

BRITISH GAS ENERGY TRUST

England & Wales · Charity number 1179578

Details

Other names BGET

Status Registered

Legal form CIO

Registered 2018-08-16

Register [View on the Charity Commission register](#)

Contact

Address Farrer & Co
65-66 Lincoln's Inn Fields
London
WC2A 3LH

Phone 0121 348 7797

Email contact@britishgasenergytrust.org.uk

Website www.britishgasenergytrust.org.uk

Activities

Objects: 1 THE RELIEF OF POVERTY PARTICULARLY AMONG THOSE WHO ARE UNABLE TO MEET OR PAY CHARGES FOR THE SUPPLY OF ENERGY PROVIDED TO PREMISES USED OR OCCUPIED BY THEM; AND 2 THE PREVENTION AND RELIEF OF POVERTY BY EDUCATING THE PUBLIC IN RELATION TO DEBT AWARENESS AND PREVENTION.

Activities: The Trust contributes to the relief of poverty, with a particular focus on fuel poverty. It helps families and individuals experiencing hardship who are struggling with gas and electricity debts by awarding grants to clear those debts. The Trust also funds organisations across England, Wales and Scotland to provide fuel debt and money advice services within communities.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£15,774,216	£16,641,582	£10,860,455	19
2024-03-31	£24,230,359	£18,611,501	£11,727,821	14
2023-03-31	£24,882,767	£22,712,435	£6,108,963	8
2022-03-31	£8,300,482	£6,985,216	£3,938,631	0
2021-03-31	£6,002,823	£6,182,633	£2,623,365	0

Trustees

Name	Role	Appointed
Arvinda Gohil OBE		2024-03-22
Gary Booker		2024-10-31
Mark Howard McGillicuddy		2021-05-19
Miranda Corti		2024-06-19
RUTH KENNEDY		2024-06-19
William Gillis		2019-03-07

BRITISH GAS ENERGY TRUST

England & Wales - Charity number 1179578

Accounts

CIO Registration No. 1179578

Company Registration No. CE014895 (England and Wales)

BRITISH GAS ENERGY TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

BRITISH GAS ENERGY TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

A Gohil OBE (Chair) (from 18 June 2024)
Helen Charlton (Chair) (resigned 18 June 2024)
M Corti (from 19 June 2024)
G Booker (from 31 October 2024)
W Gillis
R Kennedy (from 19 June 2024)
M McGillicuddy
Susan Deacon (resigned 6 June 2025)
Laurie Lee (resigned 18 June 2024)
Sheila Wheeler (resigned 18 June 2024)
Ngozi Nwosu (Shadow Trustee) (from 19 August 2024)

Chief Executive Officer

Jessica Taplin (resigned 17 October 2025)

Interim Chief Executive Officer

Tracey Talbot (from 17 October 2025)

CIO registration number

1179578

Auditor

Azets Audit Services
Westpoint
Lynch Wood
Peterborough
Cambridgeshire
United Kingdom
PE2 6FZ

Bankers

National Westminster Bank plc
PO Box 15
Cathedral Square
Peterborough
Cambridgeshire
PE1 1HW

BRITISH GAS ENERGY TRUST

CONTENTS

	<i>Page</i>
Trustees' report	1 - 6
Statement of trustees' responsibilities	7
Independent auditor's report	8 - 10
Statement of financial activities	11
Balance sheet	12
Statement of cash flows	13
Notes to the financial statements	14 - 26

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

Trustees' report

The Trustees are pleased to present their report, together with the financial statements for the Charitable Incorporated Organisation (CIO), British Gas Energy Trust, for the year 1 April 2024 to 31 March 2025. The CIO British Gas Energy Trust is referred to as the Trust throughout this report. The financial statements have been prepared in accordance with the accounting policies set out in note 1 of the financial statements and comply with the Trust's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The British Gas Energy Trust which incorporates the Scottish Gas Energy Trust, is an independent Charitable Trust established in 2004. Whilst it remains solely funded by British Gas the Trust is a separate entity, with an independent Board of Trustees.

Our mission: To alleviate the detrimental impact of poverty.

We seek to deliver on our mission by helping people in, or at risk of financial hardship, meet their energy needs and manage their energy costs through support, education and raising awareness of sound money management.

Charitable objectives

The Trust, while conducting its activities, is mindful of the legal requirement for all its charitable aims to be for the public benefit. The public benefits provided by the Trust include:

- Provision of grants to charitable organisations to provide fuel debt advice services in communities.
- Provision of grants to individuals to alleviate fuel debt.
- Provision of other grants, aligned to the Trust's objectives, to help people manage indebtedness.

Strategic aims:

- To help people avoid the burden of energy debt, make informed energy choices, and improve their money management skills. We envisage that this will lead to healthier homes and enhanced well-being.
- To enhance the capacity of the organisations' we fund: enabling the development and provision of holistic support, money, energy and advice services; to provide breadth and depth of support to people in financial hardship.

In September 2020, the Trustees approved a Strategic Framework for the Trust from 2020-2026. The framework directly informed the Trust's Theory of Change (ToC). The ToC defines our mission, aims, objectives and the outcomes we seek to deliver.

As a charity we seek to uphold the values of kindness, empathy, respect and working in an innovative, agile, and collaborative way.

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

Introduction from Arvinda Gohil OBE, Chair, British Gas Energy Trust

Reflecting on 2024–2025

Over the past financial year (April 2024 – March 2025), the support provided by the Trust has been critical for many households navigating continued high inflation, elevated energy prices, and persistent cost-of-living pressures. Faced with rising need, the Trust responded with determination and reach—directly supporting over 72,405 people through our three charitable objectives:

- Funding community organisations to provide fuel debt and energy advice services,
- Awarding individual grants to help alleviate energy debt, and
- Providing other forms of support to help people manage or avoid indebtedness.

Towards an end to fuel poverty

To better understand and address the evolving landscape of fuel poverty, the Trust convened a series of roundtable discussions with policymakers, funded organisations, community leaders, and people with lived experience. These conversations revealed the deepening challenges faced by households and the barriers that prevent people from accessing help. The insights directly informed our landmark report—*Towards an end to fuel poverty in Britain*—launched at the House of Commons by Miatta Fahnbulleh, Minister for Energy Consumers in November 2024. Bringing together data, frontline experience, and clear policy recommendations, the report sets out a practical roadmap for government, industry, and civil society to tackle the root causes of fuel poverty. It was welcomed by MPs, advisors, and key stakeholders as a valuable and solutions-focused contribution to the national debate.

Funding for the future

As at 31 March 2025, the Trust's audited accounts show total reserves of £11.1 million. Of this, £3.6 million has been designated for specific future needs. Notably, £3.2 million of these designated funds have been earmarked for grants to charities as part of our Supporting Communities at Risk Programme (SCARP). In other words, most of the Trust's designated reserves are already set aside to provide direct support to vulnerable communities through funding for charitable organisations.

Strengthening the Trust

In 2024–2025, the Trust broadened its approach to reflect the complexity of the challenges households face. We know energy debt rarely exists in isolation. Mental health, housing insecurity, digital exclusion, and caring responsibilities all shape people's ability to engage with and sustain support. The Trust's person-centred, community-delivered model is designed to respond to this interconnected reality.

Thank you

As Trustees, we remain deeply grateful for the dedication, professionalism, and empathy of our staff team, and delivery partners. Their collective efforts have ensured that the Trust remains a vital source of support, stability, and hope to tens of thousands of people across Britain. Together, we are committed to continuing our mission—to alleviate the detrimental impact of poverty—and to drive forward bold, evidence-based solutions that support households not only to survive hardship but to build a better future.

Arvinda Gohil, Chair

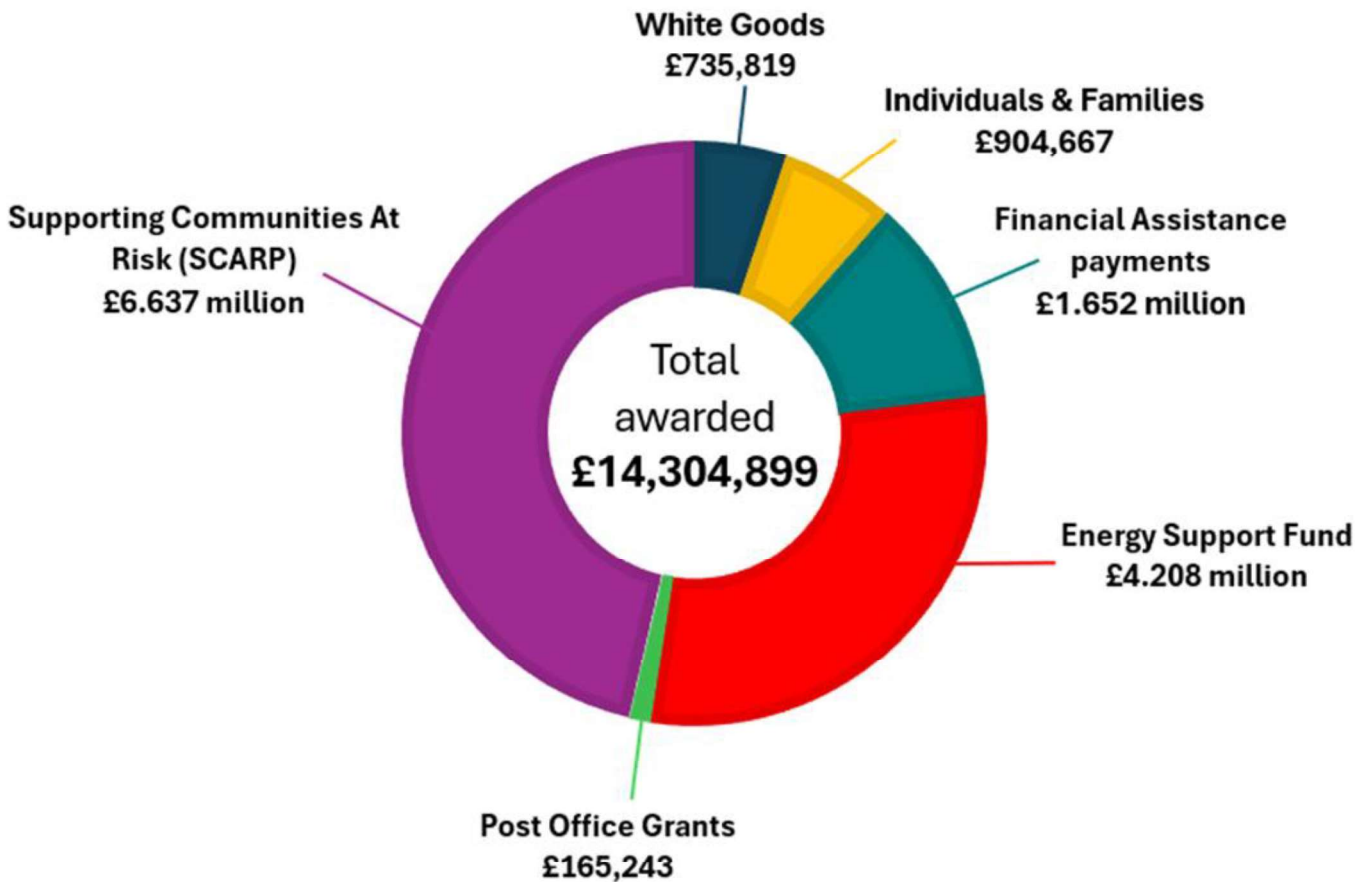
British Gas Energy Trust

BRITISH GAS ENERGY TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

Outcomes of Trust charitable activities:

72,405 people directly helped across England, Scotland, and Wales in the financial year 2024/25 (2023/24: 64,488 people)

Expenditure via charitable activities



BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

Direct Grants & Programmes

The Trust's direct grants offering consists of the Individual & Families (I&F), the Energy Support Fund (ESF), and Financial Assistance Payments (FAPs). Both I&F and ESF provide grants to write off fuel debt in full. The main distinctions between them is that ESF is exclusively for British Gas customers, whereas both British Gas and non-British Gas customers are eligible for I&F support.

Over the past year, the Trust awarded:

- Over £5.1 million in energy debt relief grants through the Individuals and Families Fund and the Energy Support Fund, helping 7,760 British Gas and non-British Gas customers.
- £1.6 million in Financial Assistance Payments supported 13,590 individuals facing emergency fuel hardship, including energy vouchers, 'Get Back On Track' payments, and solid fuel support.
- The White Goods Fund provided 2,148 essential appliances to 6,627 people, totalling £735,000.
- The HIVE programme enabled 294 installations and 10 mobile packs via 557 referrals, helping customers manage energy use more efficiently, with support valued at £164,000.
- 191 individuals received money advice, identifying financial gains of £446,466.
- The Supporting Communities at Risk Programme (SCARP), helped 39,716 people across England, Scotland, and Wales.
- Funding to 38 charities enabled delivery of 134,608 hours of specialist money and energy advice to clients with increasingly complex needs.

Outreach and education

The Trust's charitable objectives include preventing and relieving poverty by increasing public awareness of debt and how to avoid it. This year, we stepped up our outreach efforts—bringing money and energy advice directly to those who need it most and encouraging earlier engagement with support services for people in, or at risk of, fuel poverty.

Pop-Ups: In partnership with the Post Office and British Gas, we took advice to the high street through 40 Post Office Pop-Up events across England, Scotland, and Wales. These face-to-face sessions gave 3,021 people immediate access to expert guidance on managing energy costs, tackling debt, and finding longer-term solutions to financial hardship. The partners we funded delivered an additional 81 outreach activities, where 1,691 people attended, 3,678 energy items were distributed and 357 onward referrals made.

Digital reach: Our online presence also expanded significantly. The Trust's website was accessed by over 761,000 people seeking help. Across X, YouTube, and LinkedIn, our social media campaigns generated more than 78,000 impressions, amplifying our message and connecting more households with life-changing support.

Governance:

The Trust, whilst funded by British Gas, operates as a separate and independent charity with decisions and Trustee appointments made by the independent Board of Trustees. Trustees are not remunerated for their roles on the Trustee Board.

The Board of Trustees provide strategic leadership through quarterly meetings of the Board of Trustees.

The Trustees confirm they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

The Trust refers to the Governance Code as part of the annual Governance review.

Trustees set the policy, control and monitor the Trust's activities providing good governance, challenge and oversight in line with the principles of the Charity Governance Code 2017.

Details of any potential conflicts of interest are provided by Trustees in a central register, which is reviewed annually.

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

Management controls:

The Trust's Chief Executive has delegated authority from the Board of Trustees to oversee and manage the day-to-day operation of the Trust.

The CEO is guided by the following Board-approved operating principles:

- ◆ Maintain high operational standards: to help ensure continuous delivery of impactful services and interventions.
- ◆ Maintain Annual Operating Costs at no higher than 15% of total income.
- ◆ Ensure the Trust, within its charitable remit, remains responsive to the changing needs of vulnerable groups.
- ◆ Utilise technology to streamline grant -making and reduce data management risks.

Financial controls

The Trust, whilst funded by British Gas, is a separate and independent charity, with funding intentions from British Gas outlined in a Memorandum of Understanding. The Trust will continue to deliver in line with the current strategy and approach until 2026.

The Trust conducts its activities in two ways: making grants to organisations to provide money and energy advice and related support and services; and making grants to individuals and families to provide relief from energy debt and assistance with other energy and financial support measures.

All charitable activity is underpinned by Warm Home Discount funding and supplemented by additional funding from British Gas. Prior to the 2022/23 financial year the Trust received confirmation from British Gas of the minimum level of core Warm Home Discount funding for the period April 2022-March 2026; this funding underpins the core programmes that the Trust operates.

In total over the 2024/25 financial period the Trust received donations of £15.6 million from British Gas.

Financial review

At 31 March 2025 the Trust had reserves of £10.8 million consisting of designated reserves of £3.6 million, unrestricted general reserves of £2.6 million and restricted reserves of £4.6 million. Cash held at the end of the financial year increased due to:

- Receipt of £2 million from British Gas in December 2024 under a ten-year Gift Agreement signed in November 2023. This has been committed by the Board to the support of funded organisations in 2025/26 under the SCARP programme.
- Income of £4 million from British Gas for the Energy Support Fund; the funding is committed to projects within the programme and, in line with programme timelines, is due to be fully expended by the end of March 2026.

Designated reserves

In December 2023, Trustees reviewed the Trust's reserves in the context of ongoing financial hardship faced by households experiencing or at risk of fuel poverty. The ten-year gift funding agreement with British Gas, secured in November 2023, provided enhanced confidence in the Trust's long-term financial sustainability.

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

As a result, Trustees approved the release of £5 million from unrestricted reserves, designating these funds to support grants aimed at alleviating the cost-of-living crisis. This designated reserve—reflected in the SCARP fund—has been actively deployed throughout 2024/25, with £2.1 million expended during the year and a remaining balance of £3.2 million carried forward to support further grant-making in 2025/26. This strategic allocation aligns with the Trust’s mission to support vulnerable households and communities through targeted organisational grants.

Plans for future periods

British Gas remains the Trust’s sole funder and, in line with its ongoing support has committed a minimum £6.0 million in 2025/26, with a potential to provide increased funding to £8.0 million through Warm Home Discount Funding. Under a ten-year Gift Agreement with British Gas annual gift funding of £2 million, index linked to CPI inflation, will be received each November until 2032

Structure governance and management

The Trust was entered onto the Charity Commission’s Register of Charities on 16 August 2018 with the registered charity number 1179578. On 28 February 2019, all assets from “British Gas Energy Trust”, charity number 1106218, were transferred to the new CIO.

The Trust is governed by a constitution approved by the Board of Trustees on 20 June 2018. In selecting individuals for appointment as Trustees, the Board gives due regard to the skills, knowledge and experience needed for the effective administration of the Trust.

Trustees review and assess the risks faced by the Trust in all areas of its work and plan for management of those risks. The risk register is reviewed on a quarterly basis by the Resources Committee and the Board.

Legal advisors

The Trust’s legal advisors are Farrer & Co, appointed on 1 April 2021 following a competitive process.

The Trustees' report was approved by the Board of Trustees.

DocuSigned by:

7891DE26BA20490...

M McGillicuddy

Treasurer and Trustee

Dated: 02/12/2025

BRITISH GAS ENERGY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2025

The Trustees 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).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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

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

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BRITISH GAS ENERGY TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF BRITISH GAS ENERGY TRUST

Opinion

We have audited the financial statements of British Gas Energy Trust (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

BRITISH GAS ENERGY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF BRITISH GAS ENERGY TRUST

Responsibilities of Trustees

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

BRITISH GAS ENERGY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF BRITISH GAS ENERGY TRUST

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

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



**Tracey Richardson BSc (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services**

21 January 2026
.....

**Chartered Accountants
Statutory Auditor**

Westpoint
Lynch Wood
Peterborough
Cambridgeshire
United Kingdom
PE2 6FZ

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

BRITISH GAS ENERGY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
	Notes						
<u>Income from:</u>							
Donations and legacies	3	11,559,283	4,000,000	15,559,283	11,872,614	12,200,000	24,072,614
Investments	4	214,933	-	214,933	157,745	-	157,745
Total income		11,774,216	4,000,000	15,774,216	12,030,359	12,200,000	24,230,359
<u>Expenditure on:</u>							
Charitable activities	5	11,235,020	5,406,562	16,641,582	11,779,739	6,831,762	18,611,501
Net income/(expenditure) for the year/							
Net movement in funds		539,196	(1,406,562)	(867,366)	250,620	5,368,238	5,618,858
Fund balances at 1 April 2024		5,696,317	6,031,504	11,727,821	5,445,697	663,266	6,108,963
Fund balances at 31 March 2025		6,235,513	4,624,942	10,860,455	5,696,317	6,031,504	11,727,821

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

All income and expenditure derive from continuing activities.

BRITISH GAS ENERGY TRUST

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Tangible assets	11		21,488		13,550
Current assets					
Debtors	13	1,975,068		1,015,563	
Cash at bank and in hand		9,539,336		11,009,346	
		11,514,404		12,024,909	
Creditors: amounts falling due within one year	14	(675,437)		(310,638)	
Net current assets			10,838,967		11,714,271
Total assets less current liabilities			10,860,455		11,727,821
Income funds					
Restricted funds	17		4,624,942		6,031,504
<u>Unrestricted funds</u>					
Designated funds	16	3,599,091		5,429,404	
General unrestricted funds		2,636,422		266,913	
			6,235,513		5,696,317
			10,860,455		11,727,821

The financial statements were approved by the Trustees on 02 December 2025

DocuSigned by:

Mark McGillicuddy

7891DE26BA20490..

M McGillicuddy

Trustee

BRITISH GAS ENERGY TRUST**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	21		(1,670,254)		6,345,385
Investing activities					
Purchase of tangible fixed assets		(14,689)		(16,120)	
Investment income received		214,933		157,745	
Net cash generated from investing activities			200,244		141,625
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(1,470,010)		6,487,010
Cash and cash equivalents at beginning of year			11,009,346		4,522,336
Cash and cash equivalents at end of year			<u>9,539,336</u>		<u>11,009,346</u>

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

British Gas Energy Trust is a charitable incorporated organisation registered on 16 August 2018 in England and Wales. The principal address is Farrer & Co LLP, 66 Lincoln's Inn Fields, London, WC2A 3LH.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

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

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose. Designated funds are shown separately in the accounts for clarity.

Restricted funds are funds which are to be used in accordance with specific instructions imposed by the donor or Trust Deed.

1.4 Income

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

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

Income received in advance for future years has been treated as deferred income.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure and it is probable that settlement will be required and the amount of the obligation can be measured reliably. In particular the following policies apply to grants payable:

- Unconditional grants are accrued once the recipient has been notified of the grant award.
- Conditional grants, which are subject to performance conditions, are only accrued when the recipient has been notified of the grant award and any remaining unfulfilled conditions attached to the grant are outside the control of the charity.
- Provisions for grants are made when the recipient has been notified of a grant award, but the timing of the grant or the amount payable remains uncertain.

All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees, together with an apportionment of overhead and support costs.

1.6 Tangible fixed assets

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

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

Computers	Over 3 years on a straight line basis
-----------	---------------------------------------

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 the statement of financial activities.

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

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

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

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

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

1.11 Retirement benefits

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

1.12 Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be reliably estimated.

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees 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.

