NATIONAL ENERGY ACTION

England & Wales · Charity number 290511

Details

Other names	NEIGHBOURHOOD ENERGY ACTION, NEA, NEA CYMRU, NEA NI, NEA NORTHERN IRELAND
Status	Registered
Legal form	Charitable company
Company number	01853927
Registered	1984-11-08
Register	View on the Charity Commission register

Contact

Address	Wellbar Central (Level 8) 36 Gallowgate Newcastle Upon Tyne NE1 4TD
Phone	01912615677
Email	info@nea.org.uk
Website	www.nea.org.uk

Activities

Objects: The Charity is established to carry out the following objects for the benefit of the public:(a) the relief of poverty, financial hardship and disadvantage and the advancement of health by promoting the improvement and optimisation of living conditions, particularly in relation to the use of energy and resources (including energy for heating purposes) among persons who are in necessitous circumstances including (without prejudice to the generality of the foregoing) those in charitable need whose housing conditions are unsatisfactory, or those living in fuel poor households;(b) the advancement of public education and awareness about all aspects of the affordable and efficient use of energy and resources; and(c) the promotion of, or assistance in promoting, vocational training and learning for the benefit of persons seeking to assist the classes of persons described in sub-clause (a) above through their employment or work with those persons described as living in poverty."the or these Objects"In these Objects:"poverty" shall be interpreted in the broadest sense and shall include not only financial need or hardship, but also cover adverse social conditions and circumstances which preclude the ability of a person to achieve a reasonable standard of living or welfare, including in relation to their health and wellbeing; and"necessitous circumstances" shall include any circumstance which would impede a person's ability to remove themselves from poverty without the Charity's support.

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Activities: RESEARCHING AND ANALYSING THE CAUSES AND EXTENT OF FUEL POVERTY AND THE DEVELOPMENT OF POLICIES TO ADDRESS IT.MANAGING PROJECTS IN INNER CITIES AND RURAL AREAS WHICH SHOW INNOVATIVE WAYS OF TACKLING FUEL POVERTY AND THAT BRING WIDER BENEFITS OF ENERGY EFFICIENCY TO LOCAL COMMUNITIES.CAMPAIGNING TO INCREASE RESOURCES TO ERADICATE FUEL POVERTY. PROVISION OF ADVICE AND TRAINING SERVICES.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training, The Prevention Or Relief Of Poverty, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£15,343,842	£14,245,929	£6,549,347	168
2024-03-31	£13,293,157	£12,915,209	£5,449,731	130
2023-03-31	£12,163,682	£9,631,449	£5,071,471	95
2022-03-31	£8,417,199	£7,872,333	£2,539,245	83
2021-03-31	£6,045,283	£6,456,022	£1,994,833	75

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Trustees

Name	Role	Appointed
David Iain Deboys	Chair	2022-07-21
David Hall		2019-12-01
Donald Stephen Haszczyn		2025-05-22
Doulton James Hall		2026-05-20
Frazer Scott		2020-05-29
Helen Walker		2019-05-14
Ieman Barmaki		2026-05-20
Janet Wood		2025-03-17
Jonathan Mallinson		2026-05-20
Karen Elizabeth Cherrett		2024-07-08
Morgan Elisabeth Vine		2026-05-20
Nusheen Hussain BA Hons		2024-07-08
Robert Howard		2019-05-14
Sarah Hopkins		2024-07-08

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NATIONAL ENERGY ACTION

England & Wales - Charity number 290511

Accounts

Company No: 01853927

Charity Reg No: 290511

National Energy Action

Operating as NEA

(A Charitable Company Limited by Guarantee)

Report of the Board of Trustees

and

Financial Statements

- for the year ended -

31 March 2025

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NATIONAL ENERGY ACTION
(Operating as NEA)

Report of the Board of Trustees and Financial Statements

for the Year ended 31 March 2025

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The Trustees present their Annual Report, including the Strategic Report and the audited financial statements of the Charity for the year ended 31 March 2025.

Reference and administrative details

Company No:	01853927
Charity Reg. No:	290511
Business Address:	From 27 June 2025: Wellbar Central, Level 8, 36 Gallowgate, Newcastle upon Tyne, NE1 4TD To 26 June 2025: 6th Floor, West One, Forth Banks, Newcastle upon Tyne, NE1 3PA
Independent Auditors:	PKF Littlejohn LLP, 15 Westferry Circus, London, E14 4HD
Principal Bankers:	HSBC Bank plc, Central Square South, Orchard Street, Newcastle upon Tyne, NE1 3AZ
Solicitors:	Womble Bond Dickinson, St Ann's Wharf, 112 Quayside, Newcastle upon Tyne NE1 3DX
President:	Baroness McIntosh of Pickering
Vice Presidents:	Lord Best David Green OBE Baroness Hilton of Eggardon Derek Lickorish MBE David Porter OBE Lord Shipley of Gosforth Lord Whitty
Chief Executive:	Adam Scorer
Company Secretary:	Tracey Archer

Directors and Trustees: The Directors of the charitable company (the Charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and up to the date of signing the financial statements were as follows:

Chair:	Claire Durkin (to 22 May 2025) Iain Deboys (from 22 May 2025)
Trustees:	Syed Ahmed (to 25 July 2024) Karen Cherrett (from 8 July 2024) Judith Damerell Ian Deboys Claire Durkin (to 22 May 2025) Jacqueline Gardner (to 7 October 2024) David Hall Donald Haszczyn (from 22 May 2025) Sarah Hopkins (from 8 July 2024) Robert Howard Nusheen Hussain (from 8 July 2024) Frazer Scott Professor Philip Taylor (to 25 July 2024) Helen Walker Maria Wardrobe OBE Janet Wood (from 17 March 2025)

Structure, Governance and Management

Governing Document
National Energy Action (NEA), a registered Charity, is a company limited by guarantee and not having share capital is governed in accordance with the provisions contained in its Articles of Association. The Articles of the charity were refreshed in October 2024.

Clause 7 of the Articles of Association provides that every member, as defined by paragraph 8 of the Articles of Association, is liable to contribute a sum not exceeding £1 in the event of the Charity being wound up while a member, or within one year of ceasing to be a member. As at 31 March 2025 there were 12 voting members who are also Trustees of the charity. As part of the review of the Articles of Association in October 2024, Members who were previously designated as Full Members were reclassified as Associate Members, and as a result as at 31 March 2025 there were 711 Associate Members (2024: 374 Full Members and 231 Associate Members).

Operating Name
The Charity operates under the name of NEA.

Operational Management
The Charity Senior Management Team comprises:

Chief Executive	Adam Scorer
Deputy Chief Executive & Programme Director	Audra Peacock
Director of Communities	Peter Sumby
Director of Policy & Advocacy	Peter Smith
Director of Development & Partnerships	Danni Barnes
Director of Homes	Colin Timmins

Appointment of Trustees

Trustees are appointed in accordance with the Articles of Association and are confirmed each year at the Annual General Meeting (AGM) of the Charity. A trustee recruitment exercise was undertaken during 2024-25 which resulted in five new trustees being appointed during the year. Having completed two three-year terms of office, the Chair of the Board stood down in May 2025 and was replaced by an existing Trustee. Recruitment is ongoing as Trustees' terms of office come to an end and replacement trustees are to be appointed during the 2025-26 financial year.

Trustees are recruited via a number of methods including advertising with specialist agencies and websites, and via direct approaches through known contacts and from recommendations which could be through business contacts or personal contacts of trustees, staff, vice-presidents group members and other wide-ranging networks. Our vacancies are also advertised on NEA's website, Charity Job and through NEA's pages on LinkedIn and other social media platforms.

The NEA Board of Trustees comprises individuals who can bring a particular set of skills and expertise to the Board. When there is a need to appoint new Trustees, the Board consider both the external and internal environments and the strategic direction of the charity. They may also carry out a Trustee skills survey to inform their considerations if deemed appropriate. A discussion of the survey results helps to identify any existing or anticipated skills gaps on the Board ensuring that any new appointment to the Board not only complements the knowledge, understanding and diversity of the existing Trustees; but ensures an appropriate range of knowledge, skills and expertise exists to support the charity's work.

Trustee Induction and Training

Trustees meet with the Charity's Chair, other trustees and Chief Executive to discuss the role and responsibilities of being a trustee for NEA, and induction sessions for new Trustees take place with members of the Senior Management Team and Company Secretary. Trustees are provided with a support pack comprising a comprehensive collection of information about the Charity and updates to the pack are notified to all Trustees as changes occur. A secure Trustee webpage exists to hold additional resources for NEA Trustees, although it is anticipated that this will soon be replaced by an online hub to provide a more interactive and up-to-date information service for all Trustees.

As part of on-going training and development, Trustees are provided with opportunities to attend events throughout the year and to attend the Charity's Annual Conference, where major issues concerning the environment in which the charity works are discussed with representatives from providers of energy efficiency services to low-income households, the fuel utilities, health professionals, voluntary organisations, consumer groups, regulatory bodies and

national and local government. The annual conference took place in Liverpool in January 2025 and the AGM took place online in October 2024. The 2025 Conference will take place in January 2026 in Gateshead, just over the water from the charity's home base of Newcastle upon Tyne.

Trustees are also provided with specific training opportunities, as they arise, in areas such as Charity governance and financial matters. Two trustees attended charity governance refresher training, whilst the Board level safeguarding champion continues to attend regular refresher training on the topic. Trustees will continue to complete regular refresher courses in charity governance, finance and safeguarding during the coming year.

NEA continues to strive towards ensuring it employs best practice in its trustees and governance structures as well as in its operations. Work has been completed in producing a complete scheme of delegation for both financial and governance matters, providing a clear framework for both trustees and the senior management team to operate in; and that the policies and processes remain fit for purpose into the future. Work on the action plan to ensure NEA complies with the Charity Governance Code continues with an emphasis on embedding equality, diversity and inclusion across all areas of NEA's work. As part of this work, a significant transformation project has been undertaken during the year, and continues to be developed into 2025-26. The new system provides new financial and project management software with human resources and recruitment platforms which together will make NEA more efficient and fit for purpose going into the future. Alongside this, NEA has been undertaking detailed work to develop and define its culture, values and behaviours and this work will continue well into the new financial year.

A People and Culture Committee is in place. The Committee sets the pay and remuneration of the Charity's key management personnel and any benchmarks, parameters or criteria used in setting their pay, which is benchmarked by external consultants every three years. It also reviews the NEA's terms and conditions of employment and provides guidance and support for staff welfare and organisational cultural matters. The Committee met four times in 2024/25. The Committee is overseeing the culture, values and behaviours work which will include the development of the Workforce and People Strategies and adoption of the values framework which will cover all aspects of NEA's employment, including the embedding of equality, diversity and inclusion to reflect our client base and from the front line staff up to Board level.

Trustees are prohibited by NEA's governing document of receiving payment for their role in governance other than out of pocket expenses. Conflicts of interest are declared at the start of each meeting. There are therefore no declarations to be made regarding any remuneration paid to any serving Trustee.

With the appointment of a new Chair, a review of the governance of the charity is being undertaken, with a view to ensuring that the structure and governing processes of the charity are appropriate for the charity's size and structure going forward. As always, NEA strives for good practice and this will be at the forefront of the review.

Organisation

NEA is administered by a Board of Trustees which meets a minimum of four times each year. The Board has a number of sub-committees including a Committee for Audit, Risk and Finance (CARF) and a People and Culture Committee, both of which met four times a year. A Policy Working Group helps act as a sounding board for the policy team. The Chief Executive is appointed by the Trustees to lead on the management of day-to-day operations, with reference to the scheme of delegation.

At the AGM in 2024, the charity's members voted to amend NEA's Articles of Association. The administration of the charity such as the approval and signing of the statutory year-end financial statements can therefore now be held alongside the usual cycle of Board meetings rather than convening and securing a separate quorate meeting specifically for that purpose.

Risk management

The Trustees have a risk management strategy that comprises:

- A quarterly review of the key risks at each Board meeting together with a status change record;
- Monthly management review of the operational and strategic risks the Charity may face, and the implications of those risks. Considering the controls in place, necessary planned responses are documented;
- Appropriate controls including systems and procedures to avoid, mitigate, transfer or insure those risks identified in the plan; and
- Procedures designed to minimise any potential impact on the Charity should those risks materialise.

