Summary**

The Foundation made a surplus, after investment losses of £109,712 (2023: investment gains £115,709), of £477,264 (2023: £1,697,596) in the year.

During the year the Foundation's income amounted to £8,769,809 (2023: £8,036,173). The majority of the income related to trading income from the subsidiary of £8,616,242 (2023: £7,840,308). The remainder being income of £153,567 (2023: £145,865) from the investments held, and £nil grant funding (2023: £50,000).

The costs of the Foundation for the year amounted to £8,182,833 (2023: £6,454,286). £1,819,473 (2023: £1,455,170) of expenditure incurred related to costs incurred directly through the Foundation in the delivery of charitable objects. £6,328,581 (2023: £4,966,306) related to trading costs of The MCS Service Company Limited which also advanced delivery of the Foundation's objects around standards.

At 31 December 2024 the Foundation held £4,842,940 (2023: £4,843,037) in investments which includes £50,000 of shares invested in Low Carbon Hub IPS, and £25,000 of shares invested in People Powered Retrofit schemes. £5,330,495 (2023: £4,598,917) was held in cash at bank.

The Foundation's total funds at the year-end amounted to £10,066,051 (2023: £9,588,787).

The significant sum received from The Department for Business, Energy and Industrial Strategy ("BEIS") in the year ended 31 March 2019 (£6,649,610) was intended to fund the Foundation to deliver its charitable objects over a number of years. As such the Trustees are comfortable that in some years, such as 2020, the Foundation may make an operating loss on its charitable activities. In 2024 the Foundation made a surplus, building the fund available to support the delivery of the Foundation's work in the coming years.

## MCS Charitable Foundation

### Trustees' report

For the year ended 31 December 2024

#### Strategic Report (continued)

##### b) Reserves Policy

The objective of our reserves policy is to ensure that the Group maintains sufficient cash and readily realisable assets to enable it to withstand any shortfall in income or unforeseen expenditure while any necessary adjustments are made to the Group's operations. In 2020 and 2021, our reserves enabled us to respond to the impact of the pandemic in a measured way, without having to rush serious decisions that will have a long-term effect on the future of the group and its activities.

The appropriate basis for the Foundation's reserves policy is managed cash and investments, rather than accounting reserves as reflected in the Group's consolidated balance sheet.

Group managed cash and Investments	2024 £000	2023 £000
Investments	4,843	4,843
Cash and short-term deposits	5,330	4,598
Exclusions*	(75)	(75)
<b>Total</b>	<b>10,098</b>	<b>9,366</b>

\*Exclusions consist of mixed motive investments that are considered illiquid.

The Trustees' minimum expectation is to maintain sufficient managed cash and investments to fund at least three months of annualised forecast gross cash outflows.

The total managed cash and investments at 31 December 2024 was £10.1m, which represents about 9 months of budgeted cash outflows for 2025. All funds held are unrestricted. The Trustees are comfortable with holding a large reserves balance as it is heavily reliant on the trading profits of the subsidiary being its main source of income, funding its grant making and operational outflows. Should the trading subsidiary experience disruptions to operations, the Foundation will look to rely on its reserves to fund its operational activities in the short term. The Trustees designated funds in 2024 totalling £2,314,475, £314,475 was designated for grants approved but that have not yet reached milestones and £2m was designated for future LARA projects (2023: £nil).

The Group is budgeting to spend on average £841k cash per month during 2025, a total in the region of £10.1m for the year.

##### c) Principal Funding

The Foundation's principal funding is the transfer of £6,649,610 received from BEIS, as well as the investment income received which is derived from holding the transferred funds for investment purposes. Ongoing funding is received in the form of the trading surpluses from the operation of the MCS Scheme under The MCS Service Company Ltd.

## MCS Charitable Foundation

### Trustees' report

For the year ended 31 December 2024

---

#### Strategic Report (continued)

##### d) Fundraising Policy

The Trustees take their responsibility under Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities. The Foundation has not to date engaged in public fundraising work, and future fundraising and financial partnership work is likely to be with other Foundations and institutions. The Foundation does not actively raise funds or solicit donations directly from the general public. The Foundation does not work directly with commercial sponsors in relation to fundraising. The Trustees are not aware of any complaints made in respect of fundraising during the period.

#### Investment Policy and Performance

The majority of the proceeds received as a result of the novation (historical profits of the MCS Scheme) are held in an investment portfolio with Rathbone Greenbank (£4 million was invested).

The Board of Trustees has reviewed and agreed the Foundation's Investment Policy Statement which is the mandate to which the Investment Managers hold the funds on behalf of the Foundation. The Investment Policy Statement states that the funds invested in a way that maximises the return within the context of taking only moderate risk and a likely investment horizon of up to ten years. In addition, the Policy, which was reviewed during the year, includes some clear ethical parameters including avoiding investments in fossil fuels.

The performance of the Investment Portfolio and Managers are scrutinised at the Foundation's Board meetings.

At 31 December 2024, the market value of investment held amounted to £4,767,940 (2023: £4,768,037). During the year the investments yielded investment income of £151,085 (2023: £145,012) and unrealised investment capital losses of £109,712 (2023: investment gains of £115,709).

During 2020 the Foundation entered into a social investment partnership with crowdsourcing platform Ethex, which raises investment funding for ethical and green projects such as renewable energy installations. These investments are mixed motive, in that they help advance the Foundation's objects and will be expected to bring a financial return. Ethex carries out due diligence on potential projects which is then further scrutinised by Trustees before investments are made.