BRITISH GAS ENERGY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

3 Donations and legacies	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2025	2025	2025	2024	2024	2024
	£	£	£	£	£	£
Donations and gifts	11,559,283	4,000,000	15,559,283	11,872,614	12,200,000	24,072,614
Donations and gifts						
Donations	11,559,283	-	11,559,283	11,872,614	1,200,000	13,072,614
Donations for Winter fund and Energy Support fund	-	4,000,000	4,000,000	-	11,000,000	11,000,000
	11,559,283	4,000,000	15,559,283	11,872,614	12,200,000	24,072,614

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

4 Investments

	Unrestricted funds	Unrestricted funds
	2025 £	2024 £
Interest receivable	214,933	157,745

5 Charitable activities

	2025 £	2024 £
Staff costs	701,962	517,027
Direct charitable expenditure	887,008	1,080,611
	1,588,970	1,597,638
Grant funding of activities (see note 6)	14,304,899	16,342,333
Share of support costs (see note 7)	584,922	456,251
Share of governance costs (see note 7)	162,791	215,279
	16,641,582	18,611,501
Analysis by fund		
Unrestricted funds	11,235,020	11,779,739
Restricted funds	5,406,562	6,831,762
	16,641,582	18,611,501

6 Grants payable

	2025 £	2024 £
Grants to institutions:		
Organisational grants	6,802,936	6,027,250
Grants to individuals:		
Energy payments	5,113,188	7,840,348
Financial assistance payments (FAP)	1,652,956	2,474,735
White Goods grants	735,819	-
	14,304,899	16,342,333

BRITISH GAS ENERGY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

7 Support and governance costs	Support costs		Governance costs		2025		Support costs		Governance costs		2024		Basis of allocation
	£	£	£	£	£	£	£	£	£	£	£	£	
Staff costs	184,022	64,791	248,813	104,802	34,353	139,155	% of time spent						
Depreciation	6,751	-	6,751	2,570	-	2,570							
Recruitment fees	41,103	9,660	50,763	43,100	28,520	71,620	Type of cost						
Other consultancy	69,309	-	69,309	136,082	-	136,082	Support						
Grant management	29,953	-	29,953	28,158	-	28,158	Support						
Other support costs	253,784	-	253,784	141,539	-	141,539	Support						
Audit fees	-	11,940	11,940	-	11,076	11,076	Governance						
Legal and professional	-	30,161	30,161	-	102,984	102,984	Governance						
Trustee expenses	-	3,106	3,106	-	1,793	1,793	Governance						
Trustee insurance	-	10,216	10,216	-	8,365	8,365	Governance						
Company Secretarial costs	-	20,389	20,389	-	16,308	16,308	Governance						
Internal audit fees	-	12,528	12,528	-	11,880	11,880	Governance						
	584,922	162,791	747,713	456,251	215,279	671,530							
Analysed between													
Charitable activities	584,922	162,791	747,713	456,251	215,279	671,530							

Governance costs includes payments to the auditors of £11,940 (2024 - £11,076) for audit fees.

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, but 6 of them were reimbursed a total of £3,106 subsistence expenses (2024 - 6 were reimbursed £1,793).

9 Employees

The average monthly number of employees during the year was:

	2025	2024
	Number	Number
	19	14
	<u> </u>	<u> </u>

Employment costs

	2025	2024
	£	£
Wages and salaries	835,009	579,135
Social security costs	82,326	53,378
Other pension costs	33,440	23,669
	<u> </u>	<u> </u>
	<u>950,775</u>	<u>656,182</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2025	2024
	Number	Number
£60,001 - £70,000	3	1
£90,001 - £100,000	-	1
£110,001 - £120,000	1	-
	<u> </u>	<u> </u>

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

11 Tangible fixed assets

	Computers
	£
Cost	
At 1 April 2024	16,120
Additions	14,689
	<hr/>
At 31 March 2025	30,809
	<hr/>
Depreciation and impairment	
At 1 April 2024	2,570
Depreciation charged in the year	6,751
	<hr/>
At 31 March 2025	9,321
	<hr/>
Carrying amount	
At 31 March 2025	21,488
	<hr/> <hr/>
At 31 March 2024	13,550
	<hr/> <hr/>

12 Financial instruments

	2025	2024
	£	£
Carrying amount of financial assets		
Bank and cash	9,539,336	11,009,346
	<hr/>	<hr/>
Measured at cost	9,539,336	11,009,346
	<hr/> <hr/>	<hr/> <hr/>
Carrying amount of financial liabilities		
Trade creditors	130,995	231,183
Accruals	265,048	56,032
Other creditors	7,427	5,924
Other taxation and social security	21,967	17,499
	<hr/>	<hr/>
Measured at cost	425,437	310,638
	<hr/> <hr/>	<hr/> <hr/>

13 Debtors

	2025	2024
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	1,975,068	1,015,563
	<hr/> <hr/>	<hr/> <hr/>

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

14 Creditors: amounts falling due within one year

	Notes	2025 £	2024 £
Other taxation and social security		21,967	17,499
Deferred income	15	250,000	-
Trade creditors		130,995	231,183
Other creditors		7,427	5,924
Accruals		265,048	56,032
		<u>675,437</u>	<u>310,638</u>

15 Deferred income

	2025 £	2024 £
Deferred income	<u>250,000</u>	<u>-</u>

Deferred income consists of donations received in advance for the next financial year.

BRITISH GAS ENERGY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes:

	Movement in funds			Movement in funds			Movement in funds		
	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2025 £
Cessation contingency reserve	369,510	-	-	4,490	374,000	-	-	-	374,000
SCARP+ project matched funding	1,000,000	-	(1,000,000)	-	-	-	-	-	-
Energy Support fund	1,575,367	-	(1,575,367)	-	-	-	-	-	-
Fixed asset fund	-	-	(2,570)	16,120	13,550	-	(6,751)	14,689	21,488
SCARP	-	-	-	5,041,854	5,041,854	-	(2,111,707)	273,456	3,203,603
	<u>2,944,877</u>	<u>-</u>	<u>(2,577,937)</u>	<u>5,062,464</u>	<u>5,429,404</u>	<u>-</u>	<u>(2,118,458)</u>	<u>288,145</u>	<u>3,599,091</u>

The cessation contingency reserve represents anticipated costs of winding up the charity, to cover legal and statutory costs not already included within other commitments.

SCARP+ project matched funding was designated for grants to funded organisations delivering in the community.

The Energy Support fund was for grants that were to be awarded in April and May 2023 for which the restricted funding had not yet been received.

The fixed asset fund reflects the value of fixed assets at the year end.

The SCARP fund is for the payment of organisational grants that have been agreed for the next two years.

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

17 Restricted funds

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

	Movement in funds			Movement in funds			
	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Balance at 1 April 2024 £	Incoming resources £	Resources expended 31 March 2025 £	Balance at March 2025 £
Winter fund and Energy Support fund	69,758	11,000,000	(5,965,789)	5,103,969	4,000,000	(4,479,027)	4,624,942
SCARP+ project	593,508	1,200,000	(865,973)	927,535	-	(927,535)	-
	<u>663,266</u>	<u>12,200,000</u>	<u>(6,831,762)</u>	<u>6,031,504</u>	<u>4,000,000</u>	<u>(5,406,562)</u>	<u>4,624,942</u>

The Winter fund and Energy Support fund balance is for Debt Write Off Grants.

The SCARP+ project balance is for grants to funded organisations delivering in the communities.

18 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total	Total
	2025 £	2025 £	2025 £	2025 £	2024 £
Fund balances at 31 March 2025 are represented by:					
Tangible assets	-	21,488	-	21,488	13,550
Current assets/(liabilities)	2,636,422	3,577,603	4,624,942	10,838,967	11,714,271
	<u>2,636,422</u>	<u>3,599,091</u>	<u>4,624,942</u>	<u>10,860,455</u>	<u>11,727,821</u>

19 Commitments

The CIO is committed to paying management fees as noted below which may increase depending on the volume of grants processed.

	2025 £	2024 £
Within one year	98,000	98,000
Between two and five years	-	98,000
	<u>98,000</u>	<u>196,000</u>

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

20 Related party transactions

Remuneration of key management personnel

The remuneration of the six (2024 - six) members of key management personnel is as follows.

	2025 £	2024 £
Aggregate compensation	423,881	442,567

The above remuneration in 2024 includes agency costs paid for the Director of Finance role.

There were no other disclosable related party transactions during the year (2024 - none).

21 Cash generated from operations

	2025 £	2024 £
(Deficit)/surplus for the year	(867,366)	5,618,858
Adjustments for:		
Investment income recognised in statement of financial activities	(214,933)	(157,745)
Depreciation and impairment of tangible fixed assets	6,751	2,570
Movements in working capital:		
(Increase)/decrease in debtors	(959,505)	903,430
Increase/(decrease) in creditors	114,799	(13,861)
Increase/(decrease) in deferred income	250,000	(7,867)
Cash (absorbed by)/generated from operations	(1,670,254)	6,345,385

22 Analysis of changes in net funds

The charity had no debt during the year.

BRITISH GAS ENERGY TRUST

England & Wales - Charity number 1179578

Accounts

CIO Registration No. 1179578

Company Registration No. CE014895 (England and Wales)

BRITISH GAS ENERGY TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

BRITISH GAS ENERGY TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	S Deacon CBE W Gillis M McGillicuddy A Gohil M Corti R Kennedy	(Appointed 21 March 2024) (Appointed 19 June 2024) (Appointed 19 June 2024)
Chief Executive Officer	Jessica Taplin	
CIO registration number	1179578	
Auditor	Azets Audit Services Westpoint Lynch Wood Peterborough Cambridgeshire United Kingdom PE2 6FZ	
Bankers	National Westminster Bank plc PO Box 15 Cathedral Square Peterborough Cambridgeshire PE1 1HW	

BRITISH GAS ENERGY TRUST

CONTENTS

	Page
Trustees' report	1 - 8
Statement of Trustees' responsibilities	9
Independent auditor's report	10 - 12
Statement of financial activities	13
Balance sheet	14
Statement of cash flows	15
Notes to the financial statements	16 - 27

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Trustees' Report

The Trustees are pleased to present their report, together with the financial statements for the Charitable Incorporated Organisation (CIO), British Gas Energy Trust, for the year 1 April 2023 to 31 March 2024. The CIO British Gas Energy Trust is referred to as the Trust throughout this report. The financial statements have been prepared in accordance with the accounting policies set out in note 1 of the financial statements and comply with the Trust's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The British Gas Energy Trust which incorporates the Scottish Gas Energy Trust, is an independent Charitable Trust established in 2004. Whilst it remains solely funded by British Gas the Trust is a separate entity, with an independent Board of Trustees.

Our mission: To alleviate the detrimental impact of poverty

We seek to deliver on our mission by helping people in, or at risk of, financial hardship meet their energy needs and manage their energy costs through support, education and raising awareness of sound money management.

Charitable Objectives

The Trust, while conducting its activities, is mindful of the legal requirement for all its charitable aims to be for the public benefit. The public benefits provided by the Trust include:

- Provision of grants to charitable organisations to provide fuel debt advice services in communities.
- Provision of grants to individuals to alleviate fuel debt.
- Provision of other grants, aligned to the Trust's objectives, to help people manage indebtedness.

Strategic aims

- To help people avoid the burden of energy debt, make informed energy choices, and improve their money management skills. We envisage that this will lead to healthier homes and enhanced well-being.
- To enhance the capacity of the organisations we fund: enabling the development and provision of holistic support, money, energy, and advice services; to provide breadth and depth of support to people in financial hardship.

In September 2020, the Trustees approved a Strategic Framework for the Trust from 2020-2026. The framework directly informed the Trust's Theory of Change (ToC). The ToC defines our mission, aims, objectives and the outcomes we seek to deliver.

As a charity we seek to uphold the values of kindness, empathy, respect and working in an innovative, agile, and collaborative way.

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Introduction from Arvinda Gohil OBE, Chair, British Gas Energy Trust

As incoming Chair I am delighted to mark 20 years since the Trust was established to help fight the detrimental impact of poverty. In that time the Trust has invested nearly £200 million to combat fuel poverty, providing support to over 700,000 individuals across Britain.

Over the past year (April 2023-March 2024) the help offered by the Trust has been critical for many people during a period of continuing high inflation, high energy prices and heightened cost of living. Faced with rising need, the Trust has consistently risen to the challenge, directly supporting over 64,000 people via its three charitable objectives; funding organisations to provide fuel debt advice services in communities, providing grants to individuals to alleviate fuel debt, and the provision of other grants to help people manage indebtedness.

The recently published Oxford Economics research into the Trust's Programmes, shows that our approach leads to meaningful positive impact. During this accounting period the Trust's activities in England created £40 million in net benefits to society, £7 million in Scotland, and £2 million in Wales. This illustrates the cumulative societal impact of combining practical support, in the form of grants and emergency vouchers, with holistic person-centred support to change lives for the better.

This tangible positive impact would not have been possible without the ongoing support of our funder. Trustees were delighted this year to receive a commitment of an additional £20 million of term gift funding, index linked to inflation to preserve its value, from British Gas over the next ten years. This will help us to continue the fight against the detrimental impacts of poverty across Britain. This long-term funding is a first for the Trust and the sustainability and increased planning flexibility it provides will support the Board's planning for the future.

We are well placed to work with our partners to provide longer-term financial security to the 41 frontline money and energy charities that deliver vital support services in fuel-poor communities and to groups most affected by the detrimental impact of poverty. The Board has committed this funding to further the delivery of charitable activities in the two coming years. The Trust will continue to support individuals across multiple areas of need, be it energy debt or health related issues, improving standards of living and leading to more positive outcomes for the household.

The evolution of the Trust as an organisation has continued in 2023/24, with a focus on increasing our capacity and capability to ensure the successful delivery of funding and support for partner organisations.

As of 31 March 2024, the audited accounts indicate that the Trust had reserves of £11.7 million, with almost 95% of these reserves committed to grants over the coming two years. As a Board we are aware of the precarious funding situation facing frontline money and energy advice charities and have committed over £5 million of designated funding to provide continuing support to ongoing activity from 2024-2026 from reserves.

As Trustees we are all very grateful for the dedication and hard work of the CEO and staff team and are thankful to our partner organisations and those who provide support services to the Trust. I would also like to take this opportunity to thank outgoing Chair Helen Charlton and Trustees Albert Chong, Laurie Lee, and Sheila Wheeler, who stepped down this year, for their contribution and support to the Trust.

Arvinda Gohil, Chair

British Gas Energy Trust

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Outcomes of Trust charitable activities:

64,488 people directly helped across England, Scotland, and Wales in the financial year 2023/24, an increase from 21,000 in 2020/21.

The Trust, along with our partner organisations, support individuals facing challenging circumstances, such as long-term illness and disability, which are linked with a higher likelihood of being in fuel poverty.

The Depth of Need

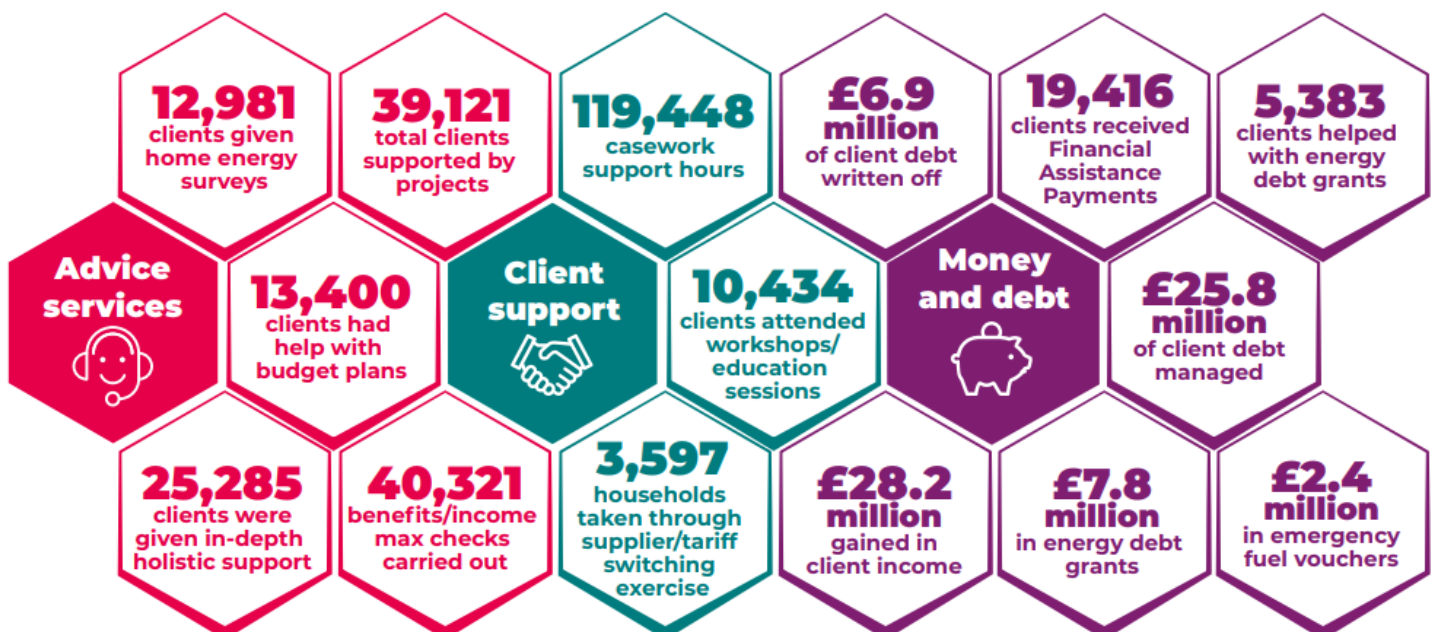
The number of households in fuel poverty has seen a significant increase across Britain since 2020. In England, the number of fuel poor households rose from 4.3 million to 8.9 million from 2020 to 2023, according to one measure. In Scotland, the same measure suggests the number of fuel poor households is expected to have risen from 610,000 to 980,000 between 2019 and 2023.

Our Beneficiaries

When comparing the Trust’s beneficiaries to national benchmarks, the Trust is able to disproportionately reach groups identified as being more likely to be at risk of fuel poverty. For example, beneficiaries of the funded organisations programme are, compared to the population, more likely to be unemployed, more likely to claim universal credit, and more likely to have a long-term illness and/or disability - groups that have all been shown to be more at risk of being in fuel poverty.

Gillian, Community Advisor, Zinithya Trust: “Zynthia set up the Trust almost 15 years ago and her main inspiration was to help families out of poverty. The range of work we do can be very varied. We can have a lady come in and have us read a letter for her to explain what it is. Or we could have someone that’s come in with thousands of pounds worth of debt and doesn’t know where to look, doesn’t know where to turn. And we can support them from start to finish, getting things sorted and their life back on track. The Zynthia Trust would not survive without the support of the British Gas Energy Trust.”

Our Impact

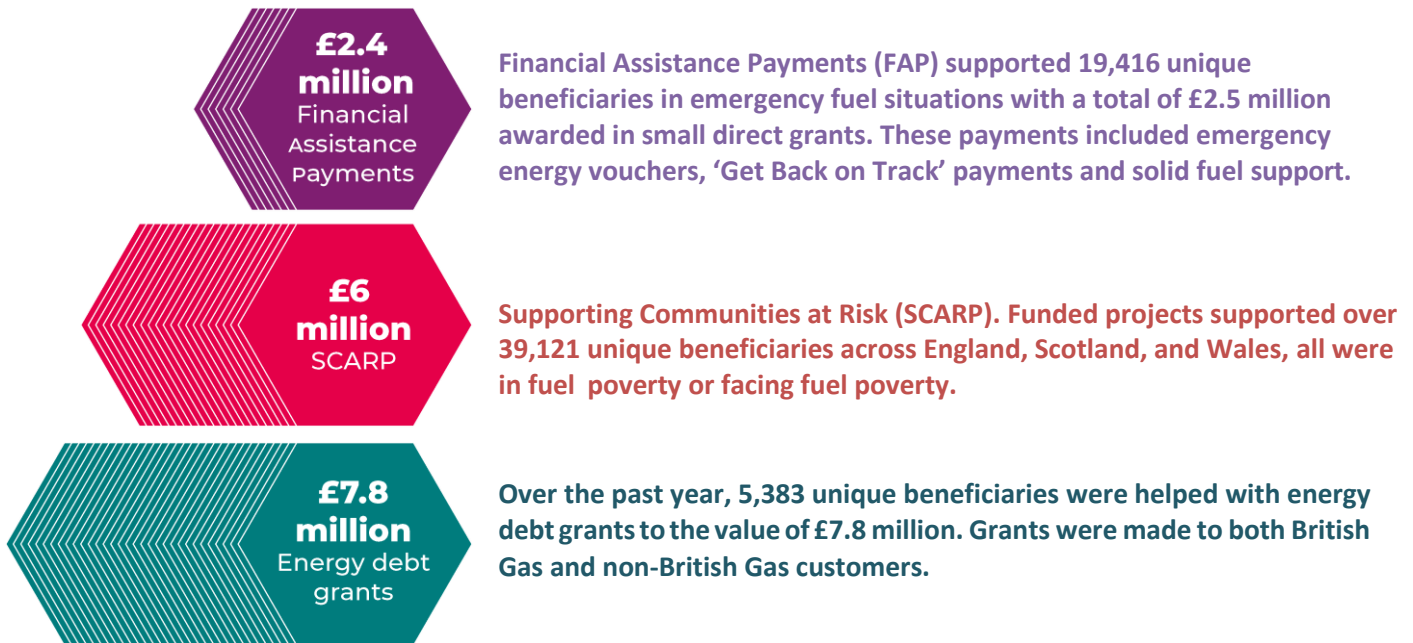


BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Expenditure via charitable grants



Further information on Trust Programmes:

Supporting Communities at Risk:

The Financial period saw funding awarded to 44 projects to provide money and energy advice support, with a focus on ensuring services were available to respond to the growing numbers of clients with complex needs. Funding enabled energy advisors to provide 119,448 casework hours on energy and money advice across England, Scotland, and Wales.

"I can attest to the transformative impact of the Trust's funding, in enabling three local Citizens Advice offices within the Citizens Advice Essex consortium to place skilled advisers directly in food banks, recognising the undeniable link between food insecurity and fuel poverty."