The Committee for Audit, Risk and Finance (CARF) ensures that formal processes for risk management are in place and effectively working across the organisation. The Committee met four times in 2024/25.

On reviewing the risk register, Trustees proposed to refocus the charity's risk management approach away from risks to the beneficiaries of the charity, and more toward explicit risks to the sustainability and operational effectiveness of the charity itself. Risks to beneficiaries will continue to condition the operating environment and the strategic choices of the charity, However, an extreme cost of living crisis, where beneficiary risks have been heightened for some time, made identifying effective controls and mitigations to such risks increasingly difficult. Refocusing the approach to risk management in general, as opposed to individual risks borne out of macro-economic circumstances, has enabled the charity to identify more effective controls over risk to the sustainability of the charity.

Working with CARF, the Senior Management Team subjected the current risk descriptors, mitigation actions and risk scores to a rigorous process of challenge and review. After the review process, the current risk register identifies two primary risks that address the core challenge of operating a larger charity on a sustainable basis.

After the review process, the current risk register identifies two primary risks:

- Risk of not securing funding to support the charity at its current size

The charity is unable to secure funding to support current or future services and misses out on opportunities to extend and diversify its core funding streams.

- Changes in the external policy environment

A volatile external policy environment makes constructive relationships with policy makers challenging.

The reduction in, or ending of, public funded schemes or other funding sources results in the charity being unable to put together effective support packages for households.

Both risks speak to the challenge of operating a larger charity on a sustainable basis.

This year, the charity extended its fundraising and corporate partnership success bringing greater diversity and stability to our funding base, especially in activities more difficult to attract grant funding.

We designed and developed new operating systems which began to be introduced at the end of the 2024/25 and which will provide a step change in our management capacity and capability, including our ability to understand real time financial positions and forecast more accurately.

In parallel, a new Values and Behaviours Framework has been developed to ensure that the cultural operating systems are as robust and sustaining of the charity as our Finance, HR and Project Management systems.

The charity created a new Head of People and Culture role to bring a greater level of capability and professionalism to the challenges and opportunities of a mid-sized, geographically dispersed charity.

Our advocacy has ensured the potential impact of changes in the external policy environment on charities such as NEA have been persuasively set out in detail through consistent and positive engagement with key external policy decision makers.

During 2024/25, the charity continued to grow, responding to need and opportunity to contribute to our core strategic objectives. In 2025/26 the charity will develop its next 5-year Strategy on a stronger footing and management capability that matches the scale and activity of the charity.

Public Benefit report

Chair's Report

This is my first Annual Report as Chair of Trustees at National Energy Action. I am honoured to succeed Claire Durkin who has led the Board of Trustees of National Energy Action with great vigour and diligence.

Claire Durkin has left NEA in excellent shape. The charity has tripled in size over recent years, in response to the increased level of need, but also in recognition of the potential across the charity to have even greater impact.

The Annual Report shows that NEA is in a sound financial position. It shows strong stewardship and leadership from both Trustees and the Senior Management Team. It shows a charity that has invested in both capacity and capability.

It also demonstrates the unique breadth of NEA. We directly support individual clients and communities who suffer from fuel poverty. We raise awareness of the scale, causes and consequences of fuel poverty. We achieve major change in how fuel poverty is addressed and tackled.

Over the coming year we will see the success of the NEA Warm Homes, Healthy Futures programme, matching fuel poverty support with referrals from a wide range of health professionals in economically marginalised communities. We will see how the UK Government Warm Homes Plan will reset the landscape for fuel poverty support.

As I step into the Chair, I would like to take the opportunity to thank and pay tribute not only to Claire, but to the Trustees of National Energy Action, past and present for their support and encouragement, to Adam Scorer, our Chief Executive.

My most heartfelt thanks are to the whole staff team at NEA who have supported 11,000 clients, trained over 6,700 learners, brought likeminded people together in innumerable conferences, forums, bootcamps and Teams calls and who have harassed, encouraged and supported external policy makers and others to address the root causes and bring about enduring solutions to fuel poverty.

Strategic Review

National Energy Action's mission is that 'everyone should be able to afford to keep their homes warm, healthy and safe'. The activities undertaken by the charity to carry out its charitable purposes are for the public benefit and the charity has complied with its duty to have due regard to the Charity Commission's public benefit guidance when exercising any powers or duties.

We deliver our mission through direct support to people and communities in fuel poverty, by raising awareness of fuel poverty and by bringing about enduring change. We do so across England, Wales and Northern Ireland working with different administrations, delivering different schemes and programmes, meeting diverse needs of clients and communities and by bringing influence to bear with anyone who can shift the dial in favour of those struggling to afford to be warm and healthy at home.

Our Context

In March 2025, the Department for Energy Security and Net Zero reported that 36.3% of households across the UK, some 8.99 million people, spent over 10% of their income (after housing costs) on energy. This figure is up from 35.5% in 2023.

11.0% of households (2.73 million) in England were in fuel poverty under the Low Income, Low Energy Efficiency metric. Fuel poverty remained a deep, enduring issue across Wales, estimated to impact virtually all low-income households in Wales. In Northern Ireland, almost a quarter of households were in fuel poverty.

Throughout 2024/25, households faced relentless energy costs and rising debt. By December 2024, the energy price cap rose 10% to put a 'typical' bill at £1,717 annually, with no support payments to ease the burden.

Domestic energy debt across Great Britain reached £4 billion. Our own polling in 2024/25 showed that nearly half of adults in Great Britain (and 56% in Wales) expected to ration energy over winter. Only 43% in Great Britain and 38% in Wales could comfortably afford heating over winter. Over 40% of Northern Ireland adults were struggling to meet the cost of their energy —rising to 49% for over-65s and 56% for renters.

The support available for people in or at risk of fuel poverty has not kept pace with this reality. In July 2024, the Winter Fuel Payment was restricted to those on Pension Credit or means-tested benefits, leaving 9.3 million fewer people eligible. Many of those older people are in or at risk of fuel poverty.

Our Five-Year Strategy – Every Home Should Be a Warm and Safe Place

NEA has a five-year strategy to drive toward its mission that everyone should be able to afford to keep their home warm and safe. The strategy has a strong focus on our beneficiaries, the alignment of fuel poverty with the net zero agenda and a transformation of our core enabling systems and processes.

The Strategy identified three key priorities for NEA:

- **Tackling the Worst First** and bringing targeted investment to those whose conditions are gravest, whose need is greatest and who have the least ability to act themselves.
- **Support Guaranteed** so good levels of support are available and based on need, not by a series of lotteries; and
- **A Decade of Delivery** not only in energy and net zero policy, but in welfare provision, public health, housing standards and community advice and support.

Key Beneficiaries

The key beneficiaries of NEA's work are low income and other vulnerable households, particularly older people, families with young children and those living with a long-term illness in poorly insulated and under-heated homes. In 2024/25 households at risk during the cost-of-living crisis were a major priority. Additionally, agencies which support these groups benefit from NEA's work including other national charities and service providers. The Trustees have considered the Charity Commission's General Guidance on Public Benefit.

Our 5-year strategy is designed so that all NEA activities whether supporting clients, raising awareness or driving change, contribute to one, two or all of those strategic priorities. It requires NEA to work over successive years to build a broader and stronger movement to eradicate fuel poverty across the UK.

Objectives, strategies and activities

Key objectives for the year and principal activities undertaken

We expanded the reach of our services, supporting more households directly and reaching into more marginalised communities.

We developed major new programmes of work around cold homes related health impacts and community support.

We pushed for change from companies, regulators, and Government to make the energy market more responsive to the need of fuel poor households.

We worked constructively with Government in England, Wales, and Northern Ireland to deliver action to back up fuel poverty strategies.

We stepped up our role as a convenor for the fuel poverty movement, especially with our in-person regional fuel poverty forums.

We began implementing a business transformation programme to make NEA more agile and effective across all our activities.

NEA ends the year bigger, stronger, and better equipped to deliver on our mission and strategy.

During 2024/25 NEA has delivered on its three key priorities of Tackling the Worst First, Support Guaranteed and A Decade of Delivery as detailed below:

Supporting householders

In 2024/25 National Energy Action extended support to many more clients and communities. We focused our support on case management for households in the most vulnerable circumstances addressing deep-seated challenges, often with life-changing outcomes.

In 2024/25 NEA supported thousands of clients:

- **12,477** clients supported through our services

Of which:

- **8,559** received energy advice
- **2,845** received benefits advice

The clients that we supported displayed a high level of need:

- **85%** were already experiencing subjective fuel poverty – for 81% of the time this was due to cost of energy, 30% of the time due to energy inefficiency of the property and 9% because the heating system was not working (often one or more of these reasons)
- **24%** had fuel debt upon entering the service, average of around **£727**

Of clients who received emergency fuel voucher support:

- **77%** were going completely without heating or electricity or severely limiting its use,
- **23%** were falling into debt with their supplier,
- **46%** were close to or already using emergency credit

We know our clients were likely to experience heightened vulnerability:

- **63%** had an income of less than £16,000
- **18%** had an income of less than £8,000
- **67%** had one or more health conditions
- **47%** had dependent children
- **66%** lived in the rented sector

We made a material difference to our clients, bringing direct financial benefits:

- Our Benefits Advice resulted in direct additional financial benefits to clients of £5,643,756
- Energy Advice provided £548,948 of direct benefit
- Crisis & Hardship provided £89,409 of direct benefit
- We issued Energy vouchers to the value of £839,956
- Fuel Debt Relief provided £75,893 for clients
- Energy efficiency measures are calculated to have achieved £989,347 in direct benefits

After being supported by National Energy Action:

- **52%** worried less about paying their energy bills
- **45%** worried less about paying other household bills
- **42%** were able to reduce or pay off energy debt(s)
- **59%** felt more confident in communicating with their energy supplier
- **68%** knew more about saving energy and keeping healthy at home
- **57%** felt more able to understand and manage energy bills
- **40%** said mould or dampness in their home has improved.

Spotlight focus: Warming communities

Warming Communities is a collaborative, community-led approach to energy advice, using 130 partnerships across the county to develop bespoke support for some of the most vulnerable clients in the energy market.

Through these partnerships we have developed insight on best practice and barriers to support in the energy market, advice sector and wider institutions for groups including: neurodivergent individuals; refugees and asylum seekers; domestic violence victims; Gypsy, Roma and Traveller Communities; and many more.

Our Warming Communities projects have responded to specific geographies and demographics of need – recognising that fuel poverty looks and presents differently across the UK. The delivery model and approach that we used meant that we were able to get the right support, delivered in the most appropriate and accessible way, to places where it was most needed.

Spotlight focus: Rebuilding Trust in Fishwick

Our Fishwick external wall insulation project in Preston turned a failed retrofit into an **award-winning regeneration**.

- **Winner** – Regeneration & Retrofit Award, North West Regional Construction Awards

Our evaluation of the project, due to be published in 2025/26, revealed how we:

- Tackled severe damp and mould caused by previous poor installations
- Rebuilt trust with residents and delivered real change with partners Seddon Construction Limited and Aldrock Surveyors Limited

Spotlight focus: Warm Homes, Healthy Futures programme

Our work connecting the dots between health and fuel poverty is one of our strategic priorities over the next few years and beyond. Our Warm Homes, Healthy Futures programme of work is a critical part of this. The programme is funded by the Gas Distribution Network's Vulnerability and Carbon Monoxide Allowance (VCMA) and uses an innovative model which flexibly targets support at households living with health conditions and disabilities across the areas in England, Scotland and Wales that demonstrate high levels of deprivation and high burdens of health inequalities. Crucially, it does so through local delivery partnerships and by developing and deepening our relationships with health and social care professionals.

By March 2025 we had:

- Supported households in more than 50 different places in England, Scotland, and Wales
- Developed partnerships with 17 specialist energy advice and support organisations and more than 30 health and social care referral partners.

Raising Awareness

In 2024/25 NEA used its unique position as a membership organisation, a training provider, a convenor across the fuel poverty movement and as a trusted source of information to increase awareness around fuel poverty issues and increase the capacity of those concerned to address fuel poverty.

We provided a wide range of excellent training courses:

- 6,738 frontline workers trained
- 21 subjects covered
- **5** accredited qualifications

This training provision was provided in many formats including webinars, e-learning platforms, and in person formats.