Trustees judged that this partnership enables the Foundation to show leadership in the sector in how capital funds can help directly advance the charitable mission, while also diversifying the Foundation's investment portfolio in a way that is judged to reduce risk. To date, two such investments have been made totalling £75,000 (2023: £75,000) with other potential projects to be reviewed as and when they are put forward by Ethex.

## **MCS Charitable Foundation**

### **Trustees' report**

**For the year ended 31 December 2024**

---

### **Strategic Report (continued)**

#### **Plans for the Future**

The Group Strategic Plan for 2025 builds on the refreshed strategy adopted in late 2021. As well as the ongoing enhancement of the MCS scheme and how it serves installers and consumers, the strategy seeks to harness all the group's assets to maximise the Foundation's role as a convenor in the sector. Specific aims for 2025 include:

- Complete the findings for the first four Local Area Retrofit Accelerator (LARA) pilot projects, working with key stakeholders in localities to address barriers to retrofit at scale, on topics such as skills, finance and consumer information.
- Support the introduction of a Future Homes Standard that requires renewable technologies to be installed in new build and develop a business model for the expansion of MCS standards into new build.
- Advocate for measures to reduce the cost of electricity – including the moving of environmental tariffs into general taxation – to incentivise the electrification of heat.
- Work with the Green Finance Institute to support the trial and roll out of Property Linked Finance for energy efficiency and domestic renewables, including advocating for any required political/legislative support.
- Advocate on behalf of the domestic renewables sector: for example, in the promotion of heat pumps as the established technology for decarbonising heating.
- Support the continued roll out of the Low Carbon Heating Technician Apprenticeship and further build wider plans for recruitment and engagement into the sector, including of young people.
- Use the Foundation's grants programme to drive innovation in addressing barriers to retrofit at scale, acting as an active partner with grantees and sharing learning from grants within the sector.
- Build partnerships with other funders to increase the funding available for interventions arising from the LARA pilots.
- Further deliver on the objective to simplify the compliance model related to the MCS Scheme, for the benefit of installers and the public.
- Broaden the MCS Scheme's existing standards development and maintenance processes to allow for the structured assessment of opportunities for new Standards, working with stakeholders to address areas of interest that might require relevant standards.

## **MCS Charitable Foundation**

### **Trustees' report**

**For the year ended 31 December 2024**

---

#### **Strategic Report (continued)**

#### **Service Company Plans for 2025**

Building on the Service Company's significant achievements in 2024, the Service Company's primary goal for 2025 remains the achievement of its vision 'To see certified products and installations in every UK home and community', and as a result achieve critical carbon savings from a change to the way we heat and power our homes and businesses. Success in this regard is dependent on maintaining the relevance and effectiveness of the Microgeneration Certification Scheme ("the Scheme").

The Service Company continues to invest time and money into the Scheme, delivering on projects for Standards Simplification, Sector Skills and Installation Scheme Redesign. Taken together, these have helped reposition the Scheme for the future. The Service Company plans for 2025 will support ongoing growth of the sector, delivered primarily through continued growth in the UK's heat pump market, further complemented by growth in solar panels and battery storage.

In 2025, the strategic objectives of the Service Company and its related investments, will focus on the achievement of the following goals:

##### **1. Launch of the new Scheme**

Following the outcomes determined through public consultation in 2023 the Service Company launched its new Scheme in January 2025, working with certification bodies and installers to trial aspects of the Scheme before launch. Installers and certification bodies will be being brought onto the new Scheme through 2025 and the start of 2026.

One of the biggest changes in the new Scheme is to deploy risk-based assessments. Contractors that maintain compliance with the Standards will be rewarded with a lower frequency of assessment. Those considered of elevated risk of non-compliance, will attract more on-site assessments. This will increase the protection of consumers.

##### **2. Reset consumer protections**

Research undertaken at the end of 2021 and early 2022 presents clear evidence that the sector's protections fall short of a consumer's primary need to 'de-risk' their adoption of small-scale renewables. These findings and associated conclusions were published in the report 'Consumer Protection in Small-Scale Renewables' in December 2022.

Over the course of 2024, the Service Company worked with the industry and experts in the field to redefine the Scheme's consumer protections. As a result, the Service Company is targeting increased consumer confidence, and a consultation was launched in April 2025 proposing changes to financial protection requirements. The Service Company is working with experts in insurance and warranties to ensure there is competition to offer this increased protection.

##### **3. Digitalisation**

In readiness for the consumer protection role MCS will play under the new Scheme, and further predicted growth in the base of certified Installers and the contact MCS wishes to have with them, and to facilitate a deeper engagement with consumers, the Service Company will continue its investment in systems that allow for greater coordination of Scheme communications without necessitating a more significant increase in Service Company headcount.

## **MCS Charitable Foundation**

### **Trustees' report**

**For the year ended 31 December 2024**

---

#### **Trustees' Responsibilities Statement**

The Trustees (who are also directors of MCS Charitable Foundation 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).