The Trust's accomplishments, especially in response to rising energy prices, deserve wider recognition. A key strength lies in their collaborative approach, respecting the expertise of funded organizations to address local needs effectively. This autonomy has led to diverse and impactful responses across different organisations"

Martin Lord, Chief Executive, Citizens Advice Essex

Direct Grants

The Trust's direct grants offering consists of the Individual & Families (I&F) Fund, the Energy Support Fund (ESF), and Financial Assistance Payments (FAPs). Both I&F and ESF provide grants to write off fuel debt in full. The main distinction between them is that ESF is exclusively for British Gas customers, whereas both British Gas and non-British Gas customers are eligible for I&F support. Typically, around one in ten individuals accessing I&F support are non-British Gas customers. In 2023-24, I&F supported 1,776 households and ESF supported 3,617 households.

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024



I had some debt on my account, and I was struggling in my new home with my toddler adjusting to life as a single parent, to pay my bills. I am so grateful for the help I have received; this has lifted a huge weight off my shoulders."

Grant recipient

White Goods Fund

The Trust launched a new pilot scheme to provide White Goods to households in or at risk of fuel poverty, the scheme launched in the Winter and by the end of the financial year had supported 568 unique beneficiaries with white goods totaling £256,000. The scheme has been welcomed by recipients of the white goods and charities who deem the support vital for both health and food safety, as well as energy efficiency.

Outreach and Education

The Trust's charitable objectives include the prevention and relief of poverty by educating the public about debt awareness and prevention. Over the reporting period the Trust increased its outreach, with the purpose of building awareness and understanding of money and energy advice services and the importance of seeking support for both energy and money worries.

Pop-Ups:

The Trust continued its partnership with the Post Office and British Gas to bring practical support and awareness of money and energy advice to the high street. In total there were 25 Post Office Pop-Up events in communities across England, Scotland, and Wales to help people face the energy crisis; the campaign supported 2,938 people with 7,056 casework hours and will be continuing in 2024/2025.

"The British Gas Energy Trust Post-Office pop-ups allow us to engage with a community that might not otherwise know that we are there. It enables us to provide more support, more holistic support and be able to solve issues that people might be suffering."

Community Engagement and Partnership Officer, Riverside Advice

Trust website and social media:

To increase awareness and access to support, the Trust's website was optimised to provide educational and informative content. Nearly one million people accessed the Trust's website, and engaged with online support portals, blogs, and news articles.

Governance & Oversight:

The Trust, whilst funded by British Gas, operates as a separate and independent charity with decisions and Trustee appointments made by the independent Board of Trustees. Trustees are not remunerated for their roles on the Trustee Board.

The Board of Trustees provides strategic leadership and advice through quarterly meetings of the Board of Trustees and an annual strategic away day. In addition, throughout 2023 / 2024 Trustees were called upon to provide expertise and oversight through quarterly Board sub-committees: the Finance, Audit and Risk Committee (FARC), and the Remuneration and HR Committee (RemComHR) as well as a Trustee Recruitment Task and Finish group.

The Annual budget is set and agreed annually by the Board, covering all agreed income and expenditure allocation, with indicative budgets for two further years prepared as part of the strategic planning and review process, subject to formal annual approval by the Board. Each month, management accounts are prepared comparing the actual budget and any material variances are investigated, and action taken where necessary.

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

In addition, every quarter the CEO reports to the Board and the Finance Director reports to the Finance Audit and Risk Committee. Trust management accounts are shared quarterly with the Board and monthly with the Treasurer, with the annual financial statements being independently audited.

Alongside the Financial Audit Validera (formerly Haines Watts) conducted an internal audit review 2023/2024 in the following three areas: Funded Organisations, Auriga Services and Financial Controls. Validera identified many areas of good practice in each of the three areas it reviewed and identified areas where there could be improvements, which were implemented in year.

The Trustees confirm they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

The Trust refers to the Governance Code as part of the annual Governance review alongside abiding by good practice with regards to its relationship with a non-charity.

Trustees set the policy, control, and monitor the Trust's activities and provide good governance, challenge, and oversight in line with the principles of the Charity Governance Code 2017.

The Trustees provide details of any potential conflicts of interest in a central register, which is reviewed annually.

Management Controls

The Trust's Chief Executive, Jessica Taplin, has delegated authority from the Board of Trustees to oversee and manage the day-to-day operations of the Trust. She leads the Trust and supports the Board in delivering the Trust's strategy, overseeing operations, communications and finance and manages relationships with the grants' administrator, funded organisations, British Gas, and other key stakeholders.

The CEO has continued to strengthen the organisation's capacity and capability to deliver against its charitable objects and develop and grow the relationship with our founder and funder, British Gas. This has been particularly important in a period that has seen British Gas increase funding from £6.9 million in 2021/22 to over £24 million in both 2022/23 and 2023/24. Through the commitment and efforts of the Trust's team, the Trust is an efficient, outcomes-led organisation, with the leadership ensuring operational and strategic rigour whilst identifying and implementing new systems and processes.

The CEO is guided by the following Board-approved operating principles:

- Maintain high operational standards to help ensure continuous delivery of impactful services and interventions.
- Ensure all funding provided by British Gas is spent in accordance with the aims of the Charity.
- Be flexible and seek to accommodate and deliver additional funding initiatives in accordance with any restrictions, regulatory guidance or limitations
- Ensure that any funding with specific restrictions e.g., WHD, is spent in accordance with the restrictions agreed in terms of expenditure type and timeframe.
- Remain an intelligent, listening Funder ensuring grant making, monitoring and oversight is efficient and not over burdensome.

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Financial Controls

The Trust, whilst funded by British Gas, is a separate and independent charity, with funding intentions from British Gas outlined in a Memorandum of Understanding. The Trust will continue to deliver in line with the current strategy and approach until 2026.

The Trust conducts its activities in two ways: *making grants to organisations to provide money and energy advice and related support and services; and making grants to individuals and families to provide relief from energy debt and assistance with other energy and money support measures.*

All charitable activity is underpinned by Warm Home Discount funding and supplemented by additional funding from British Gas. Prior to the 2022/23 financial year the Trust received confirmation from British Gas of the minimum level of core Warm Home Discount funding for the period 2022- 2026; this funding underpins the core programmes that the Trust operates.

During the year, a £20 million ten-year term Gift Agreement was signed with British Gas, creating longer term core financial visibility and support for the Trust. In total over this financial period the Trust received donations of £24 million from British Gas.

Financial Review

As at 31 March 2024 the Trust had reserves of £11.7 million consisting of designated reserves of £5.4 million, restricted reserves of £6.0 million and unrestricted general reserves of £267,000. Cash held at the end of the financial year increased due to:

- ◆ The first receipt of £2 million from British Gas in December 2023 under a ten-year Gift Agreement signed in November 2023. This sum has been committed by the Board to support funded organisations in 2024/25 under the SCARP programme.
- ◆ Income of £5 million from British Gas for the Energy Support Fund; This funding is committed to projects within the programme and, in line with programme timelines and is due to be fully expended by the end of March 2025. See detailed note 14 of the Financial Statements.

Designated reserves

In December 2023 Trustees considered the Trust's level of reserves at a time of severe hardship for many households in or at risk of fuel poverty. The agreement of ten-year gift funding with British Gas in November 2023 had provided greater assurance over future funding for the Trust.

The Trustees approved the release of £5 million from reserves and its designation into a new fund the purpose of which is to give grants to organisations and projects to provide relief from the cost-of-living crisis. This reserve will support grants to funded organisations throughout 2024/25 and 2025/26.

Plans for future periods

British Gas, as the Trust's sole funder, has committed a minimum £8.0 million in 2024/25 through Warm Home Discount funding. Under a ten-year Gift Agreement with British Gas annual gift funding of £2 million, index linked to CPI inflation, will be received each November until 2032.

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

Structure Governance and Management

The Trust was entered onto the Charity Commission's Register of Charities on 16 August 2018 with the registered charity number 1179578. On 28 February 2019, all assets from "British Gas Energy Trust", charity number 1106218, were transferred to the new CIO.

The Trust is governed by a constitution approved by the Board of Trustees on 20 June 2018. In selecting individuals for appointment as Trustees, the Board gives due regard to the skills, knowledge and experience needed for the effective strategic oversight and administration of the Trust.

The following Trustees were on the Board during this financial period:

- Hardial Bhogal (resigned 28th September 2023)
- Helen Charlton – Chair (resigned 18th June 2024)
- Albert Chong – Vice Chair (resigned 21st March 2024)
- Susan Deacon
- William Wright Gillis
- Arvinda Gohil (appointed 21st March 2024)
- Laurie Lee (resigned 18th June 2024)
- Mark McGillicuddy
- Sheila Wheeler (resigned 18th June 2024)

Trustees review and assess the risks faced by the Trust in all areas of its work and plan for management of those risks. The risk register is reviewed on a quarterly basis by the Finance Audit and Risk Committee who make recommendations to the Board who review the risk register at each quarterly Board meeting.

Legal Advisors

The Trust's legal advisors are Farrer & Co, appointed on 1 April 2021 following a competitive process.

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

The Trustees' report was approved by the Board of Trustees.

M McGillicuddy

Treasurer and Trustee Dated: 11/12/2024

.....

BRITISH GAS ENERGY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

The Trustees 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).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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

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

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BRITISH GAS ENERGY TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF BRITISH GAS ENERGY TRUST

Opinion

We have audited the financial statements of British Gas Energy Trust (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

BRITISH GAS ENERGY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF BRITISH GAS ENERGY TRUST

Responsibilities of Trustees

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

BRITISH GAS ENERGY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF BRITISH GAS ENERGY TRUST

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

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

Tracey Richardson BSc (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

.....

Chartered Accountants
Statutory Auditor

Westpoint
Lynch Wood
Peterborough
Cambridgeshire
United Kingdom
PE2 6FZ

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

BRITISH GAS ENERGY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income from:							
Donations and legacies	3	11,872,614	12,200,000	24,072,614	7,543,000	17,300,000	24,843,000
Investments	4	157,745	-	157,745	39,767	-	39,767
Total income		12,030,359	12,200,000	24,230,359	7,582,767	17,300,000	24,882,767
Expenditure on:							
Charitable activities	5	11,779,739	6,831,762	18,611,501	4,926,160	17,786,275	22,712,435
Net income for the year/ Net movement in funds		250,620	5,368,238	5,618,858	2,656,607	(486,275)	2,170,332
Fund balances at 1 April 2023		5,445,697	663,266	6,108,963	2,789,090	1,149,541	3,938,631
Fund balances at 31 March 2024		5,696,317	6,031,504	11,727,821	5,445,697	663,266	6,108,963

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

All income and expenditure derive from continuing activities.

BRITISH GAS ENERGY TRUST

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	11		13,550		-
Current assets					
Debtors	13	1,015,563		1,918,993	
Cash at bank and in hand		11,009,346		4,522,336	
		12,024,909		6,441,329	
Creditors: amounts falling due within one year	14	(310,638)		(332,366)	
Net current assets			11,714,271		6,108,963
Total assets less current liabilities			11,727,821		6,108,963
Income funds					
Restricted funds	17		6,031,504		663,266
<u>Unrestricted funds</u>					
Designated funds	16	5,429,404		2,944,877	
General unrestricted funds		266,913		2,500,820	
			5,696,317		5,445,697
			11,727,821		6,108,963

The financial statements were approved by the Trustees on

DocuSigned by:

Mark McGillicuddy

7884DE26BA20490.....

M McGillicuddy

Trustee

BRITISH GAS ENERGY TRUST**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2024**

	Notes	2024		2023	
		£	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	21		6,345,385		(1,518,943)
Investing activities					
Purchase of tangible fixed assets		(16,120)		-	
Investment income received		157,745		39,767	
Net cash generated from investing activities			141,625		39,767
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			6,487,010		(1,479,176)
Cash and cash equivalents at beginning of year			4,522,336		6,001,512
Cash and cash equivalents at end of year			11,009,346		4,522,336

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

British Gas Energy Trust is a charitable incorporated organisation registered on 16 August 2018 in England and Wales. The principal address is Farrer & Co LLP, 66 Lincoln's Inn Fields, London, WC2A 3LH.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

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

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose. Designated funds are shown separately in the accounts for clarity.

Restricted funds are funds which are to be used in accordance with specific instructions imposed by the donor or Trust Deed.

1.4 Income

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

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

Income received in advance for future years has been treated as deferred income.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure and it is probable that settlement will be required and the amount of the obligation can be measured reliably. In particular the following policies apply to grants payable:

- Unconditional grants are accrued once the recipient has been notified of the grant award.
- Conditional grants, which are subject to performance conditions, are only accrued when the recipient has been notified of the grant award and any remaining unfulfilled conditions attached to the grant are outside the control of the charity.
- Provisions for grants are made when the recipient has been notified of a grant award, but the timing of the grant or the amount payable remains uncertain.

All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees, together with an apportionment of overhead and support costs.

1.6 Tangible fixed assets

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

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

Computers	Over 3 years on a straight line basis
-----------	---------------------------------------

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 the statement of financial activities.

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

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

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

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

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

1.11 Retirement benefits

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

1.12 Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probably; or
- the amount has not been communicated in the grant offer and that amount cannot be reliably estimated.

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees 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.

BRITISH GAS ENERGY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

3 Donations and legacies	Unrestricted funds		Restricted funds		Total	
	2024	2023	2024	2023	2024	2023
	£	£	£	£	£	£
Donations and gifts	11,872,614	12,200,000	24,072,614	7,543,000	24,072,614	24,843,000
Donations and gifts						
Donations	11,872,614	1,200,000	13,072,614	7,543,000	13,072,614	8,543,000
Donations for Winter fund and Energy Support fund	-	11,000,000	11,000,000	-	11,000,000	16,300,000
	11,872,614	12,200,000	24,072,614	7,543,000	24,072,614	24,843,000

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

4 Investments

Unrestricted funds Unrestricted funds

2024 2023
£ £

Interest receivable	157,745	39,767
---------------------	---------	--------

5 Charitable activities

2024 2023
£ £

Staff costs	517,027	305,967
Direct charitable expenditure	1,080,611	1,470,896

	1,597,638	1,776,863
--	-----------	-----------

Grant funding of activities (see note 6)	16,342,333	20,574,305
--	------------	------------

Share of support costs (see note 7)	456,251	198,805
Share of governance costs (see note 7)	215,279	162,462

	18,611,501	22,712,435
--	------------	------------

Analysis by fund

Unrestricted funds	11,779,739	4,926,160
Restricted funds	6,831,762	17,786,275

	18,611,501	22,712,435
--	------------	------------

6 Grants payable

2024 2023
£ £

Grants to institutions: Organisational grants	6,027,250	3,466,699
--	-----------	-----------

Grants to individuals: Energy payments	7,840,348	15,047,687
Financial assistance payments (FAP)	2,474,735	2,059,919

	16,342,333	20,574,305
--	------------	------------

BRITISH GAS ENERGY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

7 Support and governance costs	Support costs		Governance costs		2024		Support costs		Governance costs		2023		Basis of allocation
	£	£	£	£	£	£	£	£	£	£	£		
Staff costs	104,802	34,353	139,155	72,051	10,627	82,678	% of time spent						
Depreciation	2,570	-	2,570	-	-	-							
Recruitment fees	43,100	28,520	71,620	39,459	-	39,459	Type of cost						
Other consultancy	136,082	-	136,082	18,871	137	19,008	Support						
Grant management	28,158	-	28,158	19,599	-	19,599	Support						
Other support costs	141,539	-	141,539	48,825	-	48,825	Support						
Audit fees	-	11,076	11,076	-	9,660	9,660	Governance						
Legal and professional	-	102,984	102,984	-	58,335	58,335	Governance						
Trustee expenses	-	1,793	1,793	-	59	59	Governance						
Trustee insurance	-	8,365	8,365	-	4,258	4,258	Governance						
Company Secretarial costs	-	16,308	16,308	-	16,830	16,830	Governance						
Evaluations	-	-	-	-	48,000	48,000	Governance						
Internal audit fees	-	11,880	11,880	-	14,556	14,556	Governance						
	456,251	215,279	671,530	198,805	162,462	361,267							
Analysed between													
Charitable activities	456,251	215,279	671,530	198,805	162,462	361,267							

Governance costs includes payments to the auditors of £11,076 (2023 - £9,660) for audit fees.

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, but 6 of them were reimbursed a total of £1,793 subsistence expenses (2023 - 1 was reimbursed £59).

9 Employees

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
	14	7
	<u> </u>	<u> </u>

Employment costs

	2024	2023
	£	£
Wages and salaries	579,135	343,106
Social security costs	53,378	32,134
Other pension costs	23,669	13,405
	<u> </u>	<u> </u>
	<u>656,182</u>	<u>388,645</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024	2023
	Number	Number
£60,001 - £70,000	1	-
£90,001 - £100,000	1	1
	<u> </u>	<u> </u>

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

11 Tangible fixed assets

	Computers £
Cost	
Additions	16,120
At 31 March 2024	<u>16,120</u>
Depreciation and impairment	
Depreciation charged in the year	2,570
At 31 March 2024	<u>2,570</u>
Carrying amount	
At 31 March 2024	<u><u>13,550</u></u>

12 Financial instruments

	2024 £	2023 £
Carrying amount of financial assets		
Bank and cash	11,009,346	4,522,336
Measured at cost	<u>11,009,346</u>	<u>4,522,336</u>
Carrying amount of financial liabilities		
Trade creditors	231,183	197,310
Accruals	56,032	123,676
Other creditors	5,924	3,513
Other taxation and social security	17,499	-
Measured at cost	<u>310,638</u>	<u>324,499</u>

13 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Prepayments and accrued income	1,015,563	1,918,993

14 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Other taxation and social security		17,499	-
Deferred income	15	-	7,867
Trade creditors		231,183	197,310
Other creditors		5,924	3,513
Accruals		56,032	123,676
		<u>310,638</u>	<u>332,366</u>

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

15 Deferred income

	2024 £	2023 £
Deferred income	-	7,867

Deferred income consists of donations received in advance for the next financial year.

16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes:

	Balance at 1 April 2022 £	Transfers £	Balance at 1 April 2023 £	Movement in funds			Balance at 31 March 2024 £
				Incoming resources £	Resources expended £	Transfers £	
Cessation contingency reserve	369,510	-	369,510	-	-	4,490	374,000
SCARP+ project matched funding	-	1,000,000	1,000,000	-	(1,000,000)	-	-
Energy Support fund	-	1,575,367	1,575,367	-	(1,575,367)	-	-
Fixed asset fund	-	-	-	-	(2,570)	16,120	13,550
SCARP	-	-	-	-	-	5,041,854	5,041,854
	<u>369,510</u>	<u>2,575,367</u>	<u>2,944,877</u>	<u>-</u>	<u>(2,577,937)</u>	<u>5,062,464</u>	<u>5,429,404</u>

The cessation contingency reserve represents anticipated costs of winding up the charity, to cover legal and statutory costs not already included within other commitments.

SCARP+ project matched funding is designated for grants to funded organisations delivering in the community.

The Energy Support fund was for grants that were to be awarded in April and May 2023 for which the restricted funding had not yet been received.

The fixed asset fund reflects the value of fixed assets at the year end.

The SCARP fund is for the payment of organisational grants that have been agreed for the next two years.

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

17 Restricted funds

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

	Movement in funds			Movement in funds			
	Balance at 1 April 2022	Incoming resources	Resources expended	Balance at 1 April 2023	Incoming resources	Resources expended	Balance at 31 March 2024
	£	£	£	£	£	£	£
Winter fund and Energy Support fund	1,149,541	16,300,000	(17,379,783)	69,758	11,000,000	(5,965,789)	5,103,969
SCARP+ project	-	1,000,000	(406,492)	593,508	1,200,000	(865,973)	927,535
	<u>1,149,541</u>	<u>17,300,000</u>	<u>(17,786,275)</u>	<u>663,266</u>	<u>12,200,000</u>	<u>(6,831,762)</u>	<u>6,031,504</u>

The Winter fund and Energy Support fund balance is for Debt Write Off Grants.

The SCARP+ project balance is for grants to funded organisations delivering in the communities.

18 Operating lease commitments

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

	2024 £	2023 £
Within one year	98,000	98,000
Between two and five years	98,000	196,000
	<u>196,000</u>	<u>294,000</u>

The CIO is committed to paying management fees as noted above which may increase depending on the volume of grants processed.

19 Analysis of net assets between funds

	Unrestricted funds 2024 £	Designated funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
Fund balances at 31 March 2024 are represented by:					
Tangible assets	-	13,550	-	13,550	-
Current assets/(liabilities)	266,913	5,415,854	6,031,504	11,714,271	6,108,963
	<u>266,913</u>	<u>5,429,404</u>	<u>6,031,504</u>	<u>11,727,821</u>	<u>6,108,963</u>

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

20 Related party transactions

Remuneration of key management personnel

The remuneration of the six (2023 - three) members of key management personnel is as follows.

	2024 £	2023 £
Aggregate compensation	442,567	213,535

The above remuneration includes agency costs paid for the Director of Finance role.

There were no other disclosable related party transactions during the year (2023 - none).

21 Cash generated from operations

	2024 £	2023 £
Surplus for the year	5,618,858	2,170,332
Adjustments for:		
Investment income recognised in statement of financial activities	(157,745)	(39,767)
Depreciation and impairment of tangible fixed assets	2,570	-
Movements in working capital:		
Decrease/(increase) in debtors	903,430	(1,437,023)
(Decrease)/increase in creditors	(13,861)	179,648
(Decrease) in deferred income	(7,867)	(2,392,133)
Cash generated from/(absorbed by) operations	6,345,385	(1,518,943)

22 Analysis of changes in net funds

The charity had no debt during the year.