Our training boosted knowledge and confidence to advise others and develop services across more than 10 **different** sectors from health and education to local authorities and utility companies.

We responded to emerging client needs by creating new courses that will help frontline workers to respond effectively.

We partnered with Waterwise to launch a new course on "Supporting Consumers in the Water and Energy Sector" and introduced a course designed to provide "Mental Health Support for Workers".

Learners reported significant increase in their confidence and capability.

- Knowledge rating by learners as "good/excellent" rose from **30% to 97%**
- Confidence to advise others increased from **30% to 93%**
- For accredited learners, knowledge jumped from **12% to 95%**, and confidence from **11% to 84%**

The reach to clients provided by our learners was an estimated **3.85 million people** in 2024/25, extending our impact through partnership to millions of vulnerable households.

Training in Parliament:

We trained over 100 MP caseworkers on supporting constituents facing fuel poverty and debt. This activity equipped caseworkers with practical tools to assist vulnerable households across the UK.

Energy in education

Our education workshops talk to young people about energy efficiency and fuel poverty in a sensitive and accessible manner. We trained **2,803 students** from primary school to university, embedding energy awareness in education from early on, building resilience, and encouraging peer-to-peer learning.

Spotlight: Energy education in Leicester

Over the last year NEA has increased our engagement with school age children. We delivered 55 education workshops for Key Stage 2 children in schools in Leicester. In this project we worked with 1,646 primary school pupils helping them understand more about the energy they use in their homes and schools. They were empowered to learn about energy. All the schools we worked with rated the knowledge gained by the children and the resources used as either good or excellent.

Spotlight: designing a classroom for the future

In partnership with E.ON and Coventry City Council, we introduced hundreds of Year 5 pupils to renewable energy and sustainability. Students explored how green technology can shape homes, schools and even their future careers. Their creative inventions included a solar-powered pen and a pedal-powered smart speaker.

After the project, students were more likely to:

- Value renewable energy for the planet's future
- Believe they can make a difference to help the plant
- Feel excited about future green careers
- Imagine future jobs that don't even exist yet

We launched three downloadable assemblies for Key Stages 1–3, aligning with PSHE and science curricula. Our work was a great example of how energy related education can provide the opportunity to embed knowledge and behaviours across all ages, which can then have a positive impact across generations.

Helping students live better

We partnered with Students Organising for Sustainability to support university students in private rentals by training them to carry out energy audits and give advice equipping student union officers to guide peers on housing and energy efficiency.

Providing the fuel poverty message over many media platforms:

- **5,036** mentions or appearances in print and on broadcast outlets
- Almost ***10 million people*** *reached on our Fuel Poverty Awareness Day*
- **21,504** followers across our social media platforms with close to **900,000** accounts reached
- Almost **120,000** people visited our website viewing **860,149** pages

- Almost **1,500** people used our Recite Me Accessibility web function to access content in languages including Tigrinya, Ukrainian, Urdu, Amhariac, Arabic, Persian, Taiwanese and Mandarin as well as use features such as magnifier, screenmask, screen reader, font enlarger and ruler.

Building our membership base

Increasing NEA's membership provides more opportunities to share information and insight and offer training and other opportunities to more organisations. During 2024/25 we continued to offer free membership to broaden the fuel poverty movement:

- **716** Standard Members
- **44** Business Supporter Group members

Regional Fuel Poverty Forums

Our events programme meant we could engage with key stakeholders from across sectors, enabling them to join their voices to ours and strengthen our advocacy and campaigns. One of the key ways in which we engage members was through our 20 regional fuel poverty forums which attracted 771 attendees, almost all of whom are actively engaged in supporting fuel poor households in their communities.

These forums make a difference:

- **86%** said they will now be able to better support households directly
- **90%** said they will now be able to better work with others to support households
- **90%** said they now had clearer perspective on policy and advocacy priorities
- **95%** said they were able to meaningfully engage with both existing and new partners
- **99%** of respondents were either 'very satisfied' or 'satisfied' with NEA's Fuel Poverty Forum

Setting the tone on the national stage

National Energy Action's Annual Conference, Liverpool 27–29 January 2025

Over 350 delegates gathered for three days of insight, action, and collaboration. With **36 expert speakers**, including Miatta Fahnbulleh MP and Mayor Steve Rotheram, the event spotlighted urgent action on fuel poverty and the upcoming Warm Homes Plan. There were also opportunities to network with over **20 exhibitors**, to create partnerships that would direct help at households who most need the support.

- **90%** of attendees gained clearer priorities for both immediate and long-term household support
- **69%** felt better equipped to support households directly
- **94%** were satisfied with the event overall
- **90%** made meaningful new connections

Keeping fuel poverty on the parliamentary agenda

We brought our frontline work to Westminster, hosting a drop-in session for MPs and stakeholders. With **30 MPs and staffers** attending, the event showcased practical ways to support constituents facing fuel poverty.

Enhanced understanding of fuel poverty through our research:

- Launched and added over 100 stories to our lived experience library
- Introduced new systems to standardise our approach to evaluation and how we develop and apply our data insights
- Surveyed almost 2,000 people with experience of fuel poverty
- Surveyed almost 600 professionals working to address fuel poverty
- Worked with almost 70 clients to provide us with their direct testimonies
- Spoke with around 800 stakeholders about their experiences
- Collected almost 50 hours of audio testimonies
- Held over 80 stakeholder discussion groups
- Published 7 research reports

- Launched a new Insights to Impact network, putting innovation, learning and collaboration at the forefront of how we apply insight

Raising awareness through our fundraising activities:

- We held our largest ever Great North Run with 29 runners taking part for Team NEA
- Our second annual Walk for Warmth was attended by around 40 people in Newcastle, and others taking part further afield
- Over 100 people took part in fundraising events to support us, including a 6,000km journey challenge and climbing Mt Kilimanjaro!
- We ran our Christmas campaign, Operation Warmth, for a second year, connecting with new and existing supporters, raising life-changing funds for people struggling over winter
- Over 40 individuals and organisations supported us with our Nation's Biggest Housewarming. Activities included cake sales, games and helping to pack our Winter Warmth Support Packs
- Almost 200 volunteers from across 5 organisations spent 33 hours packing 2,500 Winter Warmth Support packs

Achieving enduring change

In 2024/25 National Energy Action campaigned to turn awareness of fuel poverty into decisive action from Governments, parliaments, public bodies and private companies.

Fuel Poverty on the National Agenda

- Our **Manifesto for Homes** shaped national debate, calling for a five-point plan on energy efficiency and legal fuel poverty duties
- After nearly a decade of advocacy, the Energy Secretary announced plans to decarbonise rented homes, directly reflecting our long-term campaign goals
- We led over **100 member organisations** in backing a "worst-first" approach in the new fuel poverty strategy for England, pushing to retain legal targets and focus on lived experience

Raising Standards in the Rented Sector

- Our advocacy helped trigger a UK Government consultation to tighten energy efficiency rules in the private rented sector in England and Wales
- Our evidence helped bring us closer to enhanced tenant protections, enforceable standards, and a 'Warmth First' approach

The Hidden Cost of Rationing Heat

In partnership with Salford University's Energy House, we investigated the real impact of households cutting back on heating. We found that households who turned down the heating in their homes to heat their homes to just 16 degrees, well below safe indoor temperatures, only saved 66 pence a day, but exposed themselves significant health risks.

Making energy efficiency more accessible

- Changes to the **Great British Insulation Scheme** made by the UK Government aligned with our recommendations, unlocking more funding and flexibility to tackle fuel poverty

Putting vulnerability at the heart of regulation

Through sustained engagement with Ofgem, we influenced its 2025/26 strategy to:

- Ensure **fair prices** and **quality service**
- Promote **financial resilience** and **sustainable competition**

Ofgem also committed to long-standing National Energy Action's calls for change including:

- A new **debt relief scheme**
- Tackling **high standing charges**

NEA Cymru: Leading the Fight Against Fuel Poverty in Wales

We gave oral and written evidence to the Senedd Equality and Social Justice Committee, helping shape its inquiry into fuel poverty and the Warm Homes Programme. As a result, the Committee called for:

- Interim fuel poverty targets by September 2025
- A scaled-up Warm Homes Programme
- Urgent rollout of a new area-based scheme

We also presented to the secretariat for the Senedd Cross Party Group on Fuel Poverty and Energy Efficiency, ensuring the issue stays firmly on the political agenda.

Securing Emergency Heating Support

Our campaigning led to a key win: the Nest scheme now guarantees boiler repairs or replacements for all eligible households without heating or hot water, ensuring crisis support even when heat pumps are not viable.

Tackling Local Challenges Head-On

We launched the Gwynedd Fuel Poverty Partnership, targeting the area with Wales' highest fuel poverty rates. This place-based approach addresses unique rural and housing challenges.

A Trusted Voice Across Wales

We engaged regularly with:

- Cabinet Secretaries and Members of the Senedd
- Ofgem, coalitions, advisory panels, and the Archbishop of Wales
- Welsh media and national events on child poverty, financial wellbeing, and digital vulnerability

NEA NI: Putting fuel poverty at heart of policy in Northern Ireland

Shaping a New Fuel Poverty Strategy

We've long called for an updated Fuel Poverty Strategy in Northern Ireland along with a joined-up approach across departments and sectors. During 2024/25, we:

- Engaged directly with the Department for Communities and sat on its Fuel Poverty & Just Transition Reference Panel
- Welcomed the draft strategy's direction, but pushed for clear targets, full funding, and a detailed action plan

Driving a Just Energy Transition

- We provided expert input on net zero policies across all housing tenures
- As a Board Member of EnergyCloud, we supported pilots delivering free hot water to homes using surplus wind energy, funded by the NI Housing Executive.

Securing Support for Vulnerable Households

We responded to key consultations, including:

- Utility Regulator's 2025/26 Forward Work Programme
- Consumer Council NI's Forward Work Programme 2025/26
- Winter Fuel Payment Equality Impact Assessment by the Department for Communities

Our advocacy helped secure an automatic, one-off £100 Pension Age Fuel Support Payment for 250,000 pensioners, a vital safety net after eligibility cuts to Winter Fuel Payment eligibility.

Keeping Pressure on Policymakers

We maintained strong engagement with MPs, MLAs, and key stakeholders to:

- Champion domestic energy efficiency
- Push for oil price regulation (used by 68% of NI households)
- Ensure a just transition that leaves no one behind

Supporting members

By the end of March 2025 NEA had 711 Associate Members of which 203 were Enhanced Members (fee paying) and 508 were Supporting Members (free membership). NEA also has 44 members of its Business Supporters Group (BSG). During 2024/25 NEA held:

- 2 in-person member conferences in Skipton in October 2024 and in London in March 2025. These were attended by 48 delegates representing 23 BSG member organisations. Speakers included representatives from the Department for Energy Security and Net Zero, West Yorkshire Combined Authority, Skipton Building Society, Northern Gas Networks, Impact for Urban Health, and Generation Rent.
- 2 online 'Spotlight' sessions featuring members E.ON Next and Cadent who presented to over 140 NEA Associate Members and Business Supporters.
- In April 2024, a project spotlight session attracted 105 members and focused on best practice guidelines and real-world examples of vulnerability-first approaches. In June 2024, NEA outlined its key priorities for the upcoming general election and the next UK government to an audience of 90 members. In November 2024, a Budget update expanded on these priorities and offered further direction for policy engagement, drawing participation from 212 members.

This interaction with our members enables the sharing of insight and helps to shape NEA policy developments and campaigns.

Key performance indicators

KPIs for 2024/25 were set to ensure the financial position of the Charity remains strong, that internal systems are robust and that the Charity continues to deliver the three strategic aims.

In 2024/25:

Financial Review

NEA had budgeted for a break even budget but has produced a surplus on activities of £1,099,617. The main reasons for the increased surplus is lower staffing costs and higher bank interest receipts than anticipated.

The Statement of Financial Activities (SOFA) shows a net expenditure on unrestricted activities, before transfers, of £326,934 (2023/24: £429,377). The transfers into the Charity's General Reserve are detailed below and the balance on it has increased by £1,565,523 from £4,283,866 at 31 March 2024 to £5,849,389 (2023/24 £952,354 increase). The reason for the positive movement is the transfer of £1,426,551 from the Restricted Reserve to the General Reserve as a result of a surplus being earned on the 2024/25 restricted activities of the Charity.