Company law requires the Trustees to prepare financial statements for each financial period. 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 income and the expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgments and accounting 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.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

#### **Disclosure of information to the auditors**

We, the Trustees of the Foundation, who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

**MCS Charitable Foundation**

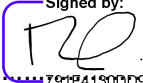
**Trustees’ report**  
**For the year ended 31 December 2024**

---

**Auditors**

Saffery LLP were re-appointed as auditor to the Group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

This report was approved by the Trustees on ..... 10 July 2025 ..... and signed on their behalf.

Signed by:  
  
.....791F4150DD934711..

Fabio Silva Nehme  
**Chair, Board of Trustees**

## **MCS Charitable Foundation**

### **Independent auditor's report to the Members and Trustees of MCS Charitable Foundation For the year ended 31 December 2024**

---

#### **Opinion**

We have audited the financial statements of MCS Charitable Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the consolidated statement of financial activities, consolidated balance sheet, charity balance sheet, consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 December 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



## **MCS Charitable Foundation**

### **Independent auditor's report to the Members and Trustees of MCS Charitable Foundation For the year ended 31 December 2024**

---

#### **Other information (continued)**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

#### **Other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report which includes the directors' report and the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report which includes the directors' report and the strategic report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 19, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

## **MCS Charitable Foundation**

### **Independent auditor's report to the Members and Trustees of MCS Charitable Foundation For the year ended 31 December 2024**

---

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

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

#### **Identifying and assessing risks related to irregularities:**

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006, guidance issued by the Charity Commission for England and Wales and relevant employee and tax legislation.

#### **Audit response to risks identified:**

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

## MCS Charitable Foundation

### Independent auditor's report to the Members and Trustees of MCS Charitable Foundation For the year ended 31 December 2024

---

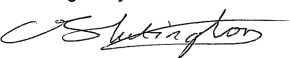
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

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

DocuSigned by:  
  
 3DD66D93F6034C6.....

**Cara Turtington (Senior Statutory Auditor)**  
for and on behalf of Saffery LLP

**Statutory Auditors**

Date: 10 July 2025

10 July 2025

71 Queen Victoria Street  
London  
EC4V 4BE

**MCS Charitable Foundation****Consolidated statement of financial activities (including the income and expenditure account)  
For the year ended 31 December 2024**

		<b>Year ended 31 December 2024 Unrestricted funds</b>	<b>Year ended 31 December 2023 Unrestricted funds</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Income from:</b>			
Other trading activities	<b>3</b>	8,616,242	7,840,308
Charitable activities	<b>4</b>	-	50,000
Investments	<b>5</b>	153,567	145,865
<b>Total income</b>		<b>8,769,809</b>	<b>8,036,173</b>
<b>Expenditure on:</b>			
Raising funds:			
Other trading activities	<b>3</b>	6,328,581	4,966,306
Fundraising activities	<b>6</b>	34,779	32,810
Charitable activities	<b>7</b>	1,819,473	1,455,170
<b>Total expenditure</b>		<b>8,182,833</b>	<b>6,454,286</b>
<b>Net income before investment movement</b>		<b>586,976</b>	<b>1,581,887</b>
Net (losses)/gains on investments	<b>13</b>	(109,712)	115,709
<b>Net income and movement in funds</b>		<b>477,264</b>	<b>1,697,596</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward		9,588,787	7,891,191
<b>Total funds carried forward</b>		<b>10,066,051</b>	<b>9,588,787</b>

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

All income and expenditure derive from continuing activities.

The notes on pages 29 to 44 form part of these financial statements.


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

**MCS Charitable Foundation****Consolidated balance sheet as at 31 December 2024**

		<b>2024</b>		<b>2023</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	<b>12</b>		208,090		216,155
Investments	<b>13</b>		<u>4,842,940</u>		<u>4,843,037</u>
			5,051,030		5,059,192
<b>Current assets</b>					
Debtors	<b>14</b>	959,515		1,113,687	
Cash at bank and in hand		4,735,819		3,558,932	
Cash held in current asset investment		<u>594,676</u>		<u>1,039,985</u>	
		6,290,010		5,712,604	
<b>Creditors: amounts falling due within one year</b>	<b>15</b>	<u>(1,214,989)</u>		<u>(1,114,909)</u>	
<b>Net current assets</b>			5,075,021		4,597,695
<b>Total assets less current liabilities</b>			<u>10,126,051</u>		<u>9,656,887</u>
<b>Creditors: amounts falling due within one year</b>					
Other creditors	<b>16</b>	-		(8,100)	
Provisions for liabilities	<b>19</b>	<u>(60,000)</u>		<u>(60,000)</u>	
			(60,000)		(68,100)
<b>Net assets</b>			<u>10,066,051</u>		<u>9,588,787</u>
<b>Funds</b>					
Unrestricted funds					
General fund	<b>17</b>	7,751,576		9,588,787	
Designated funds	<b>17</b>	<u>2,314,475</u>		<u>-</u>	
			10,066,051		9,588,787
<b>Total funds</b>			<u>10,066,051</u>		<u>9,588,787</u>

10 July 2025

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

Signed by:  .....

**Fabio Nehme**  
**Chair and Trustee**  
**Company Registration No. 10119873**

Date: 10 July 2025

The notes on pages 29 to 44 form part of these financial statements.