BRITISH GAS ENERGY TRUST

England & Wales - Charity number 1179578

Accounts

CIO Registration No. 1179578

Company Registration No. CE014895 (England and Wales)

BRITISH GAS ENERGY TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

BRITISH GAS ENERGY TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

H Charlton
A Chong
S Deacon CBE
W Gillis
L Lee
M McGillicuddy
S Wheeler

Chief Executive Officer

Jessica Taplin

CIO registration number

1179578

Auditor

Azets Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
United Kingdom
PE1 2SP

Bankers

National Westminster Bank plc
PO Box 15
Cathedral Square
Peterborough
Cambridgeshire
PE1 1HW

BRITISH GAS ENERGY TRUST

CONTENTS

	Page
Trustees' report	1 - 10
Statement of Trustees' responsibilities	11
Independent auditor's report	12 - 14
Statement of financial activities	15
Balance sheet	16
Statement of cash flows	17
Notes to the financial statements	18 - 27

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Trustees' Report

The Trustees are pleased to present their report, together with the financial statements for the Charitable Incorporated Organisation (CIO), British Gas Energy Trust, for the year 1 April 2022 to 31 March 2023. The CIO British Gas Energy Trust is referred to as the Trust throughout this report. The financial statements have been prepared in accordance with the accounting policies set out in note 1 of the financial statements and comply with the Trust's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The British Gas Energy Trust (BGET), which incorporates the Scottish Gas Energy Trust, is an independent Charitable Trust established in 2004. Whilst it remains solely funded by British Gas the Trust is a separate entity, with an independent Board of Trustees.

Our mission: To alleviate the detrimental impact of poverty.

We seek to deliver on our mission by helping people in, or at risk of, financial hardship meet their energy needs and manage their energy costs through support, education and raising awareness of sound money management.

Our Aims:

To help people avoid the burden of energy debt, make informed energy choices, and improve their money management skills. We envisage that this will lead to healthier homes and enhanced well-being.

To enhance the capacity of the organisations we fund: enabling the development and provision of holistic support, money, energy and advice services; to provide breadth and depth of support to people in financial hardship.

In September 2020, the Trustees approved a Strategic Framework for the Trust from 2020 –2026. The framework directly informed the Trust's Theory of Change (ToC). The ToC defines our mission, aims, objectives and the outcomes we seek to deliver.

The Trust intends to achieve the following objectives through its charitable activities:

- ◆ Foster individual skills, capabilities, and competencies so people can build financial stability and thrive.
- ◆ Help people in financial hardship maximise their income, avoid the burden of energy debt, meet their energy needs and manage their energy and other household costs, whilst informing their energy decisions and supporting choice in a changing world.
- ◆ Identify impactful interventions to improve the support services for those facing financial hardship.
- ◆ Effectively manage our funds and develop our organisation to be more impactful.

As a charity we seek to uphold the values of kindness, empathy, respect and working in an innovative, agile, and collaborative way.

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Introduction from Helen Charlton, Chair, British Gas Energy Trust

The support offered by the Trust over the period covered by this year's Accounts (April 2022 - March 2023) was crucial during a period of high inflation and high energy prices - which continue to impact the most financially vulnerable people in communities across Britain.

Against this stark backdrop and faced with rising need the Trust has risen to the challenge, doubling the number of people directly supported, to over 61,000. The households and families the Trust supports are not only in the lowest deciles of household income nationally, the majority of those helped are also facing challenges which mean they are more likely to suffer from the detrimental impact of fuel poverty, for example disability, long-term illness, sole parents or having younger children.

This increased support was enabled by a significant increase in funding from our sole funder British Gas, who provided the Trust with £16.3m of additional funding to support customers with direct grants for energy debt relief. These grants were awarded to 20,714 people in need of help.

In addition to this, faced with the combined challenge of rising inflation and increasing energy costs, Trustees made the decision to release £1m in Trust reserves to fund money and energy support programmes in the heart of communities across Britain. This prompted a matched funding commitment of £1m by British Gas, which enabled the Trust to increase the projects supported to forty-five. This allowed the Trust to expand our focus proactively targeting communities of need, and meant we could grow beyond funding the geographic areas where we had already identified unmet need, to fund charities experienced at supporting people who are proportionally more at risk of the detrimental impact of fuel poverty, such as those with disabilities, or those with life limiting medical needs – ensuring the Trust was proactively establishing or extending money and energy support provision for some of the most at risk client groups.

The year also saw a significant increase in direct financial assistance to help people in emergency fuel situations, with over £2m awarded in energy Financial Assistance Payments across England, Scotland, and Wales – supporting over 15,667 households in emergency fuel situations.

Trustees remain mindful of operating costs as a proportion of grant-giving and at the year-end these were at 9%, well within the cap of 15% set by the Board.

As at 31 March 2023, the audited accounts indicate that the Trust had Total reserves of £6.1m. Designated reserves are £2.9m – the Board has committed this funding to further the delivery of charitable activities in the coming year. The remainder of reserves are made up of Unrestricted General reserves of £2.5m and Restricted reserves of £663k.

Operationally, the year also saw changes. The Trust moved to a staffed model at the start of the financial year; and during the financial period Covid 19 lockdowns and social distancing measures eased. Like many other organisations emerging from these restrictions, the Trust moved to incorporate face-to-face ways of working, for example by visiting projects and holding some meetings in person rather than virtually; the Trust continues to evolve as a virtual organisation.

As Trustees we are all very grateful for the dedication and hard work of the staff who work for the Trust, and we are also thankful to the organisations which provide support services to the Trust enabling operational delivery.

BRITISH GAS ENERGY TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

As ever, we are very grateful to our funder British Gas for their ongoing commitment to the Trust, as evidenced by the very significant increase in funding during the period.

Finally, on behalf of the Board of Trustees I would like to extend warm thanks to Christina Thwaite and Hardial Bhogal, who both served as Trustees throughout the financial period. The personal and professional experiences they contributed to the Board and the Trust more generally were hugely valuable: we wish Christina and Hardial well for the future.

Helen Charlton, Chair

British Gas Energy Trust

BRITISH GAS ENERGY TRUST

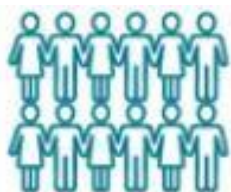
TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Charitable Objectives

The Trust, while conducting its activities, is mindful of the legal requirement for all its charitable aims to be for the public benefit. The public benefits provided by the Trust include:

- Provision of grants to charitable organisations to provide fuel debt advice services in communities.
- Provision of grants to individuals to alleviate fuel debt.
- Provision of other grants, aligned to the Trust's objectives, to help people manage indebtedness.



Once again, many thanks I just want to say thank you so much for the grant you have awarded myself and my family. I truly can't explain how much we appreciate it and how much it's taken such a huge weight of our shoulders. We are truly grateful."

(An email from a recipient of an energy debt grant)

61,121 people directly helped across England, Scotland, and Wales

Charitable Activity



BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Funding Programmes

Energy Debt Relief Grants – Individuals and Families and the Energy Support Fund

Over the past year, 20,714 unique beneficiaries were helped with 28,859 energy debt grants to the value of £15m. Grants were made to both British Gas and non-British Gas customers, via 1,301 grants in the Individual and Families Fund and 19,413 grants in the Energy Support Fund.

The Individuals and Families (I&F) Programme and the Energy Support Fund (ESF) provide direct grants for debt relief to people to clear household energy debt. The funds support people experiencing financial difficulty who cannot pay their outstanding energy debt. A key difference is that the I&F Fund supports British Gas and non-British Gas customers who cannot access energy debt help from their own supplier, whilst the ESF helps British Gas customers.

A team of trained assessors individually assesses grant applications. During assessment, assessors look for evidence to show that, after clearing their debt with an energy grant, applicants would be able to manage their income to meet their outgoings longer term. The assessment process includes Trustee-approved Gateway criteria and an assessment of the applicant's financial situation to help ensure this. Grant awards are made in the form of credit applied to energy arrears of up to £2,000 (in exceptional circumstances) and are paid directly to energy accounts.

Financial Assistance Payments (FAP)

The Trust supported 15,667 households in emergency fuel situations with a total of £2m awarded in small direct grants. These payments included emergency energy vouchers, 'Get Back On Track' payments and solid fuel support.

Each emergency energy voucher is valued at £49, and an applicant can receive up to three vouchers in any scheme year, under Warm Home Discount legislation. The **Warm Home Discount Scheme** is a government initiative that provides financial support to low-income households in the UK to help them pay for their energy bills.¹

Emergency energy vouchers can be applied for through the Trust's voucher portal, by British Gas, Funded Organisations and Trusted Partners of the Trust. Over the year the Trust established new partnerships to widen access to emergency energy vouchers across England, Scotland, and Wales. The Trust also offers 'Get Back On Track' payments that are directly applied to an individual energy account and ran a solid fuel support pilot scheme between January 2023 and March 2023 offering a one-off payment of £150 to people who were in fuel poverty.

Supporting Communities at Risk (SCARP)

Funded projects supported over 24,740 clients across England, Scotland, and Wales, all of whom were in fuel poverty or facing fuel poverty.

Since 2020 the Trust has focused support on geographic areas of need, using mapping methodology developed for the Trust by New Philanthropy Capital. In the last year, the Trust extended its approach to fund charities which support specific communities of need or groups of people identified as being at greater risk of fuel poverty and its detrimental impact.

¹ [Warm Home Discount: eligibility statement \(England and Wales\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/warm-home-discount-eligibility-statement)

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The financial period saw funding awarded to forty-five projects to provide money and energy advice support, with a focus on ensuring services were available, to respond to the growing numbers of clients with complex needs. Funding supported 127 full-time posts to provide energy and money advice across England, Scotland, and Wales.



We've worked really closely with the British Gas Energy Trust for several years. We've been fortunate enough to get funding for the 'Energise your finance' project and this has allowed us to fund three advisers. If we weren't in the community and we weren't providing that advice I'm not sure where people would go. We've seen a 49% increase in the number of clients coming to our service actually seeking energy advice due to the cost-of-living crisis. The funding allows us to treat each person as an individual."

Citizens Advice Rhondda Cynon Taff

Support is person centered and must include money guidance and energy advice, it can also include: Budget planning, Benefit/income maximization checks, tariff switching exercises, access to energy vouchers and emergency heating sources, negotiating with energy suppliers, completing applications to other grant giving schemes, home energy efficiency surveys and specific energy efficiency advice or generalist advice on subjects to help overcome other barriers to financial well-being.

Outreach and Education

The Trust's charitable objectives include the prevention and relief of poverty by educating the public about debt awareness and prevention. Over the reporting period the Trust increased its outreach. This sits outside our main funding streams and is focused on reaching a larger audience to encourage them to engage with money and energy advice services in general if they are struggling financially and in or at risk of fuel poverty.

There have been two campaigns this year:

- ◆ **Pop-Ups:** *The Trust worked collaboratively with the Post Office and British Gas to bring awareness of money and energy advice to the high street. In total there were 130 Post Office Pop-Up events in communities across England, Scotland, and Wales to help people face the energy crisis; the campaign reached an estimated 25,000 people in person.*
- ◆ **Stop the Silence:** *The Trust, British Gas and the Post Office launched the Pop-Up initiative to provide straightforward answers to people's most pressing questions and direct them to the independent advice available through British Gas Energy Trust, including how to access grants of up to £2,000 (in exceptional circumstances).*

In addition to this, the Trust's website was optimised to support more people via educational content. Over 1m people accessed the Trust's website, which provides online support, blogs, and news articles. Over 3,000 visitors to our website accessed money and energy advice via our Bounce Back Checklist.

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Governance:

The Trust whilst funded by British Gas, operates as a separate and independent charity, with decisions and Trustee appointments made by the independent Board of Trustees. Trustees are not remunerated for their roles on the Trustee Board.

The Board consists of eight Trustees, who provide leadership, support, and advice through quarterly meetings of the Board of Trustees and an annual strategic Away Day. In addition, Trustees provide expertise and oversight through two Board sub Committees; the Finance, Audit and Risk Committee (FARC) and the Remuneration and HR Committee (RemComHR); as well as via ad hoc Task and Finish groups, responses to CEO reports, and in further meetings and communications with the Executive.

The budget is set and agreed annually by the Board, covering all agreed income and expenditure allocation.

Each month, management accounts are prepared comparing the actual budget and any material variances are investigated and action taken where necessary. The CEO's reports to the Board include financial performance. In addition, every quarter the CEO reports to the Finance Audit and Risk committee. All Trust management accounts are shared quarterly with the Board and monthly with the Treasurer. The annual financial statements are independently audited.

The Trust works with its funder British Gas so that they can see the allocation of Warm Home Discount funds that they award to the Trust, via the sharing of Quarterly Activity reports from the grant administrator and other reporting mechanics.

The Trustees confirm they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Commission. The Trust refers to the Governance Code as part of the annual Governance review alongside abiding by good practice with regards to its relationship with a non-charity. Trustees set the policy, control, and monitor the Trust's activities and provide good governance, challenge, and oversight in line with the principles of the Charity Governance Code 2017.

The Trustees provide details of any potential conflicts of interest in a central register, which is reviewed annually. If a Trustee has a personal interest in a matter to be discussed at a meeting, they declare their interest before discussions begin.

Over the last year, the Board has continued to increase its focus on non-executive issues such as strategy, risk, and governance. This included the embedding of internal processes, the strengthening of external processes, with a focus on Data Protection, Risk Management, External Grant Making and Finance Operational Systems; and discussing the major external, reputational, regulatory and compliance, operational, financial, and environmental risks which the Trust faces.

The CEO, Jessica Taplin, leads the Trust under delegated authority and supports the Board in delivering the Trust strategy through a good Governance and policy framework. The CEO oversees operations, communications and finance and manages relationships with the grants' administrator, funded organisations, British Gas, and other key stakeholders.

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Management Controls

The Trust's Chief Executive, Jessica Taplin has delegated authority from the Board of Trustees to oversee and manage the day-to-day operation of the Trust. The CEO has continued to strengthen the organisation's capacity and capability to deliver against its charitable objects and develop and grow the relationship with our founder and funder British Gas.

This has been particularly important this past year: in the face of the energy crisis British Gas entrusted a significant increase in funding to the Trust to enable a 225% increase in charitable activity from £6.9m in 2021/22 to £22.7m in 2022/23. Through the commitment and efforts of the Trust team, the Trust is an efficient, outcomes led organisation, with the leadership ensuring operational and strategic rigour whilst identifying and implementing new systems and processes.

The reporting period saw the successful transition to a staff team as approved by Board in 2021/2022. There has been an ongoing focus on building the Trust's operational and financial processes to ensure effective and efficient delivery.

The CEO is guided by the following Board-approved operating principles:

- ◆ Maintain high operational standards: to help ensure continuous delivery of impactful services and interventions.
- ◆ Stabilise Annual Operating Costs at no higher than 15% of total income.
- ◆ Ensure the Trust, within its charitable remit, remains responsive to the changing needs of vulnerable groups.
- ◆ Utilise technology to streamline grant making and reduce data management risks

Financial Controls

The Trust conducts its activities in two ways: *making grants to organisations to provide money and energy advice and related support and services*; and *making grants to individuals and families to provide relief from energy debt and assistance with other energy and money support measures*. This activity is underpinned by Warm Home Discount funding and supplemented by additional funding from British Gas.

The Trust, whilst funded by British Gas, is a separate and independent charity, with funding intentions from British Gas outlined in a Memorandum of Understanding. Prior to the 2022–2023 Financial year the Trust received confirmation from British Gas of the minimum level of core Warm Home Discount funding for the period 2022-2026; this funding underpins the core programmes that the Trust operates. The Trust oversees £6m of funding per annum for England and Wales, with funding for Scotland confirmed at a minimum £1.06m per annum until 2026.

Other than the separation of funding for England and Wales from Scotland there have been no significant changes in the eligibility or approach to the Industry Initiative element of the Warm Home Discount scheme from 2022-2026. The Trust will continue to deliver in line with the current strategy and approach until 2026.

In total over the financial period the Trust received donations of £24.8m from British Gas. The significant increase year on year arose from Centrica's decision to donate 10% of British Gas profits to support energy consumers for the duration of the energy crisis.

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Financial Review

At 31 March 2023 the Trust had reserves of £6.1m consisting of Designated reserves of £2.9m, unrestricted General reserves of £2.5m and Restricted reserves of £663K. Cash held at the end of the financial year increased due to:

- ◆ income of £1.5m from British Gas, destined for the Energy Support Fund which launched in April 2022; the funding is due to be fully expended in the first quarter of the next financial year.
- ◆ income of £1m from British Gas for the SCARP+ programme; the funding is committed to projects within the programme and, in line with programme timelines, is due to be fully expended by the end of March 2024, as detailed in note 14 of the financial statements.
- ◆ underspend of £443k from projects within the SCARP and SCARP+ programmes, that was to be carried forward.

Designated reserves

In June 2022 Trustees considered the Trust's level of reserves at a time of severe hardship for many households in or at risk of fuel poverty. The Board's consideration was particularly pressing due to much of the hardship being driven by the cost-of-living crisis driven by high energy costs arising from the war in Ukraine and the economic challenges resulting from the Covid Pandemic. The laying of legislation extending the WHD (Warm Home Discount) scheme to 2026 and the funding commitment from British Gas Warm Home Discount industry initiative 2022-26, had provided greater assurance over future funding for the Trust.

The Trustees approved the release of £1m from reserves and its designation into a new fund the purpose of which is to give grants to organisations and projects to provide relief from the cost-of-living crisis, consistent with the Trust's mission. British Gas agreed to match this with an additional donation of £1m to the Trust. These funds were allocated to the SCARP+ projects. ²

Plans for future periods

British Gas, as the Trust's sole funder, has committed a minimum £8.9m in 2023/24 through Warm Home Discount Funding, together with an additional £5.8m of funding for the Energy Support Fund and Outreach and Education Activity.

Structure Governance and Management

The Trust was entered onto the Charity Commission's Register of Charities on 16 August 2018 with the registered charity number 1179578. On 28 February 2019, all assets from "British Gas Energy Trust", charity number 1106218, were transferred to the new CIO.

The Trust is governed by a constitution approved by the Board of Trustees on 20 June 2018. In selecting individuals for appointment as Trustees, the Board gives due regard to the skills, knowledge and experience needed for the effective administration of the Trust.

² For further information on Designated reserves or Restricted reserves please refer to the Notes of the Financial Statements 14 and 15.

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The following Trustees were on the Board during this financial period:

Hardial Bhogal (Resigned 28 September 2023)

Helen Charlton - Chair

Albert Chong – Vice Chair

Susan Deacon

William Wright Gillis

Laurie Lee

Mark McGillicuddy

Christina Thwaite (Resigned 31 March 2023)

Sheila Wheeler

Trustees review and assess the risks faced by the Trust in all areas of its work and plan for management of those risks. The risk register is reviewed on a quarterly basis by the Finance Audit and Risk Committee who make recommendations to the Board who review the risk register at each quarterly Board meeting.

[Legal Advisors](#)

The Trust's legal advisors are Farrer & Co, appointed on 1 April 2021 following a competitive process.

[Auditor](#)

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a Meeting of the Board of Trustees.

The Trustees' report was approved by the Board of Trustees.

M McGillicuddy

Treasurer and Trustee

Dated: 25 October 2023

BRITISH GAS ENERGY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees 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).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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

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

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BRITISH GAS ENERGY TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF BRITISH GAS ENERGY TRUST

Opinion

We have audited the financial statements of British Gas Energy Trust (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

BRITISH GAS ENERGY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF BRITISH GAS ENERGY TRUST

Responsibilities of Trustees

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

BRITISH GAS ENERGY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF BRITISH GAS ENERGY TRUST

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

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

Azets Audit Services

6 December 2023

**Chartered Accountants
Statutory Auditor**

Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
United Kingdom
PE1 2SP

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

BRITISH GAS ENERGY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income from:							
Donations and legacies	3	7,543,000	17,300,000	24,843,000	6,000,070	2,300,000	8,300,070
Investments	4	39,767	-	39,767	412	-	412
Total income		7,582,767	17,300,000	24,882,767	6,000,482	2,300,000	8,300,482
Expenditure on:							
Charitable activities	5	4,926,160	17,786,275	22,712,435	5,834,757	1,150,459	6,985,216
Net income/(expenditure) for the year/							
Net movement in funds		2,656,607	(486,275)	2,170,332	165,725	1,149,541	1,315,266
Fund balances at 1 April 2022		2,789,090	1,149,541	3,938,631	2,623,365	-	2,623,365
Fund balances at 31 March 2023		5,445,697	663,266	6,108,963	2,789,090	1,149,541	3,938,631

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

All income and expenditure derive from continuing activities.

BRITISH GAS ENERGY TRUST

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Current assets					
Debtors	11	1,918,993		481,970	
Cash at bank and in hand		4,522,336		6,001,512	
		<u>6,441,329</u>		<u>6,483,482</u>	
Creditors: amounts falling due within one year	12	(332,366)		(2,544,851)	
Net current assets			6,108,963		3,938,631
			<u>6,108,963</u>		<u>3,938,631</u>
Income funds					
Restricted funds	15		663,266		1,149,541
<u>Unrestricted funds</u>					
Designated funds	14	2,944,877		369,510	
General unrestricted funds		2,500,820		2,419,580	
		<u>5,445,697</u>		<u>2,789,090</u>	
			6,108,963		3,938,631
			<u>6,108,963</u>		<u>3,938,631</u>

The financial statements were approved by the Trustees on 25 October 2023

M McGillicuddy
Trustee

BRITISH GAS ENERGY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	18		(1,518,943)		1,800,837
Investing activities					
Investment income received		39,767		412	
Net cash generated from investing activities			39,767		412
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(1,479,176)		1,801,249
Cash and cash equivalents at beginning of year			6,001,512		4,200,263
Cash and cash equivalents at end of year			4,522,336		6,001,512

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

British Gas Energy Trust is a charitable incorporated organisation registered on 16 August 2018 in England and Wales. The principal address is Farrer & Co LLP, 66 Lincoln's Inn Fields, London, WC2A 3LH.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

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

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose. Designated funds are shown separately in the accounts for clarity.

Restricted funds are funds which are to be used in accordance with specific instructions imposed by the donor or Trust Deed.

1.4 Income

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

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

Income received in advance for future years has been treated as deferred income.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure and it is probable that settlement will be required and the amount of the obligation can be measured reliably. In particular the following policies apply to grants payable:

- Unconditional grants are accrued once the recipient has been notified of the grant award.
- Conditional grants, which are subject to performance conditions, are only accrued when the recipient has been notified of the grant award and any remaining unfulfilled conditions attached to the grant are outside the control of the charity.
- Provisions for grants are made when the recipient has been notified of a grant award, but the timing of the grant or the amount payable remains uncertain.