In accordance with the Reserves Policy, during 2022/23, as there was a significant increase in donations received by the charity, the decision was made by the Board to establish a designated reserve of £1,277,700. During 2024/25, £467,610 of this reserve has been expended and the remaining funds of £693,808 held in this reserve will be expended in future financial years furthering the charitable aims of the charity and will include hardship grants, interventions in relation to the Net Zero Transition agenda and two major Advocacy Campaigns.

£

SOFA Net Expenditure - Unrestricted Funds	(326,934)
Expenditure incurred from Designated Reserve	467,610
Transfer from Restricted Funds	1,426,551
Unrealised Gain on Listed investments	(1,703)
Increase in General Reserve	1,565,523

Delivery

87% of the work programme was successfully delivered with 3% of the work programme carried forward and 10% rephased into 2025/26 (2024/25: 93% of the work programme delivered with 7% of work programme carried forward).

Management

During 2024/25, NEA has adapted to increased capacity to accommodate demand for services during the current economic climate. The transformation of core processes and systems continues to ensure that NEA remains flexible, robust, and impactful.

Warm Zones CIC

Warm Zones CIC (WZ) was a wholly owned subsidiary of NEA. During 2018/19 Warm Zones Directors placed the company into administration and by the end of the 2018/19 Warm Zones had been placed into liquidation.

At the time of liquidation WZ owed NEA £1,739,001 and all recoverable funds due from the liquidator of WZ were received during 2023/24. Provision has been included in NEA's accounts in previous financial years for the WZ net unrecoverable balance of £1,083,140 (31 March 2024 £1,083,140).

The significant level of provision which has been made has reduced NEA reserves, but the Board is confident that NEA's reserves and financial arrangements are adequate to ensure that the charity remains a going concern.

Green Network Energy

During 2020/21, work was carried out on behalf of Green Network Energy (GNE) in relation to the Warm Homes Discount scheme but in January 2021 GNE entered administration. At the time of the administration GNE owed NEA £413,867. During 2024/25, based on an update from the liquidators of GNE in April 2025, the likely recovery rate has improved from 10p - 20p/£ to 17p - 23p/£. This has resulted in a £28,970 release of the GNE bad debt provision which has been processed through the charity's 2024/25 Statement of Financial Activities. As at 31 March 2025 the GNE net unrecoverable balance is £343,510 (31 March 2024 £372,480). The remaining recoverable balance of £70,357 is included within NEA's trade debtor figure at 31 March 2025 (31 March 2024 £41,387) which is disclosed in note 15 and it is expected that the outstanding sum will be received in full.

Principal Income Sources and Fundraising

NEA's income is derived principally from delivery of services for a wide range of organisations. The Statement of Financial Activities shows that total income increased by £2,050,686 from a total of £13,293,157 in 2023/24 to £15,343,843 in 2024/25, a 15% increase. The increase is principally a result of growth in consultancy and sponsorship income during 2024/25.

During 2024/25, £485,920 of income was received from donations which is £669,020 less than the £1,154,940 which was received in 2023/24. The donations received during the year have been from both organisations and individuals. Since 2022/23, predominantly due to both the energy and cost of living crises, NEA's public profile has been raised significantly which has resulted in significant donations. It is the charity's intention to use this income to further its charitable aims and objectives and to this end, the charity established a designated reserve in 2022/23 of £1,277,700. During 2024/25, £467,610 of this designated reserve has been expended and the balance remaining on it as at 31 March 2025 is £693,808. These funds have been used and will be used in future financial years to pay for hardship grants, interventions in relation to the Net Zero Transition agenda and two major Advocacy Campaigns. Consultancy and Sponsorship income have increased significantly in total by £2,553,194 from a total of £3,785,767 in 2023/24 to £6,338,961 in 2024/25. The main reason for this growth can be attributable to the charity being awarded

additional funding for the Warm Homes Healthy Futures programme of works which is funded by a number of organisations which include Cadent, Northern Gas Networks, SGN and Wales & West Utilities.

Grant income has increased slightly by £16,106 from £7,867,776 in 2023/24 to £7,883,881 in 2024/25. The charity continues to be awarded funding by a variety of funders which include National Grid, British Gas, OVO Energy, E.ON Next, EDF Energy, Good Energy, Scottish Power, Octopus Energy and Skipton Building Society. This continued level of grant income has enabled the charity to help more vulnerable, low income households by funding fuel payments, repairs and replacements of boilers and central heating systems, the distribution of winter warmth packs and essential energy efficient household items, and the provision of both welfare benefits and energy advice and training within community settings. From 2022/23 the Fishwick - Preston project's contractors Seddon Construction Limited were funded to repair 45 homes, these homes had failed external wall insulation (EWI) removed and problems caused by damp penetration rectified. New external wall insulation was installed on 43 of those houses – two occupants refused this after the failed EWI had been removed. During 2024/25, Seddon Construction Limited, undertook the final completion of the rectification works and any additional remedial work required under the defect periods for the two phases of work. This project generated income of £319,413 which represents a decrease of income of £1,965,256 when compared to 2023/24.

Fundraising policy

NEA continues to receive income from general public fundraising through fundraising campaigns, events and initiatives. In order to respond to this opportunity, a fundraising team was established within the Fundraising and Partnerships department. The fundraising team continues to comply with both the Charity Commission regulations and the Fundraising Regulator Code of Practice to ensure responsible and ethical fundraising activities. A fundraising Customer Relationship Management (CRM) system was implemented by the team to safeguard donors data and ensure full compliance with the Charity Commission's regulations and the Fundraising Regulator Code of Practice. No complaints have been received to date by the charity regarding its fundraising activities.

Investment powers and policy

Under the Articles of Association, the Charity has the power to invest in any way the Trustees deem appropriate. The Trustees, having regard to the liquidity requirements of operating the Charity, its Reserves Policy and risks inherent in different vehicles for investment, continue to operate a policy of keeping available funds in interest deposit accounts with its bankers HSBC and Santander and with the CCLA Deposit Fund, prioritising security and liquidity ahead of yield.

Grant Making Policy

NEA makes grants to institutions to further each of the three charitable aims. Grants are funded by NEA's funders and the volume and value of grants made are agreed with the funders. Grants are paid subject to the criteria set out by the funder. Further detail of grants awarded to institutions in the year can be found in note 9. In addition, NEA makes grants to individuals under hardship fund arrangements. These cases are referred to NEA by various care and voluntary organisations which work directly with vulnerable families and individuals.

Reserves Policy

The General Reserve which represents an accumulation of surpluses from earned income, is available to enable the Charity to continue to fulfil its objectives, to meet existing commitments and to provide funds for tangible asset replacement and project development. The policy, agreed by the Board of Trustees in May 2025, is reviewed annually and aims to provide sufficient reserves to meet contractual commitments and a risk-assessed level of funds to ensure the charity remains a going-concern over the medium term. The Policy also aims to ensure that reserves are not excessive. The range agreed as appropriate for 2024/25 is £3.6 million to £4.4 million. The Trustees regularly monitor the risks facing the Charity allowing them to test the adequacy of the reserves policy in the light of the prevailing economic situation and the current funding climate. The General Reserve as at 31 March 2025 was £5,849,389 (2023/24: £4,283,866).

During 2022/23, the Board approved the creation of a designated reserve. The designated reserve of £1,277,700 as at 31 March 2023 related to donations received during 2022/23. During 2023/24, £116,282 of this fund was expended and during 2024/25 a further £467,610 was utilised. The remaining funds of £693,808 in this reserve as at 31 March 2025 will be used in future financial years to pay for hardship grants, interventions in relation to the Net Zero Transition agenda and two major Advocacy Campaigns.

Reserves currently exceed the proposed upper reserves level of £4.4m and are expected to increase throughout the medium term to 31 March 2028. The plan to reduce NEA reserves to within the preferred range has been approved by the Board in May 2025.

Going concern consideration

The Board and senior management have considered both the level of reserves and the ongoing impact of the cost of living and energy crises on the charity. Following a review of cash forecasts, planned operations and financial implications; a satisfactory percentage of income has been secured for the next 12 months and there is sufficient anticipated income to cover the costs of the charity well into 2025/26. Taking into account all potential limitations on the delivery of outcomes or the finalising of income streams, over the next 12 months, the charity is satisfied that it remains in a satisfactory financial position as a going concern and it will endeavour to maintain its reserves position.

Plans for the future and new opportunities

Our Three-Year Business Plan

In 2024/25 NEA continued to deliver against our 2022/25 business plan workstreams, and also to prepare for a shift to a more fundamental business transformation programme to design, develop, implement and embed a new set of operating systems across our project management, HR, Finance, Business Intelligence and Knowledge Management functions

The 2022/25 business plan identifies five core challenges and eight key transformation workstreams. The core challenges will inform our annual planning. They are:

1. The cost of living and the energy crises will continue to challenge NEA as an advocate and advice provider. We do not aim to be a large-scale advice provider so we need to be clear what we provide, how we provide it, what the limits and boundaries of that support are and what powerful insight we can generate.

2. Political considerations could threaten progress in some of our key advocacy areas or it could create opportunities for radical changes in the approach to fuel poverty and warm homes. We may need to surf political opportunity, not work within a stable policy regime.

3. Energy Efficiency in fuel poor homes is at the heart of our Strategy. However, action to deliver Warm Homes within the decarbonisation of heat agenda may remain at too small a scale to have a significant impact. Longer term solutions to fuel poverty need to be promoted alongside (or to compensate for inadequate) mitigation action.

4. The composition and regulatory framework for the retail energy market will be subject to significant change. Consolidation of suppliers, reduction of cost base and measures to stabilise the retail market present an opportunity to put in place deeper price protection for low-income households alongside likely changes to the price cap mechanism.

5. How NEA comes out the other end of the COVID restrictions could change the character of the charity as a place to work, our delivery models, our recruitment, accommodation strategies, systems, and procedures. The charity, our people, partners, and clients have a range of preferences and needs.

A number of transitional workstreams are outlined in our business plan to help NEA respond positively to a number of challenges. Delivery on the workstreams is staggered over the three year life of the business plan, but work on all of them is underway. Each workstream is summarised below:

1. Advice Service Strategy

NEA supports thousands of households each year. We do not plan to grow into a large-scale advice provider, but we will continue to provide advice to help households, understand their issues, understand the strengths and weaknesses of support programmes and give NEA authority as an advocate. This delivery also generates important income to fund the charity's campaigning activity. During 2024/25 we were a multi-channel advice provider.

Aim: To structure our advice services to deliver an effective, impactful experience for our clients, allow our teams to work efficiently and with adequate support and to provide the charity with the authority to speak on behalf of fuel poor and vulnerable households.

2. Integrating Policy and Practice

We are the leading advocacy organisation for those in or at risk of fuel poverty. We are also a significant service delivery body. We aim to make an ever clearer and stronger connection between the insight from our engagement with clients and the design and delivery of policy and programme interventions.

Aim: NEA's operational delivery embeds best practice as set out by our policy and advocacy work which is in turn informed by evidence-based insights. Our teams have a better understanding of the work we do in other areas of the organisation, the role they play in delivering our wider strategic agenda, and in turn, the impacts we make for fuel poor households.

3. Flexibility and Efficiency

Covid lockdown changed assumptions about how organisations work and how they deliver against their priorities. At the same time the growth of the charity required NEA to adapt internal systems and ways of working to exploit positive opportunities for the charity and our people.

Aim: To create employment conditions that offer flexibility to colleagues, attract and retain high calibre applicants and that enables the charity to deliver effectively and efficiently for the benefit of our beneficiaries.

4. Diverse and Sustainable Funding

To ensure the sustainability of NEA, as a larger organisation, we need to diversify our sources of funding to permit an increase in unrestricted resource for our advocacy functions and to reduce dependence on the restrictive nature of industry and defined funding. To do this requires a strong review of skills and competencies, ambitions and focus, brand projection.

Aim: We become more active across our core energy sector supporters, more imaginative in our fundraising and partnerships so we can be more impactful both in reach and in outcomes.

5. A Louder Voice

Numbers of people in fuel poverty are unlikely to reduce, opportunities to drive more radical solutions to fuel poverty are available but they exist within a very crowded environment around energy policies, low carbon priorities, health priorities and others. We need to articulate the experience of households in fuel poverty ever more loudly. Our ambition with media, effectiveness in using case studies, clarity of voice and persistence of approach will all need to be up to the job.