# MCS Charitable Foundation


## Charity balance sheet as at 31 December 2024

		2024		2023	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		11,243		1,442
Investments	13		4,842,940		4,843,037
			4,854,183		4,844,479
<b>Current assets</b>					
Debtors	14	52,909		43,408	
Cash at bank and in hand		1,680,785		165,746	
Cash held in current asset investment		594,676		1,039,985	
		2,328,370		1,249,139	
<b>Creditors: amounts falling due within one year</b>	15	(77,201)		(131,783)	
<b>Net current assets</b>			2,251,169		1,117,356
<b>Total assets less current liabilities</b>			7,105,352		5,961,835
<b>Creditors: amounts falling due over one year</b>	16		-		(8,100)
<b>Net assets</b>			7,105,352		5,953,735
<b>Funds</b>					
Unrestricted funds					
General fund	17	4,790,877		5,953,735	
Designated funds	17	2,314,475		-	
			7,105,352		5,953,735
<b>Total funds</b>			7,105,352		5,953,735

As permitted by Section 408 of the Companies Act 2006 no separate Statement of Financial Activities for the charity alone has been presented. The net surplus of the parent company charity for the year was £1,151,617 (2023: £814,733).

10 July 2025

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

.....  


Date: 10 July 2025

**Fabio Nehme**  
**Chair and Trustee**  
**Company Registration No. 10119873**

The notes on pages 29 to 44 form part of these financial statements.

**MCS Charitable Foundation****Consolidated cash flow statement  
For the year ended 31 December 2024**

		<b>2024</b>		<b>2023</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cashflow from operating activities</b>					
Net cash flow provided by operating activities	<b>21</b>		751,556		1,719,823
<b>Cashflow from investing activities</b>					
Purchase of tangible fixed assets		(65,750)		(73,102)	
Proceeds from disposal of tangible fixed assets		1,820		3,130	
Purchase of investments		(1,439,555)		(1,680,450)	
Proceeds on disposal of investments		1,329,940		1,579,866	
Income received from investments		153,567		145,865	
<b>Net cash generated used in investing activities</b>			<u>(19,978)</u>		<u>(24,691)</u>
<b>Net increase in cash and cash equivalents</b>			<u>731,578</u>		<u>1,695,132</u>
<b>Cash and cash equivalents at beginning of year</b>			4,598,917		2,903,785
<b>Cash and cash equivalents at end of year</b>			<u><u>5,330,495</u></u>		<u><u>4,598,917</u></u>
<b>Relating to:</b>					
Cash held in bank			4,735,819		3,558,932
Cash held in current asset investment			594,676		1,039,985
			<u><u>5,330,495</u></u>		<u><u>4,598,917</u></u>

The notes on pages 29 to 44 form part of these financial statements.

## MCS Charitable Foundation

### Notes to the financial statements

For the year ended 31 December 2024

---

#### 1 Accounting policies

##### Company information

MCS Charitable Foundation is a charity incorporated as a company limited by guarantee in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The registered office is First Floor Violet 3 Sci-Tech Daresbury, Keckwick Lane, Warrington, Cheshire, England, WA4 4AB.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the accounting policies set out below, the Companies Act 2006 and the second edition of the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of investments at market value.

The charity meets the definition of a public benefit entity under FRS 102.

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

The group financial statements incorporate the financial statements of the parent charitable company and its subsidiary undertaking for the year ended 31 December 2024.

##### 1.2 Going concern

Having considered the working capital requirements of the charity and group alongside cash flow projections, budgets and the cash available within the business, the Trustees believe that the charity will continue in existence for at least twelve months following the approval of these financial statements. The group had a strong cash balance of £5,330,495 as at 31 December 2024. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity unless the funds have been designated for other purposes.

##### 1.4 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.



**MCS Charitable Foundation**

**Notes to the financial statements**  
**For the year ended 31 December 2024**

---

Income from other trading activities includes income earned through the subsidiary MCS Service Company from income received in exchange for supplying services in order to raise funds and is recognised when entitlement has occurred.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Interest income is recognised when receivable and dividend income is recognised as the charity's right to receive payment is established.

**1.5 Expenditure**

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes staff and administration costs; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Trading expenditure is costs incurred by the Service Company in undertaking its activities.

**1.6 Tangible fixed assets**

Expenditure on the acquisition of individual tangible fixed assets that cost more than £1,000 are capitalised at cost and subsequently measured at cost, net of depreciation and any impairment losses. The cost of tangible fixed assets is their purchase cost together with any incidental costs of acquisition.

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

Leasehold improvements	20% per annum straight line basis
Plant and equipment	25% per annum straight line basis
Office equipment	20% per annum straight line basis
Computer equipment	25% per annum straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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

## MCS Charitable Foundation

### Notes to the financial statements

#### For the year ended 31 December 2024

---

#### 1.7 Impairment of fixed assets

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

#### 1.8 Investments

Publicly traded investments, or those where fair value can otherwise be measured reliably, are measured at fair value at each balance sheet date, with changes in fair value recognised in 'net gains/(losses) on investments' in the SoFA.

Mixed motive investments in the form of ordinary or preference shares are initially measured at the transaction price of those shares and subsequently at its fair value if this can be measured reliably. Where this is not possible it is measured at cost less impairment. Mixed motive investments will be reviewed for impairment annually.

#### 1.9 Cash and cash equivalents

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

#### 1.10 Financial instruments

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

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

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

#### ***Basic financial assets***

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

#### ***Basic financial liabilities***

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

## **MCS Charitable Foundation**

### **Notes to the financial statements**

#### **For the year ended 31 December 2024**

---

##### **1.11 Employee benefits**

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

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

##### **1.12 Retirement benefits**

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

##### **1.13 Operating leases**

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

##### **1.14 Taxation**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes and consequently no provision has been made for either corporation tax or deferred tax.