All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees, together with an apportionment of overhead and support costs.

1.6 Cash and cash equivalents

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

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

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.8 Employee benefits

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

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

1.9 Retirement benefits

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

1.10 Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probably; or
- the amount has not been communicated in the grant offer and that amount cannot be reliably estimated.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees 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.

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Donations and gifts	7,543,000	17,300,000	24,843,000	6,000,070	2,300,000	8,300,070
Donations and gifts						
Donations	7,543,000	1,000,000	8,543,000	6,000,070	-	6,000,070
Donations for Winter fund and Energy Support fund	-	16,300,000	16,300,000	-	2,300,000	2,300,000
	7,543,000	17,300,000	24,843,000	6,000,070	2,300,000	8,300,070

4 Investments

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Interest receivable	39,767	412

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5 Charitable activities

	2023 £	2022 £
Staff costs	305,967	-
Direct charitable expenditure	1,470,896	587,882
	<u>1,776,863</u>	<u>587,882</u>
Grant funding of activities (see note 6)	20,574,305	6,107,749
Share of support costs (see note 7)	198,805	131,147
Share of governance costs (see note 7)	162,462	158,438
	<u>22,712,435</u>	<u>6,985,216</u>
	<u><u>22,712,435</u></u>	<u><u>6,985,216</u></u>
Analysis by fund		
Unrestricted funds	4,926,160	5,834,757
Restricted funds	17,786,275	1,150,459
	<u>22,712,435</u>	<u>6,985,216</u>
	<u><u>22,712,435</u></u>	<u><u>6,985,216</u></u>

6 Grants payable

	2023 £	2022 £
Grants to institutions: Organisational grants	3,466,699	3,789,500
Grants to individuals: Energy payments	15,047,687	1,855,705
Financial assistance payments (FAP)	2,059,919	462,544
	<u>20,574,305</u>	<u>6,107,749</u>
	<u><u>20,574,305</u></u>	<u><u>6,107,749</u></u>

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Support and governance costs	Support costs		2023		2022		Basis of allocation
	£	Governance costs	£	Governance costs	£	Governance costs	
Staff costs	72,051	10,627	82,678	-	-	-	% of time spent
Recruitment fees	39,459	-	39,459	75	-	75	Type of cost
CEO consultancy	-	-	-	32,918	10,973	43,891	% of time spent
Other consultancy	18,871	137	19,008	60,837	-	60,837	Support
Grant management	19,599	-	19,599	12,948	-	12,948	Support
Other support costs	48,825	-	48,825	24,369	-	24,369	Support
Audit fees	-	9,660	9,660	-	5,940	5,940	Governance
Legal and professional	-	58,335	58,335	-	46,172	46,172	Governance
Trustee expenses	-	59	59	-	31	31	Governance
Trustee insurance	-	4,258	4,258	-	1,991	1,991	Governance
Company Secretarial costs	-	16,830	16,830	-	15,153	15,153	Governance
Evaluations	-	48,000	48,000	-	72,394	72,394	Governance
Internal audit fees	-	14,556	14,556	-	5,784	5,784	Governance
	198,805	162,462	361,267	131,147	158,438	289,585	
Analysed between							
Charitable activities	198,805	162,462	361,267	131,147	158,438	289,585	

Governance costs includes payments to the auditors of £9,660 (2022 - £5,940) for audit fees.

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year, but 1 of them was reimbursed a total of £59 subsistence expenses (2022 - 1 was reimbursed £61).

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	7	-

Employment costs

	2023 £	2022 £
Wages and salaries	343,106	-
Social security costs	32,134	-
Other pension costs	13,405	-
	388,645	-

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£90,001 - £100,000	1	-

10 Financial instruments

	2023 £	2022 £
Carrying amount of financial assets		
Other debtors	-	200,000
Bank and cash	4,522,336	6,001,512
Measured at cost	4,522,336	6,201,512
Carrying amount of financial liabilities		
Trade creditors	197,310	92,533
Accruals	123,676	52,318
Other creditors	3,513	-
Measured at cost	324,499	144,851

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

11 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Other debtors	-	200,000
Prepayments and accrued income	1,918,993	281,970
	<u>1,918,993</u>	<u>481,970</u>

Prepayments consists of payments made in advance for projects of £1.882m and Office running costs of £36k for the next financial year.

12 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Deferred income	13	7,867	2,400,000
Trade creditors		197,310	92,533
Other creditors		3,513	-
Accruals		123,676	52,318
		<u>332,366</u>	<u>2,544,851</u>

13 Deferred income

	2023	2022
	£	£
Deferred income	7,867	2,400,000
	<u>7,867</u>	<u>2,400,000</u>

Deferred income consists of donations received in advance for the next financial year.

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes:

	Balance at 1 April 2021	Transfers	Balance at 1 April 2022	Transfers	Balance at 31 March 2023
	£	£	£	£	£
Cessation contingency reserve	240,531	128,979	369,510	-	369,510
Winter Fund and Energy Support Fund reserve	550,481	(550,481)	-	-	-
SCARP+ project matched funding	-	-	-	1,000,000	1,000,000
Energy Support fund	-	-	-	1,575,367	1,575,367
	<u>791,012</u>	<u>(421,502)</u>	<u>369,510</u>	<u>2,575,367</u>	<u>2,944,877</u>

The cessation contingency reserve represents anticipated costs of winding up the charity, to cover legal and statutory costs not already included within other commitments.

SCARP+ project matched funding is designated for grants to funded organisations delivering in the community.

The Energy Support fund is for grants that are to be awarded in April and May 2023.

15 Restricted funds

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

	Movement in funds			Movement in funds		
	Incoming resources	Resources expended	Balance at 1 April 2022	Incoming resources	Resources expended	Balance at 31 March 2023
	£	£	£	£	£	£
Winter fund and Energy Support fund	2,300,000	(1,150,459)	1,149,541	16,300,000	(17,379,783)	69,758
SCARP+ project	-	-	-	1,000,000	(406,492)	593,508
	<u>2,300,000</u>	<u>(1,150,459)</u>	<u>1,149,541</u>	<u>17,300,000</u>	<u>(17,786,275)</u>	<u>663,266</u>

The Winter fund and Energy Support fund balance is for Debt Write Off Grants.

The SCARP+ project balance is for grants to funded organisations delivering in the communities.

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Analysis of net assets between funds

	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:					
Current assets/(liabilities)	2,500,820	2,944,877	663,266	6,108,963	3,938,631
	<u>2,500,820</u>	<u>2,944,877</u>	<u>663,266</u>	<u>6,108,963</u>	<u>3,938,631</u>

17 Related party transactions

Remuneration of key management personnel

The remuneration of the three members of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	213,535	-
	<u>213,535</u>	<u>-</u>

There were no other disclosable related party transactions during the year (2022 - none).

18 Cash generated from operations

	2023 £	2022 £
Surplus for the year	2,170,332	1,315,266
Adjustments for:		
Investment income recognised in statement of financial activities	(39,767)	(412)
Movements in working capital:		
(Increase) in debtors	(1,437,023)	(438,286)
Increase in creditors	179,648	24,269
(Decrease)/increase in deferred income	(2,392,133)	900,000
Cash (absorbed by)/generated from operations	<u>(1,518,943)</u>	<u>1,800,837</u>

19 Analysis of changes in net funds

The charity had no debt during the year.

BRITISH GAS ENERGY TRUST

England & Wales - Charity number 1179578

Accounts

CIO Registration No. 1179578

Company Registration No. CE014895 (England and Wales)

BRITISH GAS ENERGY TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

BRITISH GAS ENERGY TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	H Bhogal H Charlton A Chong S Deacon CBE W Gillis L Lee M McGillicuddy C Thwaite S Wheeler	(Appointed 19 May 2021) (Appointed 19 May 2021) (Appointed 19 May 2021) (Appointed 19 May 2021)
Chief Executive Officer	Jessica Taplin	
CIO registration number	1179578	
Auditor	Azets Audit Services Ruthlyn House 90 Lincoln Road Peterborough United Kingdom PE1 2SP	
Bankers	National Westminster Bank plc PO Box 15 Cathedral Square Peterborough Cambridgeshire PE1 1HW	

BRITISH GAS ENERGY TRUST

CONTENTS

	Page
Trustees' report	1 - 8
Statement of trustees' responsibilities	9
Independent auditor's report	10 - 13
Statement of financial activities	14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17 - 24

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees are pleased to present their report, together with the financial statements for the Charitable Incorporated Organisation (CIO), British Gas Energy Trust, for the year 1 April 2021 to 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements. They comply with the CIO's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).

Objectives and Activities

British Gas Energy CIO exists for:

(i) The relief of poverty, particularly among those who are unable to meet or pay charges for the supply of energy provided to premises used or occupied by them.

(ii) The prevention and relief of poverty by educating the public in relation to debt awareness and prevention.

The CIO, while carrying out its activities, is mindful of the legal requirement for all of its charitable aims to be for the public benefit. The public benefits provided by the CIO include:

- Provision of grants to charitable organisations to provide fuel debt advice services in communities.
- Provision of grants to individuals to alleviate fuel debt.
- Provision of other grants, aligned to the CIO's objectives, to help people manage indebtedness.

In September 2020, the Trustees approved a new Strategic Framework for the CIO. This set the CIO's strategic intent for the coming years and directly informs the CIO's Theory of Change (ToC). ToC is the tool used to define our mission, aims, objectives and the outcomes we seek to deliver, and then to ensure our programmes and activities are impactful and delivering positive change for those we support.

Our mission: To alleviate the detrimental impact of poverty

Helping people in, or at risk of, financial hardship meet their energy needs and manage their energy costs through support, education and raising awareness of sound money management.

The aim of the CIO is:

- To help people avoid the burden of energy debt, make informed energy choices and improve their money management skills. We envisage that this will lead to healthier homes and enhanced well-being.
- To enhance the capacity of the organisations we fund and to provide breadth and depth of support to people in financial hardship, specifically by enabling the development and provision of holistic support, including money, energy and advice services.

The CIO intends to achieve the following objectives through its charitable activity work:

- Foster individual skills, capabilities and competencies so people can build financial stability and thrive.
- Help people in financial hardship maximise their income, avoid the burden of energy debt, meet their energy needs and manage their energy and other household costs, whilst informing their energy decisions and supporting choice in a changing world.
- Identify impactful interventions to improve support services for those facing financial hardship.
- Effectively manage our funds and develop our organisation to be more impactful.

As a charity, these are the values we seek to uphold: kindness, empathy, respect, and working in an innovative, agile and collaborative way.

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

Management and Risk Controls

The CIO conducts its activities in two ways:

- Making grants to organisations to provide money and energy advice and related support and services.
- Making grants to individuals and families to provide relief from energy debt and assistance with other energy and money support measures.

The reporting period has seen a continued focus on building the CIO's financial processes and operational capacity and capability. This has included external audits of Data Protection, Risk Management, External Grant Making and Finance Operational Systems, and the subsequent implementation of enhanced processes for the CIO. The CIO Board and executive team remain focused on examining and discussing the major external, reputational, regulatory and compliance, operational, financial and environmental risks which the CIO faces.

The CIO's first full-time Chief Executive has been in post since January 2020, and has effectively helped the CIO evolve into an efficient, outcomes-led organisation, ensuring operational and strategic rigor whilst identifying and implementing new systems and processes, and strengthening the relationship with British Gas.

In 2021-2022, through its Memorandum of Understanding, British Gas confirmed additional funding for the CIO in line with the Warm Home Discount Scheme. As intended, before the end of the 2021-2022 Financial Year, the CIO received confirmation of 2022-2026 funding of at least £6m per annum for England & Wales. Funding for Scotland is predicted to be £800,000 per annum which is sufficient to maintain the current level of activity in Scotland. There have been no significant changes in the eligibility or approach to the Industry Initiative element of the Warm Home Discount scheme from 2022-2026, and the CIO shall continue to deliver in line with the current strategy and approach over this period.

The CIO recognised that there were risks in continuing with Contractor arrangements with the core operational team. Moreover, with British Gas's stated intention to continue funding the Trust through to 2026, there was renewed confidence around the Trust's funding. Advice was provided by Farrer & Co and presented to the Trustee Board on the 19th of May 2021, which stated that moving the team onto employment contracts would have a number of advantages for the CIO:

- Control and integration
- Duty of fidelity and mutual trust and confidence
- Certainty / transparency

The CEO was tasked by the Board to undertake a Benefit Risk analysis for the CIO becoming an employer. And in May 2021, Trustees agreed *"to move forward with establishing an employee staff structure in a respectful way."*

A Remuneration Sub-committee of the Board was subsequently established by written resolution, with the functions and delegated authority from the Board. The Remuneration Committee was supported by the CIO's lawyers, Farrer & Co, who provided independent legal advice. In addition to this, HR advice was sought together with advice from an Independent Financial Advisor, on pension, HMRC and payroll implications. The Board supported the recommendations of the Committee, and the final transition to a staff team took place on the 6th April 2022.

The Board agreed in December 2021 that the Trust would adhere to the following Operating and Funding Principles:

Operating Principles:

- Maintain high operational standards to help ensure continuous delivery of impactful services and interventions.
- Be flexible to seek to accommodate and deliver where possible additional funding initiatives in accordance with any restrictions, regulatory guidance or limitations.
- Stabilise annual operation costs at no higher than 15% of total income.
- Always maintain comprehensive financial and other records required to confirm the delivery of its funded programmes, providing timely information when required by British Gas.
- Understand the corporate, social, sustainability, net zero and other relationship drivers facing British Gas, and consider these as appropriate, when designing or targeting future funding programmes and initiatives.
- Ensure the Trust, within its charitable remit, remains responsive to the changing needs of vulnerable groups, including British Gas customers.
- Introduce grant management systems and identify other technology to streamline grant making and reduce data management risks.

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

- Remain an intelligent funder, listening to all stakeholders to ensure grant making, monitoring and oversight is efficient and not over burdensome.
- Identify and embed increasingly efficient and effective ways of assessing and distributing direct grants.
- Continue to invest 1% of total income on our capacity to understand the impact of funding.
- Utilise mapping and data analysis to ensure funding is directed to communities identified as at a greater risk of fuel poverty.

Funding Principles:

- Fund projects directly to ensure that funding is not lost from the front line. This means we avoid funding through umbrella groups or central bodies.
- Fund not-for-profit organisations, of which the majority will have a turnover of under £1.5m, to ensure we are not funding large overheads.
- Encourage collaboration and projects which involve like-minded organisations combining their expertise.
- Operate on a LA level when identifying need.
- Focus on locality and people, and target funding where there is high need, and where existing resource is constrained or overwhelmed.
- Actively seek new ways of reaching those most in need and the hardest to reach.
- Fund "whole person support" and caseworker led approaches that delivery support.
- Can fund organisations that are struggling but are still a going concern.
- Ensure direct grants are aimed at those most in need of support.

Charitable Activity

The CIO achieves its charitable objectives by operating several grant giving programmes; which sit under two main funding streams: an "Individuals and Families Grants Programme Stream" and an "Organisational Grants Programme Stream". This year, an additional programme was launched within the individual and families funding stream, with a new restricted funding of £2.3m received from British Gas. This new fund was launched in November 2021 to support households facing fuel poverty due to the cost-of-living crisis and the economic fallout of the pandemic.

Throughout the financial year, these initiatives have seen the CIO support the provision of advice to 23,391 people, 1,388 energy debt write-off grants under the Individual and Families Programme, 2,211 grants through the Winter Fund, 1,640 Emergency Energy Vouchers, 323 Bankruptcy and DRO support fees, 2,197 energy efficiency measures and 12 grants to fund boiler installations.

Debt write off grants

The Individuals and Families Programme and Winter Fund both provide debt relief grants to people, to clear their household energy debt. The programme is aimed at people who are experiencing financial difficulty and as such are unable to pay their outstanding energy debt. It is needs-led and open to applicants from anywhere in England, Scotland and Wales.


Applicants at risk of fuel poverty receive their grants in the form of credit applied to their energy account. British Gas Energy Trust is interested in funding

applications where the applicant can show a sustainable position moving forward. The Trust expects that the money advisor who has supported the applicant has ensured that all advice given and action taken by their agents or appointed representatives a) has regard to the best interests of the applicant, b) is appropriate to the individual circumstances of the applicant, and c) is based on a sufficiently full assessment of the financial circumstances of the applicant.

The Individual & Families Programme provides grants to both British Gas customers and customers of other energy suppliers, whereas the Winter Fund was an additional restricted donation from British Gas and specifically supports vulnerable British Gas customers struggling with fuel debt.

Debt Write off grants continued to support groups identified at a higher risk of fuel poverty

	Winter Fund (%)	Individual & Families (%)
Receiving disability benefit	36	39
Carers Allowance	13	13
3 or more children	16	16
Over 75 in household	2	4
Child Under 5	25	
Sole Parent	30	



BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

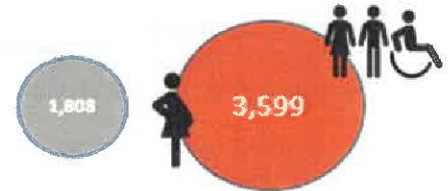
FOR THE YEAR ENDED 31 MARCH 2022

In most cases, grants are awarded to individuals who find themselves in debt due to a life-changing experience, for example, job loss, bereavement or sudden illness or medical condition. In recent years, significant numbers of applications have come from households who have been adversely affected by the Covid-19 pandemic.

During assessment, the assessors look for evidence to show that, after clearing their debt with an energy grant, applicants would be able to manage their income to meet their outgoings in the longer term.

As well as grants for clearing household energy debts, the CIO also considers applications for boiler repairs/replacements and makes emergency awards to households on pre-payment meters who are in immediate need of a financial assistance payment.

In 2021-2022, in addition to grants for British Gas customers, the Trust awarded 415 debt write-off awards to fuel-poor households from 33 different energy providers, totalling £312,092. That equates to 30% of the total debt write-off grants awarded of £1 million.



Debt write off grants increased 99% year on year

Successful Applicants

The CIO continues to help those on very low incomes, who are in or at risk of fuel poverty. Three quarters of people helped by funded projects in the last year had an annual household income of less than £16,190. These clients' incomes are in the lowest 20% in the UK. In addition to this only one in five were in either full or part-time employment. Nearly one third of respondents were unable to work because of long-term sickness or disability.

The programmes continue to help those with disability and long-term illness:

- 62% of clients reported that they live with a long-term health condition or disability.
- 41% live with a health condition that means they are more likely to spend more time at home.
- 32% reported that they live with a cold-related illness.

Government evidence suggests that people living in rented homes are more likely to experience fuel poverty, and with funded organisation clients, 80% of those supported lived in rented accommodation¹.

"Both Debt-Write off and Funded Orgs were found to be effective at reaching some of the individuals and groups identified as most at risk of fuel poverty. These included low-income households; recipients of Universal Credit; renters; households with children; younger and older people; and ethnic minorities."

CSE Report Dec 2021

Funded Organisation Programme Stream

The CIO funded 37 advice projects across England, Wales and Scotland during the reporting period, delivered through 43 not-for-profit grantee organisations.

These organisations provide a wide range of impartial and independent specialist fuel debt advice services including:

- Budget planning.
- Benefit / income maximisation checks.
- Energy supplier / tariff switching exercises.
- Access to energy vouchers and emergency heating sources.
- Resolution of energy debt problems.
- Negotiating with energy suppliers.
- Completing applications to any other grant giving schemes, e.g., Warm Home Discount and ECO schemes
- Home energy efficiency surveys and specific energy efficiency advice.
- Generalist advice on subjects including mental health, housing, employment and discrimination, to help address other barriers to financial well-being.

¹ [Fuel poverty - GOV.UK Ethnicity facts and figures \(ethnicity-facts-figures.service.gov.uk\)](https://www.ethnicity-facts-figures.service.gov.uk/)

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

"Both the I&F and CRF programmes succeeded in reaching people considered as energy vulnerable, based on Ofgem and capabilities framework-based definitions of energy vulnerability. Both programmes reported clients adopting more energy-wise behaviours, which result in more affordable fuel bills and warmer homes. Both programmes succeeded in improving around two thirds of their clients' financial situation. Programmes also had comparable effectiveness in helping clients to manage their worries about finances"

Centre for Sustainable Energy – Dec 2021 (CSE)

Deliverables

The number of interventions by funded projects rose by 17% YOY, from 88,177 to 106,367. The increase in interventions is due in part to a 63% rise in repeat beneficiaries, which is a result of the Board's strategic decision to focus on providing person-centered support. Advisors reported that they were better able to understand clients' needs and to signpost them to appropriate support as a result of receiving BGET funding.

The CIO's programme has focused on building the capacity and resilience of the advice sector as a specific outcome, this has led to an enhanced, greater level of service for the people supported by the funded organisations. As a result of the CIO's funding, advice providers report that they have built new partnerships, trained their staff and partners, added to their holistic service offerings and gained extra funding from other sources.

Over the financial period, money and energy advisers funded by the Trust have supported 23,391 unique beneficiaries with advice. They have created 11,581 individual budget plans for unique beneficiaries, completed 17,042 income maximisation checks and supported 13,741 with home energy efficiency.

CIO Funding Impact

Understanding the needs of the CIO's beneficiaries and the challenges they face, and how the CIO can help to bring about positive changes to their lives, is integral to providing meaningful support. The CIO continues to deliver in line with the ToC established in 2020, and evidence continues to support that the Trust is delivering against its objectives.

It is worth highlighting that over the three years from 2019/20 to the end of the last, financial grants distributed rose by 31% from £4,660,111 to £6,107,749.

The Trust commissioned independent research from the Centre of Sustainable Energy, the research evidenced that the CIO continues to deliver programmes that enable our core objectives. Survey respondents provided positive feedback on the impact of support:

1. Warmer healthier homes

Almost 73% reported that, after receiving support, they were better able to keep their home warm.