Aim: We will grow our advocacy and campaigning capability and impact, to deliver the greatest positive impact for those living in fuel poverty.

6. A Bigger Movement

NEA is part of a bigger fuel poverty movement and the bigger that movement the more effective NEA will be as a campaigner, facilitator of action and delivery partner. The movement is broader than our membership, but that membership is vital to help others see how their priorities fit with fuel poverty alleviation and how small actions add weight and power to a shared mission. We have made good steps but will use the energy crisis and the Net Zero imperative to grow the movement.

Aim: We will not achieve our vision alone, we will grow the network of organisations committed to our vision, to amplify our voice, and raise fuel poverty up the agenda.

7. Business Intelligence

Effective business intelligence relies on equally effective systems and processes. Changes to the design and delivery of projects, partners, funding types, reporting requirements and client information has evolved. As a result, there are too many moving parts to our procedures and we need to make sure that we rationalise, simplify and make these fit for the foreseeable future.

Aim: To transform our internal operating systems to deliver accurate and timely information flows, increasing reporting capability and to support reliable analysis and projection.

8. Evaluating Progress

This business plan begins a significant transformation programme across NEA. We have identified areas which are essential for NEA to move forward effectively and with greater impact. We have also identified inevitable dependencies, contingencies, and pinch points. We will build a culture of open evaluation of success and setbacks to keep our strategy and business plan alive and relevant for staff, SMT and trustees.

Aim: We understand how effective we are in progressing our strategic aims, allowing us the opportunity to share success, review and re-assess our priorities and take corrective actions where required.

Prospects for 2025/26

NEA will revisit our long-term strategic priorities in 2025/26. NEA has grown into a larger charity. In 2024/25 we began a business transformation programme to bring our capabilities, systems and processes into line with our size and complexity.

Fuel poverty numbers will remain at concerning levels. The UK Government's options for decarbonising homes and addressing fuel poverty will be confirmed. Those options may support NEA priorities or NEA may need to adapt to new circumstances.

Demand for our services will remain high, and although we added greater capacity in 2024/25, we will not be able to support everyone who approaches us, and the challenge of supporting clients adequately will not diminish.

Warm Homes, Healthy Futures, our major local programme focused on fuel poor households with health conditions, will be consolidated and deliver strong outcomes for clients. Our retrofit demonstration projects and community support will take shape. We expect these programmes to change the shape of NEA's service delivery and enhance our provision to fuel poor households.

For 2025/26 we will build on internal systems transformation, a new Values and Behaviours framework and the development of a People Strategy to develop the capability across NEA.

Our five-year strategic objectives have proven to be well framed. In 2025/26 NEA will develop our next five-year strategy.

Plans for the future and new opportunities

New 5-year strategy

The 2026/30 Strategy will be developed in the coming year. It will have a stronger focus on the capability required for NEA to achieve its mission. For 2025/26 the charity will build on progress from previous business plan workstreams and consolidate growth, reach and impact. The strategy will be able to build on:

Our Business Transformation Programme; rebooting our internal operating systems, embedding our Values and Behaviours framework and extending our Knowledge Management systems.

Our developing advice and support strategy; consolidating our services, extending our core capability and enhancing standards, increasing our local reach through our Warmer Homes, Healthy Futures programme.

Our influence of the UK Government's Warm Homes Plan; new pathways to warm and healthy homes, a better support and advice ecosystem for vulnerable households and the fair distribution of costs and benefits in the low carbon transition.

Status of these Financial Statements

These financial statements are prepared in accordance with United Kingdom Accounting Standards, comprising FRS 102 and in compliance with the Companies Act 2006, Charities Act 2011 and the Charities SORP 2019. They have been audited in accordance with section 475 of the Companies Act 2006. Accordingly, these Financial Statements are the statutory accounts of National Energy Action for the year ended 31 March 2025.

Statement of Trustees' responsibilities

The Trustees (who are also directors of National Energy Action for the purposes of Company Law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company Law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under Company Law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that 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 judgments and estimates that are reasonable and prudent;
- State whether FRS 102 "The Financial Reporting Standard applicable UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors

PKF Littlejohn LLP were confirmed as Independent Auditors to NEA for 2024/25 at the Annual General Meeting in October 2024.

Statement of disclosure to auditors

a) So far as the Trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware; and
b) They have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

The Trustees Reports, including the Strategic report, are approved and authorised for issue by order of the Board of Trustees:



Tracey Archer
Company Secretary

Date: 24 July 2025

Independent auditor's report to the members of National Energy Action

Report on the audit of the financial statements

Opinion

We have audited the financial statements of National Energy Action (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities including the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 'FRC's' Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

- We obtained an understanding of the charitable company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the charitable company in this regard to be those arising from the Charities Act 2011, Companies Act 2006 and Financial Reporting Standard 102.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the charitable company with those laws and regulations. These procedures included, but were not limited to, enquiries of management and review of minutes of meetings of those charged with governance.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was the potential for management bias in revenue recognition. We addressed this by testing a sample of agreements between the charitable company and its funders to evaluate whether the income and the corresponding

cash receipt or receivable had been recognised appropriately, and to assess the classification of income as either restricted or unrestricted.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

~~24th July~~ 8 August *2025*

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE INCOME AND EXPENDITUREACCOUNT FOR THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted Funds 2024/25	Restricted Funds 2024/25	Total Funds 2024/25	Unrestricted Funds 2023/24	Restricted Funds 2023/24	Total Funds 2023/24
Income from:		£	£	£	£	£	£
Generated funds:							
Donations		485,920	-	485,920	554,940	600,000	1,154,940
Investment income	4	179,567	-	179,567	66,704	48,822	115,526
Charitable activities:							
Increase Strategic Action Against Fuel Poverty		-	1,913,652	1,913,652	11,782	2,513,436	2,525,218
Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households		-	10,376,318	10,376,318	-	7,934,557	7,934,557
Enhance Energy Efficiency and Fuel Poverty Education and Skills		-	2,373,995	2,373,995	-	1,508,829	1,508,829
Miscellaneous Income		14,390	-	14,390	54,087	-	54,087
Total Income		679,877	14,663,965	15,343,842	687,513	12,605,644	13,293,157
Expenditure on:							
Raising funds:							
Costs of generating donations	7	29,764	-	29,764	17,709	-	17,709
Charitable activities:							
Increase Strategic Action Against Fuel Poverty	6, 8, 9	690,520	1,680,566	2,371,086	760,669	2,102,274	2,862,943
Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	6, 8, 9	278,118	10,209,410	10,487,528	293,189	8,611,570	8,904,759
Enhance Energy Efficiency and Fuel Poverty Education and Skills	6, 8 ,9	10,113	1,347,438	1,357,551	35,302	1,094,496	1,129,798
Total Expenditure		1,008,515	13,237,414	14,245,929	1,106,869	11,808,340	12,915,209
Recognised (loss)/gain on Investment assets	19	1,703	-	1,703	312	-	312
Net Income/(Expenditure) Before Transfers and Taxation		(326,935)	1,426,551	1,099,616	(419,044)	797,304	378,260
Transfers between funds	19,20	1,426,551	(1,426,551)	-	1,255,428	(1,255,428)	-
Taxation		-	-	-	-	-	-
Net Movement in Funds		1,099,615	0	1,099,616	836,384	(458,124)	378,260
Fund balances brought forward at 1 April		5,447,614	2,117	5,449,731	4,611,230	460,241	5,071,471
Fund balances carried forward at 31 March	19, 20 21, 22	6,547,230	2,117	6,549,347	5,447,614	2,117	5,449,731

The statement of financial activities has been prepared on the basis that all income and expenditure derive from continuing activities.

There are no recognised gains and losses other than those passing through the statement of financial activities. There is no material difference between the net resources stated above and their historical cost equivalents.

BALANCE SHEET AS AT 31 MARCH 2025

	Note	2025	2024
		£	£
Fixed Assets			
Tangible assets	14	108,750	44,296
Total Fixed Assets		**108,750**	**44,296**
Current Assets			
Debtors	15	2,271,540	1,618,580
Investments	16	4,164	2,461
Cash at bank and in hand		10,480,205	9,299,131
Total Current Assets		**12,755,909**	**10,920,172**
Creditors: Amounts falling due within one year	17	(6,315,312)	(5,514,737)
Net Current Assets		**6,440,597**	**5,405,435**
Net Assets - Total Assets less Current Liabilities		**6,549,347**	**5,449,731**
The Funds of the Charity			
Unrestricted income funds	19	6,547,230	5,447,614
Restricted income funds	20	2,117	2,117
Total Charity Funds		**6,549,347**	**5,449,731**

The financial statements on pages 25 to 43 were approved by the Board of Trustees on 24 July 2025 and signed on its behalf by:



Ian Deboys
Chair

Company Number: 01853927

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

	2024/25 Total Funds £	2023/24 Total Funds £
Cash flows from operating activities		
Net cash used in operating activities	**1,091,091**	**1,547,449**
Cash flows from investing activities		
Dividends and interest from investments	179,567	115,526
Purchase of fixed assets	(87,881)	(18,616)
Net cash used in investing activities	**91,686**	**96,910**
Change in cash and cash equivalents in the reporting period	**1,182,777**	**1,644,359**
Cash and cash equivalents at the beginning of the reporting period	9,301,592	7,657,233
Cash and cash equivalents at the end of the reporting period	**10,484,369**	**9,301,592**

RECONCILIATION OF CASH AND CASH EQUIVALENTS TO BALANCE SHEET

	2024/25 Total Funds £	2023/24 Total Funds £
Cash and cash equivalents comprise: -		
Investments	4,164	2,461
Cash at bank and in hand	10,480,205	9,299,131
	10,484,369	**9,301,592**

RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024/25 Total Funds £	2023/24 Total Funds £
Net surplus/(deficit) for the reporting period (as per the Statement of Financial Activities)	1,099,616	378,260
Adjustments for:		
Depreciation charges	23,427	19,703
Dividends and interest from investments	(179,567)	(115,526)
(Increase)/decrease in debtors	(652,960)	377,182
Increase in creditors	800,575	887,830
Net cash used in operating activities	**1,091,091**	**1,547,449**

1. Charitable status

NEA is registered as a Charity under the Charities Act 2011 and is a company limited by guarantee, incorporated in England. From 27 June 2025 the address of its registered office is Wellbar Central, Level 8, 36 Gallowgate, Newcastle upon Tyne, NE1 4TD. Previous to this date, its registered office was 6th Floor, West One, Forth Banks, Newcastle upon Tyne, NE1 3PA. The charity constitutes a public benefit entity as defined by FRS 102.

2. Constitution and liability of members

NEA is a company limited by guarantee and has no share capital. Clause 7 of the Articles of Association provides that every member, as defined by paragraph 8 of the Articles of Association, is liable to contribute a sum not exceeding £1 in the event of the Charity being wound up while a member, or within one year of ceasing to be a member. As at 31 March 2025 there were 12 voting members who are also Trustees of the charity. As part of the review of the Articles of Association in October 2024, Members who were previously designated as Full Members were reclassified as Associate Members, and as a result as at 31 March 2025 there were 711 Associate Members (2024: 374 Full Members and 231 Associate Members).

3. Statement of Compliance and Accounting Policies

Statement of Compliance

These financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the inclusion of investments at market value, in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2019) preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 and the Charities Act 2011 and the Companies Act 2006.

In accordance with the SORP 2019, restricted and unrestricted income and expenditure are separately identified in the financial statements. The net change in the two types of funds is added to the balances brought forward from the previous year, so that the balance of restricted and unrestricted funds at the end of the year is identified on the balance sheet.

The company's functional and presentation currency is the pound sterling.

The trustees assess whether the use of going concern is appropriate i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. The Board and senior management have considered both the level of reserves and the current ongoing cost of living and energy crises on the charity. Following a review of cash forecasts, planned operations and financial implications; a satisfactory percentage of income has been secured for the next 12 months and there is sufficient anticipated income to cover the costs of the charity well into 2025/26. Taking into account all potential limitations on the delivery of outcomes or the finalising of income streams, over the next 12 months, the trustees are satisfied that the charity remains in a satisfactory financial position as a going concern and have concluded that it has adequate resources to continue in operational existence for the foreseeable future and thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Critical Accounting Estimates & Judgements

Income recognition is a critical judgement in establishing NEA's annual income and expenditure and year-end financial position. Accounting Policies 3.1.d and 3.1.e and the procedures that support them are consistently applied in determining the extent to which income is recognised and deferred in NEA's financial statements.