## **2 Critical accounting judgements and key sources of estimation uncertainty**

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

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

The key areas of the financial statements that we consider to be subject to estimation or judgement are as follows:

### ***Investments***

The accounting policies for investments and mixed motive investments are disclosed in note 1.8.

**MCS Charitable Foundation****Notes to the financial statements  
For the year ended 31 December 2024****3 Income and expenditure from other trading activities**

	<b>Year ended 31 December 2024 £</b>	<b>Year ended 31 December 2023 £</b>
Service Company income	8,616,242	7,840,308
Service Company expenditure	(6,328,581)	(4,966,306)
	<u>2,287,661</u>	<u>2,874,002</u>

MCS Charitable Foundation has 100% control of The MCS Service Company Ltd (company registration no. 07759366), a company registered by guarantee and whose registered office is First Floor Violet 3 Sci Tech Daresbury, Keckwick Lane, Warrington, Cheshire, England, WA4 4AB. The subsidiary year end is 31 December 2024.

The company's activities comprise certification of microgeneration technologies used to produce electricity and heat from renewable sources. The summary financial performance of the subsidiary alone for the year ended 31 December 2024 is as follows:

	<b>Year ended 31 December 2024 £</b>	<b>Year ended 31 December 2023 £</b>
Turnover	8,561,627	7,713,694
Administrative expenses	(6,471,896)	(5,055,670)
Other operating income	54,615	148,516
<b>Profit/(loss) before taxation</b>	<u>2,144,346</u>	<u>2,806,540</u>
Gift aid payment to MCS Charitable Foundation	(2,818,699)	(1,923,671)
<b>Net profit/(loss) for the year</b>	<u>(674,353)</u>	<u>882,869</u>
Fixed assets	196,850	214,713
Current assets	3,965,123	4,464,064
Current liabilities	(1,141,272)	(983,723)
Provisions for liabilities	(60,000)	(60,000)
<b>Net assets</b>	<u>2,960,701</u>	<u>3,635,054</u>

**4 Income from charitable activities**

	<b>Group Year ended 31 December 2024 £</b>	<b>Year ended 31 December 2023 £</b>
Government grant	-	50,000
	<u>-</u>	<u>50,000</u>

Government grant income relates wholly to a grant received by the subsidiary, issued by the Greater London Authority.

MCS Charitable Foundation

Notes to the financial statements  
For the year ended 31 December 2024

---

5 Income from Investments

	<i>Group</i>	
	Year ended 31 December 2024	Year ended 31 December 2023
	£	£
Dividends from investments	151,085	145,012
Bank interest received	2,482	853
	<u>153,567</u>	<u>145,865</u>

6 Cost of generating funds

	<i>Group</i>	
	Year ended 31 December 2024	Year ended 31 December 2023
	£	£
Investment manager fees	<u>34,779</u>	<u>32,810</u>

## MCS Charitable Foundation

Notes to the financial statements  
For the year ended 31 December 2024

## 7 Expenditure on charitable activities

	<i>Group</i>	
	Year ended 31 December 2024	Year ended 31 December 2023
	£	£
Project management and delivery costs*	557,951	685,765
<b>Support costs</b>		
Staff costs	658,850	388,497
Travel costs	66,147	38,400
Accountancy fees	7,140	5,100
Legal fees	18,762	2,416
Other costs	364,008	264,842
<b>Governance costs</b>		
Trustees' expenses	11,246	14,379
Legal fees	25,435	16,385
Consultancy costs	1,885	8,529
Audit fees**	12,656	14,680
<b>Other costs</b>		
Consultancy costs	95,393	16,179
	<u>1,819,473</u>	<u>1,455,170</u>

\*The total project management and delivery costs of the group in the period are listed below. Grants are only awarded to institutions, not individuals, and details of grant recipients are included in brackets below.

\*\* The audit fees for The MCS Service Company Ltd are included within other trading expenditure.

	Year ended 31 December 2024		Year ended 31 December 2023	
	Grants £	Programmes £	Grants £	Programmes £
<b>Project management and delivery costs</b>				
<b>Development and Policy</b>				
Accelerator Cities ( <i>UK Green Building Council</i> )	-	-	10,000	-
Standards Investment ( <i>The MCS Service Company Ltd</i> )	-	-	-	4,380
Political advocacy on low-carbon heat in Scotland ( <i>WWF UK</i> )	29,745	-	-	-
Retrofit system map ( <i>Dark Matter Laboratories Ltd</i> )	-	22,320	-	-
<b>Community Capacity Building</b>				
Zero Carbon Parish Planning Tool ( <i>Westminster City Council</i> )	16,830	-	30,000	-
Accelerating Local Response ( <i>Ashden</i> )	-	-	4,066	-
Launch Pad Network ( <i>Somerset Climate Action Group</i> )	-	-	10,000	-
Accelerating the uptake of renewable energy and low carbon technology in a multi-tenure industrial estate ( <i>Wealden District Council</i> )	-	-	8,100	-
Big Solar Coop ( <i>Shareenergy Cooperative</i> )	15,600	-	12,000	-