2. Improvement in financial situation

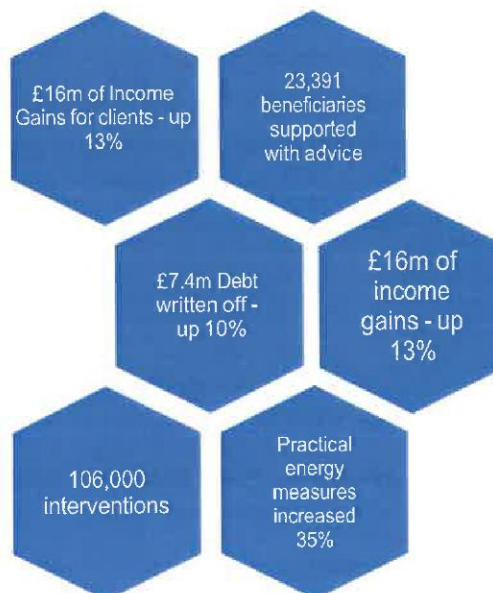
Just under three quarters (73%) helped experienced an improvement in their financial situation since receiving support.

3. Improved financial skills, budgeting and financial literacy

Over three quarters (78%) reported that they now plan ahead for household bills and other expenses.

4. Healthier household budgets, increased income, reduced debt, lower energy bills

Over two thirds (68%) reported that support helped them to access additional income.



BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

5. More energy efficient homes, more affordable bills and more awareness of energy saving actions

Projects have been prolific in providing energy advice. Some of the most popular energy saving actions as a result included stopping leaving lights on, not overfilling the kettle and adjusting the thermostat temperature setting. This indicates that clients were adopting advice, leading to better energy management or reduction, and combatting rising fuel prices. 40% of respondents said they had switched to a renewable energy tariff or supplier. A third of clients were supported with heating or insulation installations (a smaller number, but reliant on third party funding).

6. Improved wellbeing and reduced stress and anxiety

Advisors across funded programmes reported that support helped reduce client stress and anxiety, which was an important outcome.

“Both the I&F and CRF programmes succeeded in reaching people considered as energy vulnerable, based on Ofgem and capabilities framework-based definitions of energy vulnerability. Both programmes reported clients adopting more energy-wise behaviours, which result in more affordable fuel bills and warmer homes.

Both programmes succeeded in improving around two thirds of their clients’ financial situation. Programmes also had comparable effectiveness in helping clients to manage their worries about finances”

Centre for Sustainable Energy – Dec 2021 (CSE)

The CIO’s Leadership

The CEO’s work and the strengthening of the executive team, as well as attendant initiatives in 2021/2022, has continued to permit the Trustees to step back from needing to be involved in operational issues. As such, over the last year the Board has been focusing more appropriately on non-executive issues such as strategy, risk and governance. The CEO has delegated authority to oversee and manage the day-to-day operation of the CIO. The Board provide relevant challenge and support in line with the Charity Commission’s good governance guidance.

Financial review

Reserves Policy

At 31 March 2022, the audited accounts indicate that the CIO has unrestricted reserves of £2,419,580.

The Trust’s Reserves Policy requires designated reserves of six months of wind-down costs currently £369,510.

It should be noted that the cash held at the end of the Financial Year has increased due to the deferred income of £2.4m from British Gas. These restricted funds were destined for the Energy Support Fund which launched in April 2022, and the funding is due to be fully expended through awards by Autumn 2022. There was also an underspend of £211,712 from the Funded Organisation Programme that was to be refunded or carried forward. It is for the same reason that reserves rose at the end of the 2021-2022 Financial Year.

Investment Policy

The Trustees have an existing policy that monetary assets surplus to that needed for day-to-day operations would be held in a reserve account with a competitive rate of interest. This is currently under review.

Future Plans

British Gas, as the CIO’s principal funder, has committed a minimum £6million to the CIO in 2022/23 through the Warm Home Discount, and this support is expected to continue until 2026; in addition to this restricted funding of £4m was awarded for the Energy Support Fund launching in April 2022.

As of June 2022, the Board noted the very significant impact of the cost-of-living crisis on people the Trust already supports, with evidence in the public domain that those on the lowest incomes are the worst affected as they have the least financial resilience. In addition, it is widely reported that as a result of the cost-of-living crisis, people who previously were able to manage their finances, albeit only just, are now in fuel poverty and face severe financial difficulty for the first time, and they too need help.

Trustees recognised the breadth and depth of the crisis and its wider impact on people who now find themselves in financial distress and facing fuel poverty, and the regrettable impacts on them. Trustees acknowledged that the Trust’s resources are limited, and agreed that the Trust’s primary focus should remain on using its grant programmes to support people who are on the very lowest incomes, and on funded projects in the geographical areas identified as a priority in 2022-26.

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

Trustees noted that the Trust currently has reserves of £3.9m, with free reserves of £2.4m. Trustees felt that the Trust should not retain such a high level of reserves at a time of severe, serious and likely ongoing crisis for the beneficiaries it serves. This is particularly so since the crisis is due in large part to high energy costs, and the Trust's fundamental mission is to help people in or at risk of financial hardship meet their energy costs and manage their energy bills. Moreover, the new Warm Home Discount scheme for 2022-26 coming into place, coupled with the Memorandum of Understanding from British Gas, provides greater assurance over funding for the Trust in the forthcoming period.

After discussion, Trustees were unanimous in approving the release of £1m from reserves and its designation into a new fund, the purpose of which will be to give grants to organisations and projects to provide relief from the cost-of-living crisis, consistent with the Trust's mission. British Gas agreed to match this with an additional donation of £1m to the Trust.

Impact of Covid-19

Government measures to control the spread of Covid-19 did not directly affect the charity's in-house operations during the reporting period due to the organisation already being established for remote working as its normal operating model. However, the Covid-19 pandemic has had a significant impact on vulnerable people across England, Scotland and Wales, and both the grantee organisations and many of those applying for debt-write-off grants have been adversely affected.

As the CIO's funding from British Gas to March 2026 is secure, the Covid-19 pandemic has not caused any direct financial uncertainties regarding the charity's immediate financial sustainability, and there is no impact on consideration of whether the CIO is a going concern.

The Charity's Trustees (as the CIO's sole volunteers) continued to assist the charity in its work in managing in the changed circumstances by making themselves fully available through digital channels (which is permitted by the constitution).

All executive team, grants administration and stakeholder meetings have taken place using digital channels, and grant giving continues uninterrupted throughout the period, using the online application portal and cloud-based or digital systems.

The CIO has considered the likely impact of the Government's virus control measures and their potential duration on the future aims and activities of the charity, as well as the impact of the virus-related control measures on any wider network of which the charity is a part and how this affects the charity's operations. As the restrictions lifted in stages, the funded organisations have, as expected, seen an increase in demand; this has been exacerbated by the increased cost of living including energy prices and inflation.

The CEO continues to work with the CIO's Head of Programmes, Head of Finance and Grant Administrator as well as the CEOs and leads of the funded organisations to ensure there has been support, flexibility and adaptability to funding over this period.

Structure, Governance and Management

The CIO, British Gas Energy Trust, was entered onto the Charity Commission's Register of Charities on 16 August 2018 with the registered charity number 1179578. On 28 February 2019, all assets from "British Gas Energy Trust", charity number 1106218, were transferred to the new CIO.

The CIO is governed by a constitution, approved by the Board of Trustees on 20 June 2018.

In selecting individuals for appointment as Trustees, the Trustees have regard to the skills, knowledge and experience needed for the effective administration of the CIO. The following Trustees were on the Board during this financial period:

Hardial Bhogal (Appointed 19 May 2021)
Helen Charlton
Albert Chong
Susan Deacon (Appointed 19 May 2021)
William Wright Gillis
Laurie Lee
Mark McGillicuddy (Appointed 19 May 2021)
Christina Thwaite (Appointed 19 May 2021)
Sheila Wheeler

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

In line with the principles of the Charity Governance Code 2017, trustees determine, control and monitor the CIO's activities. As explained in the introduction to this report and elsewhere, the reporting period has seen an intensive focus on governance, with the implementation of enhanced processes and new governance and operational systems being developed and implemented for the CIO.

The Trustees provide details of any potential conflicts of interest in a central register, which is reviewed annually. If a Trustee has a personal interest in a matter to be discussed at a meeting, the Trustee declares their interest prior to discussions beginning.

The Trustee Board meets quarterly to review overall progress of all activities including grants to individuals and families, the funded organisations, and the financials of the CIO and performance. Board papers are prepared in advance and retained for audit purposes. The Trustees' main Board and Finance Audit and Risk Sub-committee meetings are minuted, with minutes retained and centrally archived in a secure cloud-based system.

The CEO, Jessica Taplin, leads the CIO under delegated authority and supports the Board in delivering the CIO strategy through a robust governance and policy framework. The CEO oversees operations, communications and finance, and manages relationships with the grants' administrator, funded organisations, British Gas and other key stakeholders.

General Reporting and Authorisation Controls

Reporting

The Board meets on a quarterly basis, with an additional Annual Meeting. The Finance Audit and Risk Committee meets on a quarterly basis, with papers feeding into the subsequent Board meeting. The budget is set and agreed annually by the Board, covering all agreed income and expenditure allocation. Each month, management accounts are prepared comparing actual vs budget; and any material variances are investigated and action taken where necessary. The CEO's reports to the Board include financial performance. In addition, every quarter the CEO reports to the Finance Audit and Risk Committee. All CIO management accounts are shared quarterly with the Board and monthly with the Treasurer. The annual financial statements are independently audited.

The CIO works with its funder British Gas so that they can see the allocation of Warm Home Discount funds that they award to the CIO, via the sharing of quarterly activity reports from the grant administrator and other reporting mechanics.

Funded Organisations

The CIO pays grants to third party organisations on a quarterly basis or in accordance with signed funding agreements.

Legal Advisors

The CIO's legal advisors are Farrer & Co, appointed on 1 April 2021 following a competitive process.

Auditor

Trustees agreed to appoint Baldwins Audit Services – now known as Azets Audit Services – as Auditor of the CIO for a three-year period from February 2019.

The Trustees' report was approved by the Board of Trustees.



M McGillicuddy
Treasurer & Trustee

Dated: 19th Nov 2022

BRITISH GAS ENERGY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees 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).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
Make judgements and estimates that are reasonable and prudent.
- State whether applicable 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 charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity, and that enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BRITISH GAS ENERGY TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF BRITISH GAS ENERGY TRUST

Opinion

We have audited the financial statements of British Gas Energy Trust (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

We have nothing to report in this regard.

BRITISH GAS ENERGY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF BRITISH GAS ENERGY TRUST

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

BRITISH GAS ENERGY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF BRITISH GAS ENERGY TRUST

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

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

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

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

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

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

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

BRITISH GAS ENERGY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF BRITISH GAS ENERGY TRUST

Use of our report

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



Azets Audit Services

**Chartered Accountants
Statutory Auditor**

25/10/22.
.....

Ruthlyn House
90 Lincoln Road
Peterborough
United Kingdom
PE1 2SP

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

BRITISH GAS ENERGY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £
Income from:					
Donations and legacies	3	6,000,070	2,300,000	8,300,070	6,000,848
Investments	4	412	-	412	1,975
Total income		6,000,482	2,300,000	8,300,482	6,002,823
Expenditure on:					
Charitable activities	5	5,834,757	1,150,459	6,985,216	6,182,633
Net income/(expenditure) for the year/ Net movement in funds		165,725	1,149,541	1,315,266	(179,810)
Fund balances at 1 April 2021		2,623,365	-	2,623,365	2,803,175
Fund balances at 31 March 2022		2,789,090	1,149,541	3,938,631	2,623,365

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

All income and expenditure derive from continuing activities.

BRITISH GAS ENERGY TRUST

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Debtors	11	481,970		43,684	
Cash at bank and in hand		6,001,512		4,200,263	
		<u>6,483,482</u>		<u>4,243,947</u>	
Creditors: amounts falling due within one year	12	<u>(2,544,851)</u>		<u>(1,620,582)</u>	
Net current assets			<u>3,938,631</u>		<u>2,623,365</u>
Income funds					
Restricted funds	14		1,149,541		-
<u>Unrestricted funds</u>					
Designated funds	15	369,510		791,012	
General unrestricted funds		<u>2,419,580</u>		<u>1,832,353</u>	
			<u>2,789,090</u>		<u>2,623,365</u>
			<u>3,938,631</u>		<u>2,623,365</u>

The financial statements were approved by the Trustees on 15th SEPT. 2022


M McGillicuddy
Trustee

BRITISH GAS ENERGY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	18		1,800,837		1,400,072
Investing activities					
Investment income received		412		1,975	
Net cash generated from investing activities			412		1,975
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			1,801,249		1,402,047
Cash and cash equivalents at beginning of year			4,200,263		2,798,216
Cash and cash equivalents at end of year			6,001,512		4,200,263

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

British Gas Energy Trust is a charitable incorporated organisation registered on 16 August 2018 in England and Wales. The principal address is Farrer & Co LLP, 66 Lincoln's Inn Fields, London, WC2A 3LH.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

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

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose. Designated funds are shown separately in the accounts for clarity.

Restricted funds are funds which are to be used in accordance with specific instructions imposed by the donor or Trust Deed.

1.4 Income

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

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

Income received in advance for future years has been treated as deferred income.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure and it is probable that settlement will be required and the amount of the obligation can be measured reliably. In particular the following policies apply to grants payable:

- Unconditional grants are accrued once the recipient has been notified of the grant award.
- Conditional grants, which are subject to performance conditions, are only accrued when the recipient has been notified of the grant award and any remaining unfulfilled conditions attached to the grant are outside the control of the charity.
- Provisions for grants are made when the recipient has been notified of a grant award, but the timing of the grant or the amount payable remains uncertain.

All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees, together with an apportionment of overhead and support costs.

1.6 Cash and cash equivalents

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

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

Basic financial liabilities

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

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

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

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Derecognition of financial liabilities

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

1.8 Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probably; or
- the amount has not been communicated in the grant offer and that amount cannot be reliably estimated.

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2022 £	2022 £	2022 £	2021 £
Donations and gifts	<u>6,000,070</u>	<u>2,300,000</u>	<u>8,300,070</u>	<u>6,000,848</u>

4 Investments

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Interest receivable	<u>412</u>	<u>1,975</u>

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

5 Charitable activities

	2022 £	2021 £
Direct charitable expenditure	587,882	693,251
Grant funding of activities (see note 6)	6,107,749	5,248,265
Share of support costs (see note 7)	131,147	121,367
Share of governance costs (see note 7)	158,438	119,750
	<u>6,985,216</u>	<u>6,182,633</u>
Analysis by fund		
Unrestricted funds	5,834,757	6,182,633
Restricted funds	1,150,459	-
	<u>6,985,216</u>	<u>6,182,633</u>
For the year ended 31 March 2021		
Unrestricted funds	<u>6,182,633</u>	

6 Grants payable

	2022 £	2021 £
Grants to institutions: Organisational grants	3,789,500	3,559,415
Grants to individuals: Energy payments	1,855,705	1,565,035
Further assistance payments	462,544	123,815
	<u>6,107,749</u>	<u>5,248,265</u>

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

7 Support and governance costs	Support costs		Governance costs		2022	Support costs		Governance costs		2021	Basis of allocation
	£	£	£	£		£	£	£	£		
Recruitment fees	75	-	75	-	75	75	-	17,110	-	17,185	Type of cost
CEO consultancy costs	32,918	10,973	43,891	46,172	43,891	32,802	44,405	10,934	44,405	43,736	% of time spent
Other consultancy fees	60,837	-	60,837	31	60,837	84,493	348	-	348	84,493	Support
Grant management system	12,948	-	12,948	1,991	12,948	-	1,309	-	1,309	-	Support
Other support costs	24,369	-	24,369	15,153	24,369	3,997	1,604	-	1,604	3,997	Support
Audit fees	-	5,940	5,940	-	5,940	-	-	5,040	-	5,040	Governance
Legal and professional	-	46,172	46,172	31	46,172	-	44,405	348	44,405	44,405	Governance
Trustee expenses	-	31	31	1,991	31	-	1,309	-	1,309	348	Governance
Trustee insurance	-	1,991	1,991	15,153	1,991	-	1,604	-	1,604	1,309	Governance
Company Secretarial costs	-	15,153	15,153	-	15,153	-	-	-	-	1,604	Governance
Evaluation of funded organisations programme	-	72,394	72,394	72,394	72,394	-	25,140	25,140	25,140	25,140	Governance
Internal audit fees	-	5,784	5,784	5,784	5,784	-	13,860	13,860	13,860	13,860	Governance
	<u>131,147</u>	<u>158,438</u>	<u>289,585</u>	<u>158,438</u>	<u>289,585</u>	<u>121,367</u>	<u>119,750</u>	<u>119,750</u>	<u>119,750</u>	<u>241,117</u>	
Analysed between											
Charitable activities	<u>131,147</u>	<u>158,438</u>	<u>289,585</u>	<u>158,438</u>	<u>289,585</u>	<u>121,367</u>	<u>119,750</u>	<u>119,750</u>	<u>119,750</u>	<u>241,117</u>	

Governance costs includes payments to the auditors of £5,940 (2021 - £5,040) for audit fees.

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but one of them was reimbursed a total of £61 subsistence expenses (2021 – one was reimbursed £110).

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Total	-	-

10 Financial instruments

	2022 £	2021 £
Carrying amount of financial assets		
Other debtors	200,000	-
Bank and cash	6,001,512	4,200,263
Measured at cost	6,201,512	4,200,263
Carrying amount of financial liabilities		
Trade creditors	92,533	50,980
Accruals	52,318	69,602
Measured at cost	144,851	120,582

11 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	200,000	-
Prepayments and accrued income	281,970	43,684
	481,970	43,684

12 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Deferred Income	13	2,400,000	1,500,000
Trade creditors		92,533	50,980
Accruals		52,318	69,602
		2,544,851	1,620,582

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13 Deferred income

	2022 £	2021 £
Deferred income	2,400,000	1,500,000

Deferred income consists of donations received in advance for the next financial year.

14 Restricted funds

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

	Movement in funds			Balance at 31 March 2022 £
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	
Winter Fund	-	2,300,000	(1,150,459)	1,149,541

15 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2020 £	Transfers £	Balance at 1 April 2021 £	Transfers £	Balance at 31 March 2022 £
Operational contingency reserve	272,652	(67,121)	205,531	(205,531)	-
Cessation contingency reserve	20,000	15,000	35,000	334,510	369,510
Funded organisations reserve	-	550,481	550,481	(550,481)	-
	292,652	498,360	791,012	(421,502)	369,510

The operational contingency reserve represents an amount to cover the charity's obligations.

The cessation contingency reserve represents anticipated costs of winding up the charity, to cover legal and statutory costs not already included within other commitments.

The funded organisations reserve represents two months of budgeted grant expenditure.

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Analysis of net assets between funds

	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:					
Current assets/(liabilities)	2,419,580	369,510	1,149,541	3,938,631	2,623,365
	<u>2,419,580</u>	<u>369,510</u>	<u>1,149,541</u>	<u>3,938,631</u>	<u>2,623,365</u>

17 Related party transactions

There were no disclosable related party transactions during the year (2021 – none).

18 Cash generated from operations

	2022 £	2021 £
Surplus/(deficit) for the year	1,315,266	(179,810)
Adjustments for:		
Investment income recognised in statement of financial activities	(412)	(1,975)
Movements in working capital:		
(Increase)/decrease in debtors	(438,286)	127,356
Increase/(decrease) in creditors	24,269	(45,499)
Increase in deferred income	900,000	1,500,000
Cash generated from operations	<u>1,800,837</u>	<u>1,400,072</u>

19 Analysis of changes in net funds

The charity had no debt during the year.

BRITISH GAS ENERGY TRUST

England & Wales - Charity number 1179578

Accounts

CIO Registration No. 1179578

Company Registration No. CE014895 (England and Wales)

BRITISH GAS ENERGY TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

BRITISH GAS ENERGY TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	H Bhogal	(Appointed 19 May 2021)
	H Charlton	
	A Chong	
	S Deacon CBE	(Appointed 19 May 2021)
	W Gillis	
	L Lee	
	M McGillicuddy	(Appointed 19 May 2021)
	C Thwaite	(Appointed 19 May 2021)
S Wheeler		
Chief Executive Officer	Jessica Taplin	
CIO registration number	1179578	
Auditor	Azets Audit Services Ruthlyn House 90 Lincoln Road Peterborough United Kingdom PE1 2SP	
Bankers	National Westminster Bank plc PO Box 15 Cathedral Square Peterborough Cambridgeshire PE1 1HW	

BRITISH GAS ENERGY TRUST

CONTENTS

	Page
Chair's introduction	1 - 2
Trustees' report	3 - 13
Statement of trustees' responsibilities	14
Independent auditor's report	15 - 18
Statement of financial activities	19
Balance sheet	20
Statement of cash flows	21
Notes to the financial statements	22 - 29

BRITISH GAS ENERGY TRUST

CHAIR'S INTRODUCTION

FOR THE YEAR ENDED 31 MARCH 2021

In the financial year to March 2021 the Covid-19 pandemic disrupted all our lives, bringing illness, bereavement, and financial distress to so many. The huge economic and societal effects were immediate: pushing many people into poverty for the first time, exacerbating existing challenges for those already in poverty, creating a new cohort of people with low financial resilience. Such impacts, and their devastating effects on lives, are likely to endure, lasting long into an uncertain future. So, the Trust's mission - *to alleviate the detrimental impact of poverty: helping people in, or at risk of, financial hardship meets their energy needs, and manage their energy costs, through support, education and raising awareness of sound money management* - feels more relevant than ever.

The Trust's activities, and its ability to fulfil this mission, are funded by British Gas under the statutory Warm Home Discount scheme. The Government's recent proposal to extend, expand and reform the Scheme to 2026 is significant and very welcome: it means that, with the continued support of our funder British Gas, the Trust should be in a position to continue to provide the help and support so desperately needed over the planned four-year period.

As to the year ended March 2021: in response to the pandemic, in July 2020 the Trust launched its Covid-19 Response Fund, providing grants to charities and not for profit organisations specifically to help deliver support in communities hardest hit by COVID. Our approach was underpinned by research to identify where the need for support was among the highest but help and support was lacking. Rollout began soon after, with the first grants being made in October 2020 in time for the winter period. By the financial year end the programme had already delivered £515,780 of funding to support front-line advice provision in high advice need areas. The households supported through the Covid Response Fund were particularly vulnerable to the negative economic and health impacts caused by the pandemic; with 79% having an annual household income of under £16,160 and 62% reporting a disability or long-term health condition.