At the time of liquidation WZ owed NEA £1,739,001 and all recoverable funds due from the liquidator of WZ were received during 2023/24. Provision has been included in NEA's accounts in previous financial years for the WZ net unrecoverable balance of £1,083,140 (31 March 2024 £1,083,140).

During 2020/21, work was carried out on behalf of Green Network Energy (GNE) in relation to the Warm Homes Discount scheme but in January 2021 GNE entered administration. At the time of the administration GNE owed NEA £413,867. During 2024/25, based on an update from the liquidators of GNE in April 2025, the

likely recovery rate has improved from 10p - 20p/£ to 17p - 23p/£. This has resulted in a £28,970 release of the GNE bad debt provision which has been processed through the charity's 2024/25 Statement of Financial Activities. As at 31 March 2025 the GNE net unrecoverable balance is £343,510 (31 March 2024 £372,480).

The remaining recoverable balance of £70,357 is included within NEA's trade debtor figure at 31 March 2025 (31 March 2024 £41,387) which is disclosed in note 15 and it is expected that the outstanding sum will be received in full.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed below.

Accounting Policies

The following principal accounting policies have been consistently applied:

3.1 Income

Income receivable by NEA is included in the financial statements at its gross value. All costs associated with generating, earning or collecting income are shown separately as expenditure. Where income included VAT, the VAT element was due to HMRC, not NEA. That VAT is, therefore, excluded from NEA's financial statements.

a. **Income from donations** is recognised in the year in which it is received. When donations have been promised but not received, they are not recognised.

b. **Investment income** - dividends arising on listed investments and interest arising on bank deposits, are recognised on a receivable basis.

c. **Miscellaneous income** – relates to reimbursement of long-term ill-health costs via insurance arrangements, recharge of the costs of a seconded employee and third-party reimbursement of employees travel and subsistence costs.

d. **Income from charitable activities** is principally derived from carrying out work that helps regulated private sector organisations meet statutory obligations to alleviate fuel poverty which contributes to NEA's aims and objectives. Income is recognised to the extent that:
   - Conditions relating to entitlement to the income have been met;
   - The monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably; and
   - It has been received or its receipt is probable.

   Assessments are made regularly during the year to identify:
   - Income that should rightly be included in the financial statements; and
   - Any receipts, entitlement to which is dependent on successful delivery of agreed outputs or other conditions that have not yet been met.

   This continuous process, supplemented by additional assessment after the year end, informs the extent to which income is recognised in the financial statements.

   Charitable activities income also includes:
   - Grants from Government departments, devolved administrations and other public bodies;
   - Sponsorships;
   - Subscriptions of members and Business Supporters Group (BSG); and
   - Sales of training courses, examinations, materials and publications, event fees and consultancy.

e. **Deferred income** - Income from Charitable Activities, both restricted and unrestricted, to which entitlement does not exist until earned in future accounting years is treated as deferred income (See notes 17 and 18).

3. Statement of Compliance and Accounting Policies (continued)

3.2 Expenditure

Expenditure is included in the statement of financial activities on an accruals basis, inclusive of any VAT that cannot be recovered.

a. Expenditure on raising funds
Costs incurred in raising funds are separately accounted for. These include the costs of raising donations and managing investments. NEA does not undertake any trading for the specific purpose of raising funds. The Charity's principle trading activity is training, which is a charitable activity, under NEA's charitable objectives.

b. Expenditure on charitable activities
Expenditure on charitable activities relates to work that contributes to NEA's charitable objectives. It includes the costs of delivering the services and products that are required by funders, listed above under the policy relating to income from charitable activities. Also included are costs of any core activities that contribute to charitable objectives but are not funded by specific income sources.

Charitable expenditure includes all expenditure relating to NEA's charitable objectives, including the direct cost of supporting charitable activities and projects, depreciation and profits/losses on disposal of fixed assets used wholly or mainly for charitable activities and, where applicable, the writing off of assets as part of project expenditure. In attributing costs to expenditure headings, expenditure involving more than one heading has been apportioned based on staff time.

Governance costs include work to comply with statutory and constitutional requirements, audit, legal advice for Trustees and an element of apportioned support costs. These costs form part of expenditure on charitable activities.

c. Support costs
Support costs include all costs that cannot be analysed directly to expenditure on charitable activities or expenditure on raising funds. They are apportioned to activities on the basis of the staff time directly recorded against those activities.

d. Operating leases
Rentals payable under operating leases are accounted for on a straight-line basis over the term of the lease.

e. Pensions
NEA operates a defined contribution scheme for its salaried employees. Pension costs are charged as expenditure in the year to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

f. Grants payable
Grants paid to beneficiaries under any hardship fund arrangement are referred to NEA by various care and voluntary organisations which work directly with vulnerable families and individuals. Other grants are paid subject to the criteria of the funder. Grants are funded via sponsors of individual programmes (see note 9).

g. Transfers between funds
Transfers between funds primarily reflect transfers of resources from unrestricted funds to meet the additional costs of restricted fund activities not covered by restricted income, surpluses on restricted fund activities that funders allow NEA to retain and transfers to or from designated funds for specific, otherwise unrestricted, purposes.

3. Statement of Compliance and Accounting Policies (continued)

3.3 Identifying costs with activities

A large proportion of NEA's expenditure relates to employee costs. Time recording and project accounting systems are used to identify those costs with each activity.

Support costs, which are not directly identifiable with specific activities, are apportioned in proportion to time directly recorded against each activity. They include finance, human resource management, ICT, administration, premises and general office supplies and equipment.

Other costs relating directly to individual projects are identified with each activity, using the project accounting system.

3.4 Fixed assets

Tangible fixed assets are stated at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided to write off, by annual instalments, the cost of tangible fixed assets over their estimated economic lives as follows:

Leasehold properties	- Straight-line over the primary period of the lease
Furniture, fittings and equipment	- Straight-line generally over 5 years

If purchased before 1 October a full year's depreciation is charged in the year of purchase. If purchased after 30 September no depreciation is charged in the year of purchase. Tangible fixed assets costing less than £1,000 are not capitalised. Finance costs are not capitalised. Impairment reviews of tangible fixed assets are carried out on a regular basis. Impairment losses, when they arise, are treated as additional depreciation in the year that they are identified.

Intangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Website development costs are recognised as an intangible asset when all of the following criteria are demonstrated:-

- The technical feasibility of designing the website so that it will be available for use;
- The intention to complete the website and use it;
- The ability to use the website;
- How the website will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use the website; and
- The ability to measure reliably the expenditure attributable to the website design during its development.

Depreciation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives: -

- Website development costs 3 years.

If there is an indication that there has been a significant change in depreciation rate or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Intangible assets costing more than £1,000 are capitalised if their expected economic life is greater than one year. Depreciation is provided to write off, by equal annual instalments, the cost over their estimated economic lives, normally not more than 3 years. If purchased before 1 October a full year's depreciation is charged in the year of purchase. If purchased after 30 September no depreciation is charged in the year of purchase.

3. Statement of Compliance and Accounting Policies (continued)

3.5 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

3.6 Debtors

Income due from debtors at 31 March is prudently assessed in accordance with the policy relating to income from charitable activities, described above.

Provision is made in the financial statements for any specific debts which are expected to be irrecoverable. Provision is also made for debts whose recovery is assessed as being doubtful. Doubtful debts are assessed with regard to their age, the debtor, the reason for the debt, the size of the debt and viability, including any likely cost, of taking further recovery action.

The great majority of NEA's income is from public sector and large private sector organisations that are regarded as being at a lower of risk of failing financially. A prudent approach is also taken to the inclusion of income in the financial statements.

3.7 Investments

Investments are made only in basic financial instruments. Investments in listed shares are revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities. Reserves and short-term surplus funds are placed in cash deposits with major UK banks.

3.8 Liabilities

Liabilities include trade and other creditors, taxes and social security costs, including obligations to make future payments. They are recognised in the financial statements as resources expended as soon as legal and/or constructive obligations arise.

3.9 Holiday Entitlement

Provision is made for the cost of untaken holiday entitlement as at 31 March each year. A provision of £76,262 is made in 2024/25 (2023/24: £64,464) financial statements, in addition to a provision of £3,278 (2023/24: £5,739) for permanent health insurance (PHI) costs relating to accrued holiday entitlement.

3.10 Short term deposits and cash

Reserves, which are maintained to help ensure that NEA can continue to deliver its charitable objectives, and receipts that are held in the short-term before being used to meet expenditure, are deposited with Santander and COIF Charities Deposit Account. The principal aims are to ensure that such funds are secure and are available at the time they are needed. Short-term deposits also achieve a rate of return that contributes to NEA's charitable activities. A managed level of cash is held available for immediate use and very short-term cash-flow. Short-term deposits that mature in less than three months are shown as cash-equivalents in the cash flow statement.

3. Statement of Compliance and Accounting Policies (continued)

3.11 Fund Accounting

Funds held by the Charity are either:

- Restricted – which can only be used for specific purposes within the objects of the Charity. Restrictions arise when specified by the funder or when funds are raised for particular specified purposes; or
- Unrestricted – which can be used for any of the charitable objects at the discretion of the Trustees.

Within the unrestricted funds, amounts may be set aside by the Trustees to be used for particular purposes. The aims and use of designated funds are set out in notes to the financial statements.

Transfers between funds are made:

- Between unrestricted and restricted funds to meet expenditure on restricted activities that is not fully funded, and surpluses made on restricted funds projects, which funders allow NEA to retain; and
- To and from designated funds, usage of which is at Trustees' discretion, designated funds remain unrestricted.

3.12 Post Balance Sheet events

Any events that have occurred after the end of the financial year that have, or are likely to have, a material effect on the value of assets or liabilities must be noted and explained in the financial statements. Although the financial statements are prepared on a historic basis for the year up to 31 March, it is important that the users of the financial statements are also made aware of any subsequent events that may materially affect the Charity.

4. Investment Income

	2024/25	2023/24
	£	£
Bank Interest	179,567	115,526
Total	**179,567**	**115,526**

5. Grants Received

NEA receives grants from a range of funders. The grants are usually for specific projects with requirements to deliver specified outputs, making them performance related. Funders also generally require grants to be expended solely on projects with geographic or charitable aim limitations, making them restricted funds under charity accounting rules. As projects have discrete start and end dates, there is not necessarily continuity of funding from individual sources across financial years.

Income from Charitable Activities includes grants from the following sources: –

	2024/25 Total All Restricted	2023/24 Total All Restricted
	£	£
Companies in the energy sector - other	7,160,045	6,727,585
UK central, devolved and local government and the EU	213,807	222,706
Trusts and foundations	403,631	161,855
Housing Associations	19,902	17,898
Other non-profit organisations	86,495	722,983
Companies in the property sector	-	12,749
Companies in the water sector	-	2,000
	7,883,880	**7,867,776**
Other restricted income	6,780,085	2,452,039
Total restricted income	**14,663,965**	**10,319,815**

6. Analysis of charitable expenditure

Aim	2024/25	Direct Staff Costs £	Grant Funded £	Direct Costs £	Support Costs £	Total 2024/25 £
1	Increase Strategic Action Against Fuel Poverty	1,127,930	309,918	520,330	412,908	2,371,086
2	Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	4,419,479	3,189,185	1,117,482	1,761,382	10,487,528
3	Enhance Energy Efficiency and Fuel Poverty Education and Skills	568,981	-	438,676	349,894	1,357,551
		6,116,390	**3,499,102**	**2,076,488**	**2,524,184**	**14,216,165**

Aim	2023/24	Direct Staff Costs £	Grant Funded £	Direct Costs £	Support Costs £	Total 2023/24 £
1	Increase Strategic Action Against Fuel Poverty	1,291,596	697,360	351,118	522,868	2,862,942
2	Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	2,744,641	3,909,440	1,098,224	1,152,454	8,904,759
3	Enhance Energy Efficiency and Fuel Poverty Education and Skills	634,188	-	234,789	260,822	1,129,799
		4,670,425	**4,606,800**	**1,684,131**	**1,936,144**	**12,897,500**

Other direct costs include irrecoverable VAT input tax amounting to £157,160 (2023/24: £289,605). 2024/25 Aim 2 and 3 direct costs include a release of the bad debt provision of £12,662 and £16,309 respectively, for the GNE irrecoverable debt. 2023/24 Aim 2 direct costs include a £29,821 release of the bad debt provision for the Aim 2 WZ debt. 2022/23 Aim 2 and 3 direct costs include in total a £27,751 provision, £12,129 and £15,622 respectively, for the GNE irrecoverable debt which has been offset by a £52,220 release of the bad debt provision for the Aim 2 WZ debt.