**MCS Charitable Foundation****Notes to the financial statements  
For the year ended 31 December 2024****7 Expenditure on charitable activities (continued)**

	<b>Year ended 31 December 2024</b>		<b>Year ended 31 December 2023</b>	
	<b>Grants</b>	<b>Programmes</b>	<b>Grants</b>	<b>Programmes</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Community Energy Planning ( <i>Centre for Sustainable Energy</i> )	-	-	27,500	-
Community Energy Planning ( <i>South East London Community Energy</i> )	7,500	-	7,500	-
Community Energy Planning ( <i>Community Energy England</i> )	-	-	5,900	-
One Stop Shop ( <i>Regen SW</i> )	-	-	-	16,920
The Local Grid Challenge ( <i>Regen SW</i> )	-	300	-	67,560
UKGBC grant activity branding ( <i>Sabroso Ltd</i> )	-	1,260	-	-
<b>Research and Consumer Information</b>				
Value of Solar Homes ( <i>Solar Trade Association</i> )	-	-	13,823	-
Heat Pumps Now ( <i>Carbon Co-op</i> )	-	-	10,000	-
MP Survey ( <i>You Gov Plc</i> )	-	4,656	-	15,825
University of Oxford	-	-	30,000	-
Cornwall Insight Limited	-	-	-	17,400
Property Linked Finance ( <i>Green Finance Institute</i> )	15,000	-	60,000	-
New Build Analysis ( <i>Think Three Ltd</i> )	-	(3,240)	-	15,120
One Stop Shop ( <i>Dr Catrin Maby OBE</i> )	-	-	-	4,637
One Stop Shop ( <i>Living Places Earth Advisers Ltd</i> )	-	2,700	-	12,240
Retrofit Research ( <i>SE2 Ltd</i> )	-	-	-	7,200
Heat Pump Installer and Deployment Analysis ( <i>Heat Pump Association</i> )	30,000	-	-	-
Optimising ventilation for sustainable retrofitting ( <i>University College London</i> )	3,738	-	-	-
A new not-for-profit focus on creating an enabling environment for the electrification of heat ( <i>Subak</i> )	50,000	-	-	-
GetAHeatPump website ( <i>NESTA</i> )	-	26,100	-	-
<b>Skills and Education</b>				
Association of Decentralised Energy	-	-	24,500	-
Green Apprenticeships Research 2023/24 ( <i>Shift Insight Limited</i> )	-	16,014	-	15,294
Green Education Program Learning Resources covering one academic term ( <i>Generation C</i> )	14,550	-	-	-
LCHTA training materials ( <i>NOCN</i> )	-	2,700	-	-
LCHTA curriculum development ( <i>SDN Enterprises Ltd</i> )	-	2,760	-	-
<b>Green Finance</b>				
Conservatives Environment Network	-	-	-	7,800
<b>Mass Scale Retrofit</b>				
Retrofit Support Service ( <i>Exeter City Council / Devon County Council</i> )	35,000	-	20,000	-
Innovative programme design and capacity building for area-based retrofit ( <i>Leeds City Council</i> )	-	-	25,000	-

## MCS Charitable Foundation

Notes to the financial statements  
For the year ended 31 December 2024

## 7 Expenditure on charitable activities (continued)

	Year ended 31 December 2024		Year ended 31 December 2023	
	Grants £	Programmes £	Grants £	Programmes £
Retrofit Supply Chain Pilot ( <i>Carbon Coop - The Society for the Reduction of Carbon Limited and Manchester City Council</i> )	-	-	30,000	-
Integrating Skills and Competency in Green / Retrofit through new learning pathways ( <i>Neath Port Talbot council</i> )	16,250	-	40,000	-
Oxford Rose Hill Community informed retrofit ( <i>University of Oxford</i> )	8,000	-	12,000	-
Retrofit Somerset ( <i>Somerset Climate Action Group</i> )	10,000	-	40,000	-
Low Carbon Communities ( <i>Stroud District Council</i> )	20,000	-	45,000	-
MSR Programme ( <i>UK Green Building Council</i> )	26,000	-	30,000	-
Advancing Net Zero ( <i>UK Green Building Council</i> )	-	-	-	6,000
EPC Reform ( <i>National Retrofit Hub</i> )	37,500	-	-	-
Local Area Retrofit Accelerator, as part of the UKGBC Regenerative Places Programme ( <i>UK Green Building Council</i> )	42,000	-	-	-
LARA - Facilitation service ( <i>The Collaborate CIC</i> )	-	69,708	-	-
LARA Pilot evaluation consultancy ( <i>Jennifer Oatley</i> )	-	3,250	-	-
LARA system map ( <i>CAG Consultants</i> )	-	20,942	-	-
LARA Support Costs	-	1,121	-	-
Creating good local retrofit jobs report ( <i>Ashden Climate Solutions</i> )	-	8,971	-	-
Mass Scale Retrofit - Local Authority Support Costs	-	675	-	-
	<u>377,713</u>	<u>180,238</u>	<u>495,389</u>	<u>190,376</u>
	<u>557,951</u>		<u>685,765</u>	

## 8 Net income/(expenditure) for the year

Net income/(expenditure) for the year is stated after charging:

	Year ended 31 December 2024 £	Year ended 31 December 2023 £
Audit fees	27,650	26,850
Depreciation	<u>71,995</u>	<u>61,217</u>



**MCS Charitable Foundation****Notes to the financial statements  
For the year ended 31 December 2024****9 Auditor's remuneration**

	<b>Year ended 31 December 2024 £</b>	<b>Year ended 31 December 2023 £</b>
Fees payable to the charity's auditor for the audit of the charity's annual accounts	10,300	10,000
Fees payable to the charity's auditor for other services:		
Audit of the charity's subsidiary	17,350	16,850
Accounts preparation	6,450	6,250
Taxation compliance services	1,675	3,125
All other non-audit services	-	4,500
	<u>35,775</u>	<u>40,725</u>

**10 Trustees' and key management personnel remuneration and expenses**

The trustees neither received nor waived any remuneration during the year ended 31 December 2024 (2023: £Nil).