Our COVID Response Fund complements our main grants programme, SCARP (Supporting Communities at Risk), which has been running since October 2018. The programme provides grants to charities and projects in England, Wales, and Scotland to support people who are struggling to pay their energy, priority, and other household bills, with funded organisations providing holistic money and energy advice, including household budgeting exercises and comprehensive financial advice. Despite the significant problems faced by funded organisations in providing support usually given personally and face-to-face, and all the challenges of Covid-19 restrictions, the projects continued to deliver, supporting more than 24,400 people with benefits advice, income maximisation and household money management support. This led to over £20 million of debt managed, £6.6 million of debt written-off and £2.1 million of energy efficiency measures supported. Such results are remarkable, and on behalf of the Board I wish to thank our funded organisations for their hard work and dedication throughout the period, in difficult circumstances.

Similarly, throughout the year the Trust continued to deliver our Individuals and Families programme, awarding grants to 2,474 vulnerable, fuel poor households to assist with energy debt. In addition, 2,697 people were supported with emergency fuel vouchers, and 27 households had warmth restored to their homes with a new boiler, thanks to our condemned boiler replacement grants. This was achieved despite there being a transition to a new grant administration service, provided by Auriga Services Limited, the new contract coming into effect at the start of the financial year just as the first lockdown took effect.

During the reporting period the Trust was active in many other ways. In September 2020 we adopted our new Strategic Framework, this set a fresh strategy for the Trust - our mission to alleviate fuel poverty being framed in the context of wider challenges such as the transition to net zero. Our strategic objectives are supported by a Theory of Change tool¹ to guide us in ensuring the work we do really does change lives for the better.

We have continued collecting and collating data from our programmes to measure our impact, enabling us to evolve and, in collaboration with the sector, to improve the support and services available to the people we serve. In July 2020 we began contributing to NPC's² innovative 'Coronavirus data for charities and funders' project, providing a dashboard of places most affected by Covid-19, underlying risk factors, and charity demand across the UK. This in turn aids our understanding of areas of need and likely demand for our services. Throughout all this we have continued to develop and improve our internal processes, systems, and reporting, and have made good progress in this area as verified by an external audit exercise of the new finance, grant making and risk systems and processes.

¹ <https://britishgasenergytrust.org.uk/news-and-research/>

² <https://www.thinknpc.org/resource-hub/update-interactive-covid-19-data-for-charities-and-funders/>

BRITISH GAS ENERGY TRUST


CHAIR'S INTRODUCTION

FOR THE YEAR ENDED 31 MARCH 2021

None of what we have achieved over the year would have been possible without the vision, dedication and positive enthusiasm of our CEO Jessica Taplin, and the support of her small, hard-working and committed team. As a virtual organisation the Government's working from home edict was less disruptive for the Trust; despite this there have been challenges, and as a Board we are very grateful for how hard the contracted executive has worked, and in good heart, to overcome them.

I would also like to express the Board's gratitude to our former colleague Colin Trend, who stepped down at the end of March 2021 after seven years of service as a Trustee of the CIO and its predecessor Trust. As an experienced and respected Money Adviser who knew and understood so well the problems faced by the people we serve, Colin made a huge contribution to the Trust over the years and was a valued Board member. We also extend a very warm welcome to our new Trustees Hardial Bhogal, Susan Deacon, Mark McGillicuddy, and Christina Thwaite, who joined the Board in May 2021.

To end, on behalf of all Trustees I must thank our funder, British Gas, and all those within the organisation who help to support us. It is British Gas' funding that makes possible all the work reflected in the pages which follow.

DocuSigned by:

.....17C72B1D0D384DF.....

H Charlton
Trustee 9/15/2021
Dated:

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees are pleased to present their report, together with the financial statements for the Charitable Incorporated Organisation (CIO), British Gas Energy Trust, for the year 1 April 2020 to 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the CIO's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).

Objectives and activities

British Gas Energy CIO exists for:

- (i) The relief of poverty particularly among those who are unable to meet or pay charges for the supply of energy provided to premises used or occupied by them; and
- (ii) The prevention and relief of poverty by educating the public in relation to debt awareness and prevention.

The CIO, while carrying out its activities is mindful of the legal requirement for all of its charitable aims to be for the public benefit. The public benefits provided by the CIO include:

- Provision of grants to charitable organisations to provide fuel debt advice services in communities.
- Provision of grants to individuals to alleviate fuel debt.
- Provision of other grants, aligned to the CIO's objectives, to help people manage indebtedness.

In September 2020, the Trustees approved a new Strategic Framework for the CIO. This sets the CIO's strategic intent for the coming years and directly informs our Theory of Change (ToC), this is the tool we use to ensure the CIO's programmes and activities are impactful and delivering positive change for those we support, it defines our mission, aims, objectives and the outcomes we seek to deliver.

Our mission: To alleviate the detrimental impact of poverty.

Helping people in, or at risk of, financial hardship meet their energy needs and manage their energy costs through support, education and raising awareness of sound money management

The Aim of the CIO is:

- To help people avoid the burden of energy debt, make informed energy choices and improve their money management skills. We envisage that this will lead to healthier homes and enhanced well-being.
- To enhance the capacity of the organisations we fund: enabling the development and provision of holistic support, money, energy & advice services; to provide breadth and depth of support to people in financial hardship.

The CIO intends to achieve the following objectives through its charitable activity work, to:

- Foster individual skills, capabilities and competencies so people can build financial stability and thrive.
- Help people in financial hardship maximise their income, avoid the burden of energy debt, meet their energy needs and manage their energy and other household costs, whilst informing their energy decisions and supporting choice in a changing world.
- Identify impactful interventions to improve the support services for those facing financial hardship.
- Effectively manage our funds and develop our organisation to be more impactful.

As a charity these are the values we seek to uphold: Kindness, empathy, respect, and working in an innovative, agile and collaborative way.

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Risk management & Management Controls

The CIO conducts its activities in two ways:

- making grants to organisations to provide money and energy advice and related support and services
- making grants to individuals and families to provide relief from energy debt and assistance with other energy & debt support measures.

The reporting period has seen a continued focus on building the CIO's financial processes and operational capacity and capability. This has included the ongoing focus on embedding enhanced processes, external audits of Data Protection, Risk Management, External Grant Making and Finance Operational Systems that have been developed and implemented for the CIO. As part of this process the CIO Board and executive team continued to examine and discuss the major external, reputational, regulatory and compliance, operational, financial and environmental risks which the CIO faces.

Over the financial year the Trustees and the CIO's executive team have undertaken significant work to implement new management and operational controls, contracts and systems. This has included closely examining the ongoing performance of the CIO, establishing a Memorandum of Understanding on funding, with the British Gas Energy Trust's sole funder British Gas Trading Ltd receiving the grant audits on a quarterly basis.

Following an open, competitive procurement process for the provision of grant administration services launched in Q3 2019/20, a new grant management administrator was appointed in Q4 2019/20, the new provider delivered grant administration services for the CIO over the financial year.

Internal process review work included a review of delegated responsibility for the management and oversight of organisations funded by the Trust. As a result of this review, the CIO's executive team piloted a new approach, bringing management and monitoring of the Trust's Covid Response Fund in-house on its launch in July 2020. This involved establishing a small team to assess, monitor and review 9 new grants and grantee relationships; the approach saw positive benefit to the CIO with reduced costs and a greater understanding of the challenges faced by the front-line advice services the CIO funds.

The appointment of the CIO's first full time Chief Executive in January 2020, has been a very positive move for the CIO. As hoped, she has effectively supported the Board to develop the new Strategic Framework, helping the CIO evolve as an efficient, outcomes-led charitable organization, ensuring operational and strategic rigour whilst identifying and implementing new systems and processes. These include developing a small executive team, which the CEO oversees together with the dedicated grant administration team within the third-party grant administrator. This combined approach has helped the CIO continue to enhance and embed management controls, as well as building operational capacity and expertise in-house. The approach has ensured greater visibility by the Executive and the Board, of the grant programmes that the CIO delivers; enabling improved management oversight and financial control together with an operational cost benefit to the charity.

The Board is confident that due to the hard work and diligence that has taken place, the CIO is now better aligned with sectoral best practice; new policies and procedures have been formalised and there are ongoing governance benchmarking reviews.

The Board commissioned an independent review of the Trust's own internal processes as well as systems and processes relating to Risk, Finance, and 3rd party grant making within the Grant Administrator and a selection of 3rd party grantee organisations. The Board can confirm that the independent audit stated that the processes for both Risk Management and Third Party Grantmaking were satisfactory and that financial systems were good. These reviews provided independent validation and reassurance to the CEO, Board and its Finance Audit & Risk Committee that the CIO was in a strong position with regards to financial and grant making systems, with processes in place required to run the CIO effectively and to proactively identify risks to help ensure the necessary mitigations are in place to manage or lessen these risks.

The main identified risks for the CIO for the accounting period were as follows: that charitable funding is via a single source and reliant on the continuation of the long-term relationship between the British Gas Energy Trust and British Gas; the impact on the relationship of changes to Government policy or legislation and reliance on the Warm Home Discount Scheme (due to be reviewed by Ofgem in the forthcoming year which will inform the period 2022 – 2026).

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

British Gas has confirmed through its Memorandum of Understanding additional funding for the CIO in line with the Warm Home Discount Scheme, for the year 2021 / 2022. Given the current intentions of government relating to continuation of the Warm Home Discount scheme, the CIO hopes to have confirmation of 2022-2026 funding towards the end of the 2021/22 financial year. However, if there is a significant change in the eligibility or approach to the Industry Initiative element of the Warm Home Discount scheme from 2022-2026, this could potentially affect the funding from British Gas. This could then significantly impact on what the CIO can itself fund over the financial period from April 2022 onwards.

The CIO achieves its objectives by operating several grant giving programmes; these sit under two main funding streams; an "Individuals and Families Grants Programme Stream" and an "Organisational Grants Programme Stream" . Over the financial year through these initiatives the CIO supported the provision of Energy Advice to 18,420 people; Non-Monetary Advice to 8,849 people; energy debt write-off grants to 1,781 households and Financial Assistance Payments which cover emergency interventions such as energy efficiency measures, temporary heating, debt reduction order fees and emergency utility credits supported 2,697 people.

Individuals and Families Grants Programme

The Individuals and Families programme provides direct grants or debt relief to people to clear their household energy debt. The programme is aimed at people who are experiencing financial difficulty and as such are unable to pay their outstanding energy debt. It is not directed towards any particular geographic area and is open to applicants from anywhere in England, Scotland and Wales.

Grant awards are made, in the form of credit applied to their energy account, to applicants who demonstrate that their situation means they are in or at risk of fuel poverty. British Gas Energy Trust is interested in funding applications where the applicant can show a sustainable position moving forward; believing that it is rarely in the person's best interest to seek a debt write-off, without dealing with the underlying problem of a deficit budget, due to this deficit budgets will only be considered in exceptional circumstances, there is some allowance for marginal exceptions. Where applicants would be eligible for a Bankruptcy or Debt Reduction Order (DRO), we expect this to have been explained to the client, applicants who are eligible for a DRO may not be successful in their application, as there is an alternative route to managing their debt.

The Trust expects that the money advice service who has supported the applicant, has ensured that all advice given and action taken by their agents or appointed representatives a) has regard to the best interests of the applicant b) is appropriate to the individual circumstances of the applicant c) is based on a sufficiently full assessment of the financial circumstances of the applicant.

The programme provides grants to both British Gas customers and customers of other energy suppliers.

Grant provision is aligned to the CIO's objectives and with providing a direct impact on recipients, as follows:

- Grants to clear domestic gas and electricity debts owed to British Gas or other suppliers.
- New Boilers – largely replacements of condemned or unfixable Gas Boilers (British Gas customers only).
- Emergency utility credit / Financial Assistance Payments (via organisations funded by the CIO through its Organisational Grant Programme and both British Gas and Non-British Gas Customers)

Applications are made via the CIO's online application form, there is also a helpline that can support clients to apply. Applications can be completed directly by the applicant or via appropriate third-party organisations on behalf of the applicant, including advice organisations funded by the CIO.

The CIO accepts applications from individuals and families needing help to clear energy debts who meet the following criteria:

- live in England, Scotland or Wales
- have not received a grant from the British Gas Energy Trust within the last 2 years
- have a current energy account in their name or be a member of that household
- have electric and/or gas debt
- do not have savings above £5,000
- have received help from a money advice agency
- are in or at risk of fuel poverty
- have a household income of less than £16,190
- Since April 2020 the CIO also considers applications from people with a higher household income if:
 - they have three or more children;
 - a household member is claiming PIP, DLA, or attendance allowance; [or]
 - a household member is a carer or claiming carers allowance.

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

This has helped ensure the debt relief support goes to vulnerable families and households that may have previously been excluded from support; since April 2020 15% of grants awarded have gone to households where a household member is a carer or claiming carers allowance.

When assessing applications, the CIO considers an applicant's situation holistically in order to target those in greatest need. In most cases grants are awarded to individuals who find themselves in debt due to a life-changing experience, for example, job loss, bereavement or sudden illness or medical condition – during the pandemic significant numbers of applications have come from households who have been adversely affected by the pandemic.

Increasingly however, grants are also awarded to a new and growing population of customers on low incomes with multiple debts, and ever increasing bills, who cannot keep up to date with payments. Such applicants have no 'crisis' to explain falling into debt and no ability to pay and are in need of holistic help.

During assessment, the assessors look for evidence to show that, after clearing their debt with an energy grant, applicants would be able to manage their income to meet their outgoings longer term. Additional controls have been proactively introduced by the CIO to manage higher value grants and in turn more effectively monitor average grants.

An upper-level cap on grant size of £2,000 was established in April 2020, this was subsequently reduced to £1,500, so as to help ensure as many people as possible benefit from the Individuals and Families Grants Programme. In exceptional cases grant recommendations over this value are submitted by the grant administrator to the CEO and Financial Controller for consideration, with information on the circumstances and assessment the extra diligence in place assists the decision-making process and ensures that exceptional circumstances are evidenced.

The CIO believe there will continue to be exceptional cases where a higher value grant (in excess of £1,500) is appropriate and are keen to offer a fair assessment process for all applicants. However applicants need to evidence exceptional circumstances to be recommended for a grant over £1,500.

As well as grants for clearing household energy debts, the CIO also considers applications for boiler repairs/replacement and makes emergency awards to households on pre-payment meters who are in immediate need.

During 2020/2021 the CIO made 1,781 grants through the Individuals and Families programme, so benefitting people in or at risk of Fuel Poverty.

As an 'industry initiative' funded through the Warm Home Discount Scheme, the Trust is unique in that its programmes are aimed at supporting vulnerable customers who are in, or at risk of, fuel poverty regardless of their provider. In 2020-2021, in addition to grants for British Gas customers, the Trust awarded 573 debt write-off awards to fuel-poor households from 46 different energy providers, totalling £422,759 or, 30% of the total debt write-off grants awarded of £1.4 million.

Over the last 12 months, Money and Energy Advisers funded by the Trust have supported 24,460 unique beneficiaries. With over £20 million of debt managed, £6.6 million of debt written-off and £14 million of gains in household income. Over this period 126 Money and Energy Advisers funded by the CIO have supported 7,895 grant applications. Vulnerable customers have also saved c£350,000 switching supplier or changing tariff and reclaimed £223,000 for customers through challenging incorrect bills.

Clients supported through the programmes were either assessed as being in fuel poverty or at risk of fuel poverty. All customers that received an energy efficiency appliance met the eligibility criteria in one or more categories

- In fuel poverty - 100%
- An income of £16,190 or less than - 74% Vulnerability through receipt of a means tested benefit - 85%

All customers that received a debt award met the eligibility criteria in one or more categories;

- In fuel poverty - 75%
- At risk of fuel poverty – 25%
- An income of £16,190 or less than - 70%
- Vulnerability through receipt of a means tested benefit - 91%

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Financial Assistance Payments:

CIO- distributed: The CIO issued 890 Emergency Fuel Vouchers in the scheme year, with some individuals receiving a maximum of £140. The vouchers redeemed at 31 March 2020 were 743 with a value of £26,800 (it has been assumed all outstanding 48 vouchers will be redeemed by the 30-day expiry date). A total of 376 vulnerable consumers have been helped in the period.

Funded Organisation-distributed: The Average value of Financial Assistance Payments provided to clients in the form of Emergency Fuel Vouchers was £52, with the total number of vouchers issued being 3,118, having a total value of £129,134.

Energy Efficiency Measures: The total number of people supported through receipt of energy efficiency measures, including thermal efficiency measures and energy efficient appliances was 4,633. A total of 9,703 energy efficiency measures, 1,977 thermal efficiency measures and 10,613 energy efficient appliances were provided – including 52 boilers, 898 room thermometers, 4,357 LED light bulbs, 1,908 shower timers, 1,481 tap aerators and draught proofing 237 households' windows.

Organisational Grants Programme:

The CIO funded a total of 26 advice projects across England, Wales and Scotland, during the reporting period, delivered through 49 not-for-profit grantee organisations.

In 2018, large multi-year grants were awarded to the following 17 lead grantee organisations, these projects continued to deliver in 2020 2021 entering the final year of the multi-year grants awarded in 2018.

- Auriga Services Limited
- Energy Projects Plus Limited
- Bromley by Bow Centre
- Income Max CIC
- Citizens Advice Cymru
- Money Matters Money Advice Centre
- Citizens Advice Manchester
- Riverside Advice Limited
- Northumbrian Citizens Advice Bureau
- St Anne's Advice Group
- Citizens Advice Preston
- Citizens Advice St Helens
- Community First Yorkshire
- Community Law Service
- Navigate Charity
- THAW-Orkney
- The Zinithya Trust (East Midlands: Leicester)

The funding focused on increasing specialist fuel debt advice, through one-to-one holistic support including:

- Resolving energy debt problems and negotiating with energy suppliers.
- Completing applications to the British Gas Energy Trust and other grant giving schemes.
- Making referrals to other grant making trusts or schemes or alternative specialist advice agencies for resolution of other debt issues.
- A range of other energy related advice including energy efficiency, how to read energy meters, setting up payment plans and monthly direct debits.
- Innovative programmes that balance energy efficiency measures with wider welfare benefits take-up and other interventions to improve the physical and mental health and well-being of vulnerable people.
- Generalist advice covering other areas including housing, employment and discrimination and therefore working to remove any other barriers to financial well-being.

BRITISH GAS ENERGY TRUST

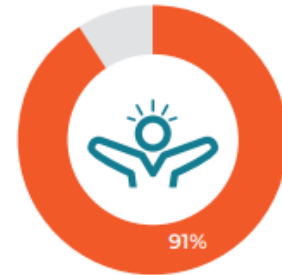
TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Each organisation employs two or more full time specialist fuel debt advisors. They provide fuel debt advice to clients and assist them in submitting applications to the British Gas Energy Trust as well as checking benefit entitlement, advising on personal budgets and general energy efficiency advice.

The funded organisations are encouraged to promote the funded project widely and develop partnerships with local organisations to increase referrals to their specialist fuel debt advice services from vulnerable groups.

In addition to this the Board responded proactively to the unprecedented situation caused by Covid-19. In May 2020 the Board tasked the CEO with developing and launching a new £800,000 Covid Response Fund, to support money advice services and charities delivering projects aligned to the Trust's aims



91% of people supported through funded services reported that it helped them with their money worries.

- To help people avoid the burden of energy debt, make informed energy choices and improve their control over household finances. We envisage that this will lead to healthier homes and enhanced well-being.
- To enhance the capacity of the organisations we fund, enabling the development and provision of holistic support, money, energy and advice services; for the benefit of people in financial hardship.

To ensure the Covid Response Fund supported services in areas facing the most heightened need, the Trust commissioned The Centre for Sustainable Energy (CSE) to build an understanding of the areas of England, Scotland and Wales most in need of advice services during and after the pandemic. The resulting Advice Need Index (ANI) combined a number of indicators that suggest a higher need for advice including the prevalence of household indebtedness, employment in the most affected sectors, lone parents and indicators suggesting high fuel costs.

The CIO used the ANI to identify nine areas in greatest need of support, and opened the funding programme to not-for-profit organisations operating free money and energy advice services within these specific localities.

As a result of this process the CIO funded 9 additional projects through the Covid Response Fund:

- Citizens Advice Rossendale & Hyndburn and Citizens Advice Blackpool (North-West: Rossendale, Hyndburn and Blackpool)
- Citizens Advice Sandwell and Walsall (West Midlands: Sandwell & Walsall)
- Citizens Advice in Sunderland, Hartlepool and Middlesbrough (North East: Sunderland, Hartlepool and Middlesbrough)
- Dundee Citizen's Advice Bureau (Scotland: Dundee)
- Groundwork North Yorkshire (Yorkshire: Hull)
- Hastings Welfare, Benefits and Energy Advice project (Kent: Hastings and South Coast)
- Money A+E (Inner and East London, with a focus on the boroughs of Barking & Dagenham, Hackney, Islington and Tower Hamlets)
- South East London Community Energy (London: Lambeth, Southwark, Lewisham, Greenwich and Croydon)
- The Zinithya Trust (East Midlands: Leicester)

These organisations provide a wide range of impartial and independent specialist fuel debt advice services including:

- Budget planning
- Benefit / income maximisation checks
- Energy supplier / tariff switching exercises
- Resolution of energy debt problems
- Negotiating with energy suppliers
- Completing applications to and other grant giving schemes, e.g., Warm Home Discount and ECO schemes
- Desktop home energy efficiency surveys and specific energy efficiency advice
- Generalist advice on subjects including housing, employment and discrimination, helping to overcome other barriers to financial well-being

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The CIO's programme has focused on building the capacity and resilience of the advice sector as a specific outcome in addition to the number of people supported by the funded organisations. As a result of the CIO's funding, advice providers report having built new partnerships, trained their staff and partners, added to their holistic service offerings and gained extra funding from other sources.

The Impact of CIO funding:

Understanding the needs of the CIO's beneficiaries and the challenges they face, and how the CIO can help to bring about positive changes to their lives, is integral to providing meaningful support to them.

This is particularly important in view of the severe adverse impacts of the COVID-19 pandemic, which has already hit hardest those households with least financial resilience. The CIO also wants to improve the understanding of the particular challenges households face in the transition towards net zero and adoption of smarter energy systems, to enable us to provide effective support and guidance in a changing world.