7. Cost of Raising Funds

	Staff Costs £	Support Costs £	Direct Costs £	Total £
2024/25	74,093	21,590	29,764	**125,447**
2023/24	66,789	20,309	17,709	**104,807**

8. Allocation of support

The Charity allocates support costs as shown in the table below then further apportions those costs between the charitable activities undertaken. Support costs are allocated on the basis of staff time.

Note 8 - Allocation of Support Costs (continued)

2024/25	Charitable Activities					
	Aim 1	Aim 2	Aim 3	Charitable Activities Total	Cost of Raising Funds	2024/25 Total
	£	£	£	£	£	£
Support staff	161,266	687,930	136,655	985,851	8,432	994,283
Staff training	7,630	32,547	6,465	46,642	399	47,041
Travel & Subsistence	21,813	93,049	18,484	133,346	1,140	134,486
Accommodation and insurances	65,326	278,667	55,356	399,349	3,416	402,765
IT support	24,880	106,132	21,083	152,095	1,301	153,396
Communication costs	13,098	55,872	11,099	80,069	685	80,754
Other general costs	29,794	127,097	25,248	182,139	1,558	183,697
Legal and professional costs	46,010	196,271	38,989	281,270	2,406	283,676
Capital grants/depreciation adjustment	3,800	16,209	3,220	23,229	199	23,428
General Capital Expenditure	39,291	167,608	33,295	240,194	2,054	242,248
	412,908	**1,761,382**	**349,894**	**2,524,184**	**21,590**	**2,545,774**

2023/24	Charitable Activities					
	Aim 1	Aim 2	Aim 3	Charitable Activities Total	Cost of Raising Funds	2023/24 Total
	£	£	£	£	£	£
Support staff	228,305	503,208	113,884	845,397	8,866	854,263
Staff training	7,734	17,046	3,858	28,638	300	28,938
Travel & Subsistence	27,361	60,306	13,648	101,315	1,063	102,378
Accommodation and insurances	92,331	203,508	46,058	341,897	3,586	345,483
IT support	43,322	95,485	21,610	160,417	1,683	162,100
Communication costs	21,871	48,206	10,910	80,987	850	81,837
Other general costs	35,364	77,946	17,641	130,951	1,374	132,325
Legal and professional costs	41,683	91,874	20,793	154,350	1,619	155,969
Capital grants/depreciation adjustment	5,266	11,606	2,627	19,499	205	19,704
General Capital Expenditure	19,631	43,269	9,793	72,693	763	73,456
	522,868	**1,152,454**	**260,822**	**1,936,144**	**20,309**	**1,956,453**

9. Grants Payable

Total grants paid to orgainsations and to individuals were: -	2024/25	2023/24
	£	£
Grants paid to organisations	3,498,043	4,606,801
	3,498,043	**4,606,801**

9. Grants Payable (continued)

During the year, grants were paid out under the following programmes and schemes:

	2024/25 £
Warm Homes Discount - 2,980 grants up to the value of £150 were awarded to individuals to fund fuel payments. This was administered via NEA's WASH energy advice service.	£407,948
142 grants were awarded to individuals to fund new central heating systems.	£419,826
10 grants were awarded to individuals to fund fuel payments. The recipients of the grants were eligible for their energy suppliers' WHD payment but they did not receive it during 2024/25.	£9,197
Smart Energy GB - During 2024, NEA continued its successful partnership with Smart Energy GB to deliver the Smart Energy GB in Communities programme, aiming to engage customers in vulnerable circumstances to ensure they could benefit from the smart meter rollout. Through the programme, NEA awarded grant funding to 15 community partners across the UK with an average value £18,500 to deliver focussed direct and indirect activities including advice, events and bespoke resources to raise awareness of the benefits of smart meters with households without fundamental digital skills.	£278,378
Cadent Reactive Repair - Preferred Management Solutions Limited were funded to provide measures in 278 homes of vulnerable, low income householders in the Cadent network area. The average value of works per household was £2,535 and the householders were referred to NEA by Cadent emergency engineers following a gas emergency and, without assistance, would have been left without heating and/or hot water. The essential work carried out included servicing of "at risk" gas appliances in 22 households as well as both repairing and replacing condemned gas appliances.	£709,511
Community Action Projects - The SSE Crisis, the PHA - Belfast Crisis & Belfast City Council Hardship funds enabled community groups where the prevalence of excess winter mortality has been consistently higher over the past decade to improve their scope and reach by extending opening hours, providing warm spaces whilst raising awareness of fuel poverty and directing solutions which included direct financial support such as boiler repairs and the provision of oil radiators, Winter Warmth packs and oil, gas and electric fuel vouchers. The community groups also provided cookery lessons and exercise sessions for all age groups. The funds helped 1,096 households directly and 569 participants attended the activities undertaken in the community warm spaces.	£190,424
The Malcolm Wicks Memorial Fund - This fund currently supports three postgraduate PhD studentships, one each at the universities of Strathclyde, Salford and Cardiff. Each student receives an annual grant of £9,000. During 2024-25 the Cardiff University student received their second grant of £9,000 and the Salford student received their first grant of £9,000.	£18,000
The NEA Winter Support Funds which were funded from public donations has awarded 1,713 grants to individuals to fund fuel payments and awarded 1,002 grants to individuals to fund measures such as energy efficient household items (e.g. slow cookers, air fryers, microwaves, washing machines, fridge/freezers, dehumidifiers).	£367,482
The Hyde Housing Energy Hardship fund awarded 104 grants to individuals to fund fuel payments.	£19,902
The WWU fund awarded grants to 81 low income households to fund the repair or replacement of gas central heating systems, associated pipework and gas cookers.	£108,061
The SSEN Hardship fund awarded grants to individuals to fund fuel payments.	£7,535
During 2024/25 National Grid's Warm Home Prescription scheme provided financial support and in-depth energy advice to clients across England and Wales whom are on a low income or benefits and whom are reliant upon the use of medical equipment in their home, have palliative care needs and are suffering from cancer. The scheme enabled 230 households to receive advice and support from our energy advice team and of those 230 households, 222 of them were each awarded a grant to contribute towards the cost of electrical medical equipment and heating costs, to keep the clients warm and well.	£151,365
The aim of the Energy Systems Catapult's Warm Home Prescription scheme was to help individuals heat their homes to safe temperatures throughout the winter of 2023/24. The scheme was developed for people with chronic respiratory health conditions that are made worse by living in cold homes, to reduce harmful health complications and relieve pressure on the NHS. Householders were supported through energy advice, the receipt of fuel payments and the repair or fitting of heating controls. Of the patients supported via this scheme, 79% of recipients found it had a positive impact on their physical health and 70% said that it improved their mental health.	£22,505
The Gas Distribution Network Collaboration fund provided emergency energy top-up vouchers for 339 vulnerable customers on pre-payment meters. The average value of the support to each household was £147.	£52,092
Fishwick/Preston- Seddon Construction Limited were funded to repair 45 homes which have now received rectification work in Fishwick. These homes had failed external wall insulation (EWI) removed and problems caused by damp penetration rectified. New external wall insulation was installed on 43 of those houses – two occupants refused this after the failed EWI had been removed. 2024/25 saw the final completion of these works and any additional remedial work required under the defect periods for the two phases of work.	£145,487
Warm Homes Healthy Futures is a nationally coordinated, locally delivered network of fuel poverty support for people struggling with health conditions made worse by living in a cold home. It connects health professionals to advice services for a seamless and simple referral pathway into expert energy advice and support for their patients. The service delivers energy and benefits advice, community engagement via events, training and awareness, and also provides carbon monoxide alarms and gas appliance servicing. The charity is working with a series of local delivery partners to support delivery of theses services within their locality where NEA may have more limited reach and the agencies already have established health partner referral networks in place. As at 31 March 2025 delivery had commenced with 10 partners, and those partners had delivered 926 triage assessments, 740 energy advice and 391 benefit advice sessions, supplied 354 CO alarms, ran events which were attended by 86 people, and provided training to 27 stakeholders.	£565,629
Other - Miscellaneous grant awards	24,701
Total grants paid 2024/25:	**3,498,043**
2023/24:	4,606,801

9. Grants Payable (continued)

During the year, grants were paid out under the following programmes and schemes:

	2023/24 £
Warm Homes Discount	
3,018 grants were awarded to individuals to fund fuel payments with an average award of £134.24. This was administered via NEA's WASH energy advice service.	405,147
137 grants were awarded to individuals to fund new central heating systems.	416,707
10 grants were awarded to individuals to fund fuel payments. The recipients of the grants were eligible for their energy suppliers' WHD payment but they did not receive it during 2023/24.	9,120
Smart Energy GB	
GB in Communities programme, aiming to engage customers in vulnerable circumstances (people living in fuel poverty; people lacking basic digital skills; and people who are carers) to ensure they could benefit from the smart meter rollout. Through the programme, NEA awarded grant funding to 38 organisations across GB to fund a variety of smart meter focussed direct and indirect activities to take place, including advice, events and bespoke resources.	697,360
Cadent Reactive Repair	
Preferred Management Solutions Limited were funded to provide measures in 239 homes of vulnerable, low income householders in the Cadent network area. The essential work carried out included servicing of "at risk" gas appliances as well as both repairing and replacing condemned gas appliances.	473,082
Community Action Projects	
The SSE Crisis, the PHA - Belfast Crisis & Belfast City Council Hardship funds aided the identification of five community groups working across seven localities where the prevalence of excess winter mortality has been consistently higher over the past decade. This enabled communities to improve their scope and reach by extending opening hours, providing warm spaces whilst raising awareness of fuel poverty and directing solutions which included direct financial support, cookery lessons and exercise sessions for all age groups. The funds facilitated the dissemination of 3,000 winter warmth packs across 36 key organisations who deal directly with those in need of support.	109,503
The Great Places Crisis fund awarded 128 grants to individuals to fund fuel payments.	8,701
The Melin Homes Prepayment Meter Crisis fund awarded 36 grants to individuals to fund fuel payments.	2,885
The NEA Winter Support Funds which were funded from public donations has awarded 1,879 grants to individuals to fund fuel payments and awarded grants to individuals to fund measures such as energy efficient household items (e.g. slow cookers, microwaves, washing machines) and warmth items such as bedding & thermal sleepwear.	520,532
The Cadent Special Grant Cases fund delivered extensive improvements to the gas central heating and cooking facilities of a very vulnerable client living in fuel poverty.	5,356
The Hyde Housing Energy Hardship fund awarded 66 grants to individuals to fund fuel payments.	17,898
The WWU fund awarded grants to 113 low income households to fund the repair or replacement of gas central heating systems, associated pipework and gas cookers.	146,918
The SSEN Hardship fund awarded 58 grants to individuals to fund fuel payments.	11,231
National Grid's Warm Home Prescription scheme began during 2023/24 to provide financial support to clients across England and Wales whom are on a low income or benefits and whom are reliant upon the use of medical equipment in their home. The scheme awarded 12 grants to fund fuel payments to contribute towards the cost of electrical medical equipment and heating costs, to keep the clients warm and well.	12,000
Middlesborough. The aim of the scheme was to help individuals heat their homes to safe temperatures throughout the winter of 2023/24. The scheme was developed for people with chronic health conditions that are made worse by living in cold homes, to reduce harmful health complications and relieve pressure on the NHS.	48,513
The Gas Distribution Network Collaboration fund provided emergency energy top-up vouchers for vulnerable customers on pre-payment meters.	2,808
Fishwick/Preston	
Seddon Construction Limited were funded to repair 23 homes that had failed External Wall Insulation and which was installed in 2013 by a failed scheme.	1,718,554
Other - Miscellaneous grant awards	486
Total grants paid 2023/24:	**4,606,801**
2022/23:	3,353,038

10. Board of Trustees and other key management personnel

In accordance with the Charity's Articles of Association, the members of the Board of Trustees received no remuneration during the year. Travel and subsistence costs were paid for 13 trustees in 2024/25 (2023/24: 8), amounting to £10,048 (2023/24: £8,071).