The aggregate remuneration to key management personnel for services to the foundation amounted to £462,993 (2023:375,698)

Trustees' expenses were reimbursed or paid directly on their behalf during the year for travel, hotels and subsistence to five (2023: three) trustees amounting to £11,246 (2023: £6,249).

**11 Employees**

The average monthly number of employees during the year was as follows:

<i>Group</i>	
<b>Year ended 31 December 2024 Number</b>	<b>Year ended 31 December 2023 Number</b>
76	66

The total staff costs and employee benefits were as follows:

	<b>Year ended 31 December 2024 £</b>	<b>Year ended 31 December 2023 £</b>
Wages and salaries	3,160,218	2,371,002
Social security costs	361,665	244,257
Other pension costs	253,397	185,836
	<u>3,775,280</u>	<u>2,801,095</u>

**MCS Charitable Foundation****Notes to the financial statements  
For the year ended 31 December 2024****11 Employees (continued)**

The number of employees receiving total employee benefits (excluding employer pensions costs and employers NI) of more than £60,000 were as follows:

	<i>Group</i>	
	<b>Year ended 31 December 2024 Number</b>	<b>Year ended 31 December 2023 Number</b>
£60,001 - £70,000	7	2
£80,001 - £90,000	3	-
£90,001 - £100,000	-	1
£110,001 - £120,000	-	1
£120,001 - £130,000	1	1
£130,001 - £140,000	1	-

The group made termination payments totalling £33,851 (2023: £25,560) in the period in respect of 2 (2023: 1) employees.

**12 Tangible fixed assets**

<b>Group</b>	<b>Leasehold improvements £</b>	<b>Plant and equipment £</b>	<b>Office equipment £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 January 2024	195,332	9,400	27,629	75,104	307,465
Additions	19,588	-	-	46,162	65,750
Disposals	-	-	-	(8,875)	(8,875)
At 31 December 2024	214,920	9,400	27,629	112,392	364,340
<b>Depreciation</b>					
At 1 January 2024	57,680	1,371	5,707	26,552	91,310
Charge for the year	41,025	2,350	5,526	23,094	71,995
Eliminated via disposal	-	-	-	(7,055)	(7,055)
At 31 December 2024	98,705	3,721	11,233	42,591	156,250
<b>Net book value</b>					
At 31 December 2024	116,215	5,679	16,396	69,800	208,090
At 31 December 2023	137,652	8,029	21,922	48,552	216,155

**MCS Charitable Foundation****Notes to the financial statements  
For the year ended 31 December 2024****12 Tangible fixed assets (continued)**

<b>Charity</b>	<b>Computer equipment £</b>
<b>Cost</b>	
At 1 January 2024	1,648
Additions	12,395
At 31 December 2024	<u>14,043</u>
<b>Depreciation</b>	
At 1 January 2024	206
Charge for the year	2,594
At 31 December 2024	<u>2,800</u>
<b>Net book value</b>	
At 31 December 2024	<u>11,243</u>
At 31 December 2023	<u>1,442</u>

**13 Fixed asset investments (Group and Charity)**

	<b>2024 £</b>	<b>2023 £</b>
Listed investments	4,767,940	4,768,037
Mixed motive investments*	75,000	75,000
	<u>4,842,940</u>	<u>4,843,037</u>

	<b>Mixed motive investments £</b>	<b>Listed investments £</b>	<b>Total £</b>
<b>Valuation</b>			
At 1 January 2024	75,000	4,768,037	4,843,037
Additions	-	1,439,555	1,439,555
Disposals	-	(1,329,940)	(1,329,940)
Loss on revaluation	-	(109,712)	(109,712)
At 31 December 2024	<u>75,000</u>	<u>4,767,940</u>	<u>4,842,940</u>

\* The mixed motive investment consists of shares purchased in Low Carbon Hub IPS and People Powered Retrofit.

**MCS Charitable Foundation****Notes to the financial statements  
For the year ended 31 December 2024****13 Fixed asset investments (Group and Charity) (continued)**

Listed investments at fair value comprise:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Fixed interest	1,865,759	1,974,331
UK equities	1,127,957	1,002,129
Overseas equities	1,218,800	1,230,844
Alternatives	492,166	510,660
Cash within investment portfolio	63,258	50,073
	<u>4,767,940</u>	<u>4,768,037</u>

The charity also holds an investment in its subsidiary undertaking, The MCS Service Company Ltd, at a value of £nil (2023 - £nil) as no consideration was paid for this investment. Further details of The MCS Service Company Ltd's activities for the year are included in note 3.