For the main Funded organisation programme of a total of 21,436 unique beneficiaries - 64% (13,654) were claiming benefits

To this end the CIO commissioned development of a Collective Impact framework (CIF) a new outcomes matrix to enable the CIO to collect data to evidence the immediate and longer-term outcomes of its programmes. This supports the new strategic framework and also shapes how the CIO reports on impact now and in the future.

The approach was piloted in 2020 and already offers a more rounded picture of what the organisations funded by the CIO have achieved, how people have benefitted from the support and what differences the programmes have made collectively to the wider sector. Understanding the needs of the CIO's beneficiaries, the challenges they face and how funding can help to bring about positive changes to their lives, is integral to providing meaningful support.

This is particularly important in view of the severe adverse impacts of the COVID-19 pandemic, which has already hit hardest those households with least financial resilience. The Trust extended the pilot and has embedded the CIF within the funded organisations programme and Individual & Families grant programme monitoring; so seeking to capture and reflect a more detailed understanding of the immediate and longer-term outcomes of the programmes.

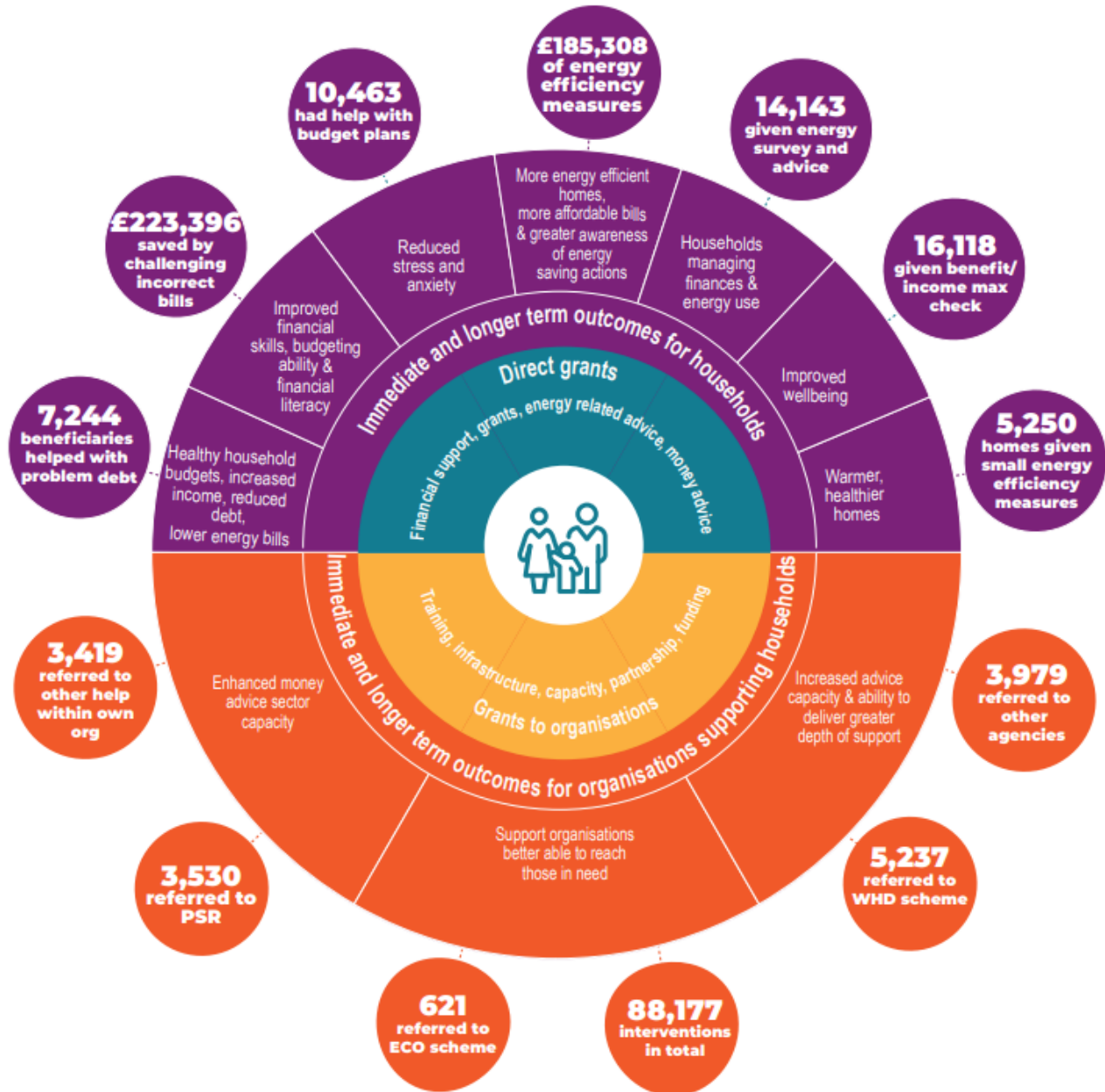
Through the CIF the CIO continues to develop a more nuanced understanding of the particular challenges facing fuel-poor households, this enables the CEO and executive Team to give more effective support and guidance to grantee organisations, adapt grant funding streams and develop further grant opportunities in response to a changing world.

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Output Impact Diagram aligned to the Theory of Change and the CIO's Strategic Framework, further information on the outcomes can be found in the Trust's 2020 Impact Report.



The introduction of the CEO, small executive team and the attendant initiatives in 2019/20, has continued to permit the Trustees to step back from needing to be involved in operational issues and over the last year the Board has been focusing more appropriately on non-executive issues such as the new strategic framework and governance. The CEO has delegated authority to oversee & manage the day-to-day operation of the CIO, within the parameters of the scheme of delegation.

Performance objectives for the CEO are established on an annual basis under the direction of the Chair. These provide clear strategic direction for the CEO, who then ensures operational focus on delivering against these over the financial year. The Board provide relevant Trustee challenge and support both at Board, through the Finance, Audit and Risk Committee and through response to the regular CEO report.

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Financial review

Reserves Policy

At 31 March 2021, the audited accounts indicate that the CIO has unrestricted reserves of £2,623,365.

The Reserves Policy was slightly modified for 2020/21 to reflect that more operations were dealt with in-house from 1 April 2020. The modified policy is to set aside a designated fund for a wind-down of the CIO on the basis that the CIO can meet:

- 2 months of grants to funded organisations (previously nil);
- 6 months of operating costs (previously only the outsourced contract); and
- An amount sufficient to meet obligated legal and statutory costs of winding up the charity.

At 31 March 2021, the designated fund for this purpose amounted to £791,012, represented by the 3 elements of expenditure outlined above.

The CIO focuses on achieving the greatest value for money impact through the activities it undertakes. The operational environment continues to be subject to external pressures and review; as such the Finance Audit and Risk Committee will continue to review the Reserves Policy on an annual basis.

Investment policy

The Trustees have an existing policy that monetary assets surplus to that needed for day-to-day operations would be held in a reserve account with a competitive rate of interest.

Plans for future periods

British Gas, as the CIO's principal funder, has committed £6 million to the CIO in 2021/22. There remains a longer-term funding uncertainty at the time of this report.

Covid-19 impact on the CIO's activities

Government measures to control the spread of Covid-19 did not directly affect the charity's in-house operations during the reporting period due to the organisation being established for remote working as its normal operating model. However, the Covid-19 pandemic has had a significant impact on vulnerable people across England, Scotland and Wales, and both the grantee organizations and many of those applying for debt write-off grants have been adversely affected.

As the CIO's funding from British Gas to March 2022 is secure, the Covid-19 pandemic has not caused any direct financial uncertainties regarding the charity's immediate financial sustainability and there is no impact on consideration of whether the CIO is a going concern.

The Charity's Trustees (as the CIO's sole volunteers) continued to assist the charity in its work in managing in the changed circumstances by making themselves fully available through digital channels (which is permitted by the constitution).

All executive team, grants administration and stakeholder meetings have taken place using digital channels, and grant giving was able to continue uninterrupted throughout the period using the application portal online and cloud-based or digital systems.

The CIO has considered the likely impact of the Government's virus control measures and their potential duration on the future aims and activities of the charity; as well as the impact of the virus-related control measures on any wider network of which the charity is a part and how this affects the charity's operations. It is clear that the outbreak of the virus has impacted on the organisations that the CIO currently funds. This has an impact on beneficiaries and may affect funded activities for the coming year.

To help the CIO understand the impact of the virus-related control measures on the wider network of organisations that the CIO funds all funded organisations were asked to provide additional information with their quarterly monitoring forms for the period, on how each project was coping with the impact of Covid-19 and what were their plans going forward. The CIO executive team have worked flexibly with grantee organisations to permit the re-allocation of funding between grant budget lines, the majority of changes have been in the movement of funding intended for travel or training, this has been utilised for IT systems and in some cases mobile facilities.

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The feedback showed that Covid-19 affected service delivery. With the exception of a few funded organisations, all organisations closed their premises following Government guidelines to stay at home. Staff continued to provide services by working remotely from home. The remaining organisations who stayed open had to do so in order to assist individuals in crisis situations, whilst adhering to recommended distancing guidelines.

Organisations reported that the Covid-19 pandemic continues to have a detrimental effect on their ability to deliver the full range of support services, they have reported:

- Reduced number of individuals accessing services
- Less debt being presented - energy companies / creditors not chasing debtors
- Home visits suspended
- Difficulties supplying energy efficiency measures
- Fewer referrals made to other agencies due to them being closed or with restricted opening
- External events postponed

As the stages to the restrictions begin to lift, the funded organisations have confirmed that they expect to resume any services that were suspended and most have advised that they expect a surge in demand.

The CEO continues to work with the CIO's Programme Manager(s), Financial Controller and Grant Administrator and directly with the CEOs of the funded organisations to ensure there has been support, flexibility and adaptability to funding over this period.

Structure, governance and management

The CIO, British Gas Energy Trust, was entered onto the Charity Commission's Register of Charities on 16 August 2018 with the registered charity number 1179578. On 28 February 2019 all assets from "British Gas Energy Trust", charity number 1106218, were transferred to the new CIO.

The CIO is governed by a Constitution approved by the Board of Trustees on 20 June 2018.

In selecting individuals for appointment as Trustees, the Trustees have regard to the skills, knowledge and experience needed for the effective administration of the CIO. The following Trustees were on the Board during this financial period:

Helen Charlton
Albert Chong
Laurie Lee
Sheila Wheeler
William Wright Gillis
Colin Trend (appointment expired 31 March 2021)

In addition, the following Trustees were appointed to the Board on 19 May 2021:

Hardial Bhogal
Susan Deacon
Mark McGillicuddy
Christina Thwaite

Trustees set the policy, and control and monitor the CIO's activities and provide good governance, challenge and oversight of the CEO in line with the principles of the Charity Governance Code 2017. As explained in the introduction to this report and elsewhere, the reporting period has seen an intensive focus on governance, with the implementation of enhanced processes and new governance and operational systems being developed and implemented for the CIO.

The Trustees provide details of any potential conflicts of interest in a central register, which is reviewed annually. If a Trustee has a personal interest in a matter to be discussed at a meeting the Trustee declares their interest prior to discussions beginning.

BRITISH GAS ENERGY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The Trustee Board meets quarterly to review overall progress of all activities including grants to individuals and families, the funded organisations, and the financials of the CIO and performance. Board papers are prepared in advance and retained for audit purposes. The Trustees' main Board and Finance Audit and Risk sub-committee meetings are minuted, with minutes retained and centrally archived in a secure cloud-based system.

The CEO, Jessica Taplin, leads the Operational Management of the CIO under delegated authority and supports the Board in delivering the CIO strategy through a robust Governance and policy framework. The CEO oversees operations, communications, finance and manages relationships with the grants' administrator, funded organisations, British Gas and other key stakeholders.

General reporting & authorisation controls:

Reporting

The Board meets 4 times per annum on a quarterly basis, with an additional Annual Meeting; the Finance Audit and Risk Committee meets on a quarterly basis with papers feeding in to the subsequent Board meeting. The budget is set and agreed annually by the Board, covering all agreed income and expenditure allocation. Each month, management accounts are prepared comparing actual vs budget and any material variances are investigated and action taken where necessary. The CEO's reports to the Board include financial performance. In addition, every quarter the CEO reports to the Finance Audit and Risk committee. All BGET management accounts are shared on a monthly basis with the Board. The annual financial statements are independently audited.

The CIO works with its funder British Gas so that they are able to see the allocation of Warm Home Discount funds that they award to the CIO, via the sharing of Quarterly Activity reports from the Grant administrator and other reporting mechanics.

Funded Organisations

The CIO pays grants to third party organisations on a quarterly basis or in accordance with signed funding agreements.

Boilers

Following the application and assessment process, the recommendation for funding is reviewed and the payment is made directly from the CIO to British Gas and overseen in line with the banking mandate & policies. Prior to this the Grant Administrator sanctions payment.

Legal Advisors

The CIO's legal advisors are Farrer & Co, appointed on 1 April 2021 following a competitive process. Prior to this Russell Cooke were the CIO's legal advisors, appointed in June 2018.

Auditor

Trustees agreed to appoint Baldwins Audit Services – now known as Azets Audit Services - as Auditor of the CIO for a three-year period from February 2019.

The Trustees' report was approved by the Board of Trustees.

DocuSigned by:



.....17C72B1D0D384DF..

H Charlton

Trustee
Dated: 9/15/2021

.....

BRITISH GAS ENERGY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees 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).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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

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

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BRITISH GAS ENERGY TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF BRITISH GAS ENERGY TRUST

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

We have nothing to report in this regard.

BRITISH GAS ENERGY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF BRITISH GAS ENERGY TRUST

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

BRITISH GAS ENERGY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF BRITISH GAS ENERGY TRUST

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

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

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

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

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

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

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

BRITISH GAS ENERGY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF BRITISH GAS ENERGY TRUST

Use of our report

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

Azets Audit Services

Chartered Accountants Statutory Auditor

DocuSigned by:
Azets
.....4A28A35CE25B4A7...

Ruthlyn House
90 Lincoln Road
Peterborough
United Kingdom
PE1 2SP

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

BRITISH GAS ENERGY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income and endowments from:</u>			
Donations and legacies	3	6,000,848	6,005,400
Investments	4	1,975	7,026
Other income	5	-	225,101
Total income		<u>6,002,823</u>	<u>6,237,527</u>
<u>Expenditure on:</u>			
Charitable activities	6	<u>6,182,633</u>	<u>5,781,911</u>
Net (expenditure)/income for the year/ Net movement in funds		(179,810)	455,616
Fund balances at 1 April 2020		<u>2,803,175</u>	<u>2,347,559</u>
Fund balances at 31 March 2021		<u><u>2,623,365</u></u>	<u><u>2,803,175</u></u>

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

All income and expenditure derive from continuing activities.

BRITISH GAS ENERGY TRUST**BALANCE SHEET****AS AT 31 MARCH 2021**

	Notes	2021		2020	
		£	£	£	£
Current assets					
Debtors	12	43,684		171,040	
Cash at bank and in hand		4,200,263		2,798,216	
		<u>4,243,947</u>		<u>2,969,256</u>	
Creditors: amounts falling due within one year	13	<u>(1,620,582)</u>		<u>(166,081)</u>	
Net current assets			<u>2,623,365</u>		<u>2,803,175</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	15	791,012		292,652	
General unrestricted funds		<u>1,832,353</u>		<u>2,510,523</u>	
			<u>2,623,365</u>		<u>2,803,175</u>
			<u>2,623,365</u>		<u>2,803,175</u>

9/15/2021

The financial statements were approved by the Trustees on

DocuSigned by:



.....17C72B1D0D384DF.....

H Charlton

Trustee

BRITISH GAS ENERGY TRUST**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021		2020	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	19		1,400,072		663,707
Investing activities					
Investment income received		1,975		7,026	
Net cash generated from investing activities			1,975		7,026
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			1,402,047		670,733
Cash and cash equivalents at beginning of year			2,798,216		2,127,483
Cash and cash equivalents at end of year			<u>4,200,263</u>		<u>2,798,216</u>

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

British Gas Energy Trust is a charitable incorporated organisation registered on 16 August 2018 in England and Wales. The principal address is Farrer & Co LLP, 66 Lincoln's Inn Fields, London, WC2A 3LH.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

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

1.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements, including the anticipated impact of COVID-19. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.3 Charitable funds

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose. Designated funds are shown separately in the accounts for clarity.

Restricted funds are funds which are to be used in accordance with specific instructions imposed by the donor or Trust Deed.

1.4 Income

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

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

Income received in advance for future years has been treated as deferred income.

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.5 Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure and it is probable that settlement will be required and the amount of the obligation can be measured reliably. In particular the following policies apply to grants payable:

- Unconditional grants are accrued once the recipient has been notified of the grant award.
- Conditional grants, which are subject to performance conditions, are only accrued when the recipient has been notified of the grant award and any remaining unfulfilled conditions attached to the grant are outside the control of the charity.
- Provisions for grants are made when the recipient has been notified of a grant award, but the timing of the grant or the amount payable remains uncertain.

All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees, together with an apportionment of overhead and support costs.

1.6 Cash and cash equivalents

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

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

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.8 Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probably; or
- the amount has not been communicated in the grant offer and that amount cannot be reliably estimated.

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	6,000,848	6,005,400

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Interest receivable	1,975	7,026

5 Other income

	Total 2021 £	Unrestricted 2020 £
Repayment of grant underspend from prior year	-	170,571
Income from settlement agreement	-	54,530
	-	225,101

6 Charitable activities

	2021 £	2020 £
Direct charitable expenditure	693,251	154,375
Grant funding of activities (see note 7)	5,248,265	4,660,111
Share of support costs (see note 8)	121,367	692,076
Share of governance costs (see note 8)	119,750	275,349
	6,182,633	5,781,911

7 Grants payable

	2021 £	2020 £
Grants to institutions:		
Organisational grants	3,559,415	3,139,910
Release of prior year accrual	-	(1,477)
Grants to individuals:		
Energy payments	1,565,035	1,385,572
Further assistance payments	123,815	136,106
	5,248,265	4,660,111

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Support and governance costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020	Basis of allocation
	£	£	£	£	£	£	
Outsourced management fees	-	-	-	690,321	166,177	856,498	Grant making as % of total expenditure
Recruitment fees	75	17,110	17,185	1,755	-	1,755	Type of cost
CEO consultancy costs	32,802	10,934	43,736	-	-	-	% of time spent
Other consultancy fees	84,493	-	84,493	-	-	-	Support
Other support costs	3,997	-	3,997	-	-	-	Support
Audit fees	-	5,040	5,040	-	6,361	6,361	Governance
Legal and professional	-	44,405	44,405	-	46,406	46,406	Governance
Trustee expenses	-	1,952	1,952	-	19,425	19,425	Governance
Trustee insurance	-	1,309	1,309	-	500	500	Governance
Impact report	-	-	-	-	36,480	36,480	Governance
Evaluation of funded organisations programme	-	25,140	25,140	-	-	-	Governance
Internal audit fees	-	13,860	13,860	-	-	-	Governance
	<u>121,367</u>	<u>119,750</u>	<u>241,117</u>	<u>692,076</u>	<u>275,349</u>	<u>967,425</u>	
Analysed between							
Charitable activities	<u>121,367</u>	<u>119,750</u>	<u>241,117</u>	<u>692,076</u>	<u>275,349</u>	<u>967,425</u>	

Governance costs includes payments to the auditors of £5,040 (2020 - £6,361) for audit fees.

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but 1 of them was reimbursed a total of £110 travelling expenses (2020 - 7 were reimbursed £6,021).

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	-	-

11 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Bank and cash	4,200,263	2,798,216
Measured at cost	4,200,263	2,798,216
Carrying amount of financial liabilities		
Trade creditors	50,980	91,651
Accruals	69,602	74,430
Measured at cost	120,582	166,081

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Prepayments and accrued income	43,684	171,040

13 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Deferred income	14	1,500,000	-
Trade creditors		50,980	91,651
Accruals		69,602	74,430
		1,620,582	166,081

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Deferred income

	2021 £	2020 £
Other deferred income	1,500,000	-

Deferred income consists of a donation received in advance for the next financial year.

15 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2019 £	Transfers £	Balance at 1 April 2020 £	Transfers £	Balance at 31 March 2021 £
Operational contingency reserve	400,470	(127,818)	272,652	(67,121)	205,531
Cessation contingency reserve	20,000	-	20,000	15,000	35,000
E Learning voucher fund	282,847	(282,847)	-	-	-
Funded organisations reserve	-	-	-	550,481	550,481
	<u>703,317</u>	<u>(410,665)</u>	<u>292,652</u>	<u>498,360</u>	<u>791,012</u>

The operational contingency reserve represents an amount to cover the charity's obligations.

The cessation contingency reserve represents anticipated costs of winding up the charity, to cover legal and statutory costs not already included within other commitments.

The e learning voucher fund represented funds invested in a stock of e learning vouchers, which could therefore only be utilised on e learning in the year ended 31 March 2020. This fund was released back to unrestricted funds in the year ended 31 March 2020 as the e learning vouchers were no longer held.

The funded organisations reserve represents two months of budgeted grant expenditure.

16 Analysis of net assets between funds

	Unrestricted funds 2021 £	Designated funds 2021 £	Total 2021 £	Total 2020 £
Fund balances at 31 March 2021 are represented by:				
Current assets/(liabilities)	1,832,353	791,012	2,623,365	2,803,175
	<u>1,832,353</u>	<u>791,012</u>	<u>2,623,365</u>	<u>2,803,175</u>

BRITISH GAS ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

17 Financial commitments, guarantees and contingent liabilities

The charity is committed to outsourced management fees due in:

Less than one year £nil (2020 - £45,442)

The commitment represents the anticipated cost, based on anticipated donations, of the contract between the CIO and Auriga Services Limited.

18 Related party transactions

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

19 Cash generated from operations	2021 £	2020 £
(Deficit)/surplus for the year	(179,810)	455,616
Adjustments for:		
Investment income recognised in statement of financial activities	(1,975)	(7,026)
Movements in working capital:		
Decrease in debtors	127,356	112,104
(Decrease)/increase in creditors	(45,499)	103,013
Increase in deferred income	1,500,000	-
Cash generated from operations	<u>1,400,072</u>	<u>663,707</u>

20 Analysis of changes in net funds

The charity had no debt during the year.