**14 Debtors**

	<i><b>Group</b></i>		<i><b>Charity</b></i>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>				
Trade debtors	554,469	650,888	-	-
Other debtors	30,638	56,281	-	-
Prepayments and accrued income	374,407	406,518	52,909	43,408
	<u>959,515</u>	<u>1,113,687</u>	<u>52,909</u>	<u>43,408</u>

**15 Creditors: amounts falling due within one year**

	<i><b>Group</b></i>		<i><b>Charity</b></i>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	182,059	286,762	29,369	41,420
Amounts due to subsidiary undertakings	-	-	3,491	599
Other taxation and social security	466,188	304,716	18,678	-
Other creditors	52,210	88,723	-	-
Accruals and deferred income*	514,533	434,708	25,663	89,764
	<u>1,214,989</u>	<u>1,114,909</u>	<u>77,201</u>	<u>131,783</u>

\* Accruals and deferred income includes the following movements in deferred income:

	<i><b>Group</b></i>	
	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Deferred income</b>		
At 1 January	154,575	116,025
Released in the year	(154,575)	(33,945)
Deferred in the year	416,340	72,495
At 31 December	<u>416,340</u>	<u>154,575</u>

The Charity had no deferred income in the current or prior year.

## MCS Charitable Foundation

Notes to the financial statements  
For the year ended 31 December 2024

## 16 Creditors: amounts falling due over one year

	<i>Group</i>		<i>Charity</i>	
	2024	2023	2024	2023
	£	£	£	£
Other creditors	-	8,100	-	8,100
	-	8,100	-	8,100

## 17 Fund reconciliation

## Movement in funds (Group)

	At 1 January 2023	Incoming resources	Outgoing resources	Transfers/ Gains	At 31 December 2023
	£	£	£	£	£
Unrestricted funds	7,891,191	8,036,173	(6,454,286)	115,709	9,588,787
	7,891,191	8,036,173	(6,454,286)	115,709	9,588,787

	At 1 January 2024	Incoming resources	Outgoing resources	Transfers/ Gains	At 31 December 2,024
	£	£	£	£	£
Unrestricted funds	9,588,787	8,769,809	(8,182,833)	(2,424,187)	7,751,576
Designated funds					
Local Area Retrofit Accelerator	-	-	-	2,000,000	2,000,000
Grants awarded not paid	-	-	-	314,475	314,475
	9,588,787	8,769,809	(8,182,833)	(109,712)	10,066,051

## Movement in funds (Charity)

	At 1 January 2023	Incoming resources	Outgoing resources	Transfers/ Gains	At 31 December 2023
	£	£	£	£	£
Unrestricted funds	5,139,002	2,209,310	(1,510,285)	115,708	5,953,735
	5,139,002	2,209,310	(1,510,286)	115,708	5,953,735

	At 1 January 2024	Incoming resources	Outgoing resources	Transfers/ Gains	At 31 December 2024
	£	£	£	£	£
Unrestricted funds	5,953,735	3,115,581	(1,854,251)	(2,424,187)	4,790,877
Designated funds					
Local Area Retrofit Accelerator	-	-	-	2,000,000	2,000,000
Grants awarded not paid	-	-	-	314,475	314,475
	5,953,735	3,115,581	(1,854,251)	(109,712)	7,105,352

MCS Charitable Foundation

Notes to the financial statements  
For the year ended 31 December 2024

18 Obligations under operating leases (Group)

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

	2024 £	2023 £
Within one year	105,987	105,987
Between two and five years	167,529	273,516
	<u>273,516</u>	<u>379,503</u>

The Charity had no operating lease commitments in the current or prior year.

19 Provisions (Group)

At the year end, the group had a provision for dilapidations relating to the office lease.

	2024 £	2023 £
Dilapidations	60,000	60,000
	<u>60,000</u>	<u>60,000</u>

The Charity had no provisions in place in the current or prior year.

20 Related party transactions

During the year the following transactions took place between the Charity and its wholly owned subsidiary:

- The Charity paid £50,447 (2023: £25,828) to The MCS Service Company Ltd for project management and delivery costs.
- The Charity recharged £141,027 (2023: £84,543) of expenses to The MCS Service Company Ltd.
- The MCS Service Company Ltd made a donation of £2,818,699 (2023: £1,923,671) to the Charity under Gift Aid.

At the year end, the Charity owed The MCS Service Company Ltd £3,491 (2023: £599)

During the year £90,000 (2023: £105,000) was paid to Solar Trade Association for whom trustee Gareth Williams is a Director, and Enil (2023: £19,500) of sales were made to Caplor Energy Limited, a company owned by Gareth Williams. As at 31 December 2024 there were no balances outstanding and the amounts paid/received in the financial year were on an arms length basis.

MCS Charitable Foundation

Notes to the financial statements  
For the year ended 31 December 2024

21 Reconciliation of net income to net cash flow from operating activities

	<i>Group</i> <b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Net income for the reporting period (as per the statement of financial activities)	477,264	1,697,596
Adjustments for:		
Investment income	(153,567)	(145,865)
Losses / (Gains) on investments	109,712	(115,709)
Depreciation and impairment of tangible fixed assets	71,995	61,217
Movements in working capital:		
Decrease / (Increase) in debtors	154,172	(152,228)
Increase in creditors	91,980	374,814
<b>Net cash flow from operating activities</b>	<b>751,556</b>	<b>1,719,823</b>