11. Employees

Staff costs:	2024/25	2023/24
	£	£
Wages and salaries	5,720,869	4,472,236
Social Security Costs	567,351	435,611
Other pension costs	651,811	501,033
Other payments	49,966	41,393
	6,989,997	**5,450,273**

The average number of employees during the year was: -	**2024/25 Number**	**2023/24 Number**
Chief Executive & Deputy	2	2
Northern Ireland	6	5
Support Services	15	15
Operations - Communities	58	31
Operations - Development & Partnerships	38	41
Policy and Advocacy	12	12
Communications and External Relations	11	12
Large scale projects	17	3
Income Maximisation	9	9
Total	**168**	**130**

Staff receiving emoluments (including taxable benefits in kind but excluding employer's pension and insurance contributions) exceeding £60,000 were as follows:

	2024/25 Number	**2023/24 Number**
£70,000 - £79,999	3	3
£80,000 - £89,999	2	2
£90,000 - £99,999	0	0
£100,000 - £109,999	1	1

Total pension contributions for staff members receiving emoluments of more than £60,000 during the year amounted to £57,839 (2023/24: £56,465).

In 2024/25 employee benefits, including employers pension contribution, totalling £622,662 were paid to 6 key management personnel (2023/24: £616,012 to 6 key management personnel).

12. Pension costs

The Charity operates a non-contributory, defined contribution, Group Personal Pension Scheme for its employees, administered by Aegon Scottish Equitable. Employer contributions during the year were £651,811 (2023/24: £501,033). At 31 March 2025, outstanding contributions to be paid over to the Scheme Administrator were £68,265 (31 March 2024: £921).

13. Net expenditure before transfers

Net expenditure before transfers is arrived at after charging:	2024/25 £	2023/24 £
Amounts payable to the auditor for:		
- Audit Fee	23,660	22,750
Other professional and legal fees	343,357	195,881
Depreciation	23,427	19,703
Operating Leases – Land and buildings	277,932	210,970

14. Tangible Assets

	Leasehold properties - short £	Furniture, fixtures & equipment £	Total £
Cost			
1 April 2024	117,711	409,315	527,026
Additions	-	87,881	87,881
31 March 2025	**117,711**	**497,196**	**614,907**
Depreciation			
1 April 2024	99,232	383,498	482,730
Charge for the year	17,903	5,524	23,427
31 March 2025	**117,135**	**389,022**	**506,157**
Net book value at 31 March 2025	**576**	**108,174**	**108,750**
Net book value at 31 March 2024	18,479	25,817	44,296

15. Debtors

	2025 £	2024 £
Trade debtors	1,644,025	1,238,804
Other debtors	4,320	5,382
Prepayments and accrued income	623,195	374,394
Total Debtors	**2,271,540**	**1,618,580**

At 31 March 2025 NEA's wholly-owned subsidiary Warm Zones CIC (WZ) which entered liquidation in November 2018 is shown in the trade debtors figure as owing £0 (31 March 2024 £0). During 2023/24 the charity received the final dividend sum of £394,936 from the liquidators of WZ. As at 31 March 2025 the total bad debt provision for the WZ unrecoverable debt is £1,083,140 (31 March 2024 £1,083,140).

Also at 31 March 2025 the trade debtors figure includes the recoverable element of the Green Network Energy (GNE) debt of £70,357 (31 March 2024 £41,387). During 2020/21, work was carried out on behalf of GNE in relation to the Warm Homes Discount scheme but in January 2021 GNE entered administration owing the charity £413,867. GNE is now in liquidation and the liquidators' latest update which was received in April 2025 indictated that the likely recovery rate has improved from 10p - 20p/£ to 17p - 23p/£. This has resulted in a £28,970 release of the GNE bad debt provision which has been processed through the charity's Statement of Financial Activities. As at 31 March 2025 the GNE net unrecoverable balance is £343,510 (31 March 2024 £372,480).

16. Investments

	2025	2024
	£	£
Listed investments at market value	4,164	2,461
Historical cost of listed investments	(131)	(131)
Revaluation Reserve	**4,033**	**2,330**

Investments have been revalued at the 31 March 2025 closing price quoted on the London Stock Exchange

The charity also has two wholly owned subsidiaries, Neighbourhood Energy Action Ltd and NEA Ltd, both of which are dormant. The charity's investment in each of its subsidiary undertaking comprises share capital of £2 (2 ordinary shares of £1 each). The charity's investment in its two subsidiaries is not included on the balance sheet as it is immaterial.

17. Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	801,645	982,001
Taxation and social security costs	114,555	182,480
Other creditors	2,776	2,817
Holiday pay provision	79,541	70,203
Accruals	509,003	256,724
Deferred income (see note 18)	4,807,793	4,020,512
Total Creditors	**6,315,312**	**5,514,737**

18. Deferred Income

Income is recognised when legal entitlement is secured by meeting conditions agreed with funders regarding delivery of projects and other conditions have been met. Income received prior to entitlement is deferred until the income has been earned.

	2025	2024
	£	£
Balance at 1 April	4,020,512	3,294,776
Amount released to income during year	(3,738,442)	(811,738)
Amount deferred in the year	4,525,723	1,537,474
Balance at 31 March	**4,807,793**	**4,020,512**

19. Unrestricted Income Funds

2025	Balance at 1 April 2024	Income	Expenditure	Transfers Between Funds	Net Investment Gain	Balance at 31 March 2025
	£	£	£	£	£	£
General Reserve	4,283,866	679,877	(540,905)	1,426,551	-	5,849,389
Unrealised Gain on Investments	2,330	-	-	-	1,703	4,033
Designated Reserve	1,161,418	-	(467,610)	-	-	693,808
	5,447,614	**679,877**	**(1,008,515)**	**1,426,551**	**1,703**	**6,547,230**

2024	Balance at 1 April 2023	Income	Expenditure	Transfers Between Funds	Net Investment Gain	Balance at 31 March 2024
	£	£	£	£	£	£
General Reserve	3,331,512	687,513	(990,587)	1,255,428	-	**4,283,866**
Unrealised Gain on Investments	2,018	-	-	-	312	**2,330**
Designated Reserve	1,277,700	-	- 116,282	-	-	**1,161,418**
	4,611,230	**687,513**	**(1,106,869)**	**1,255,428**	**312**	**5,447,614**

20. Restricted Income Funds

2025	Balance at 1 April 2024	Income	Expenditure	Transfers Between Funds	Balance at 31 March 2025
	£	£	£	£	£
Increase Strategic Action Against Fuel Poverty	-	1,913,652	(1,680,566)	(233,086)	-
Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	2,117	10,376,318	(10,209,410)	(166,908)	2,117
Enhance Energy Efficiency and Fuel Poverty Education and Skills	-	2,373,995	(1,347,438)	(1,026,556)	-
	2,117	**14,663,965**	**(13,237,414)**	**(1,426,550)**	**2,117**

2024	Balance at 1 April 2023	Income	Expenditure	Transfers Between Funds	Balance at 31 March 2024
	£	£	£	£	£
Increase Strategic Action Against Fuel Poverty	4,126	2,513,436	(2,102,274)	(415,288)	-
Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	456,115	8,583,379	(8,611,570)	(425,807)	**2,117**
Enhance Energy Efficiency and Fuel Poverty Education and Skills	-	1,508,829	(1,094,496)	(414,333)	-
	460,241	**12,605,644**	**(11,808,340)**	**(1,255,428)**	**2,117**

Income and expenditure have been allocated to specific aims, within each of the Charity's main areas of activity, designed to enable the Charity to achieve the objectives contained in its Strategic Plan 2023/29.

Transfers between funds primarily reflect transfers from unrestricted funds to meet the additional cost of restricted fund activities not covered by restricted income and transfers to unrestricted funds of surpluses on restricted fund activities, which funders allow NEA to retain and transfer to the general fund. In 2024/25, £1,426,551 (2023/24: £1,255,428) was transferred from the restricted funds to the unrestricted funds as the Charity made a surplus on its restricted activities.

There were no investment gains or losses on restricted funds in the year ended 31 March 2025 (2023/24: £Nil).

Restricted Funds held at 31 March are: -	2025	2024
	£	£
Coventry Hardship Fund & Keeping Coventry Warm Fund	2,117	2,117
	2,117	**2,117**

21. Analysis of Net Assets between Funds

	2025			2024		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Fixed Assets	108,750	-	108,750	44,296	-	44,296
Net Current Assets	6,438,480	2,117	6,440,597	5,403,318	2,117	5,405,435
Net Assets at the end of the year	**6,547,230**	**2,117**	**6,549,347**	**5,447,614**	**2,117**	**5,449,731**

22. Purposes of Funds

NEA has an annual programme of activities to help meet its strategic aims and these are funded through different sources of income. All of the Charity's activities are aligned to its strategic aims and objectives which are designed to make a positive impact on the alleviation of fuel poverty.

Coventry Hardship Fund and the Keeping Coventry Warm Fund are grant-making funds, the balances of which are Restricted Funds. The balances on these funds at 31 March are shown in note 20 above.

Key information about activities and public benefit is given in the Strategic Report of the Trustees for the year ended 31 March 2025, on pages 3 to 17 of this document.

23. Financial Commitments – Operating Lease Commitments

The total future minimum lease payments under non-cancellable operating leases.

	2025		2024	
	Land & Buildings	Other	Land & Buildings	Other
	£	£	£	£
Payable within one year	223,218	34,709	52,198	2,203
Payable between one and five years	455,745	78	221,804	66,266
Payable after five years	-	-	-	-
	678,963	**34,787**	**274,002**	**68,469**

The total value of lease payments recognised as an expense in 2024/25 was £210,970 (2024/25: £177,196).

24. Related Party Disclosures

FRS 102 requires NEA to include in its financial statements the disclosures necessary to draw attention to the possibility that its financial position and profit or loss have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

During 2022/23, the charity was awarded a funding contract by Leicester City Council and the income earned from this contract as at 31 March 2025 is £254,897 (31 March 2024: £330,860). Robert Howard who is a Trustee of the charity is also an employee of Leicester City Council and it is noted that the appropriate protocols have been followed as per the Charity Commission's guidance. Robert Howard was excluded from any discussions or decisions regarding the funding award by Leicester City Council.

The charity's Chief Executive is a Trustee of Energy Action Scotland (EAS) and Frazer Scott who is a Trustee of NEA is also the Chief Executive of EAS. During 2024/25 the charity sold services to EAS which totalled £26,604 (2023/24: £23,149) and EAS sold services to the charity which totalled £347,819 as at 31 March 2025

(31 March 2024: £325). It is noted that the appropriate protocols have been followed as per the Charity Commission's guidance.

During 2024/25, the charity awarded a funding contract to Care & Repair Cymru of £225,000 which covers the period from October 2024 to March 2026. In the year to 31 March 2025, the cost of the services provided by Care & Repair Cymru to the charity totalled £75,300 (31 March 2024: £Nil). During 2024/25 the charity sold services to Care & Repair Cymru which totalled £9,710 (31 March 2024: £312). Karen Cherrett who is a Trustee of the charity is also a Trustee of Care & Repair Cymru and it is noted that the appropriate protocols have been followed as per the Charity Commission's guidance. Karen Cherrett was excluded from any discussions or decisions regarding the funding award to Care & Repair Cymru.

During 2024/25 the charity used the office space of one of the Home Group Limited's properties in Newcastle upon Tyne to host a reception related to the Walk for Warmth charitable event. Permission to use the office space for free was given to the charity by Nusheen Hussain whom is a director of Homes Group Limited as well as a Trustee of NEA. The cost of hiring the office space is estimated at £300.

NEA does not have any other related party transactions with Trustees or their connected persons, other than the expenses disclosed in note 10.

25. Capital Commitments

At 31 March 2025 capital commitments were £270,984 (31 March 2024: £Nil).

The charity is in the process of relocating its Newcastle upon Tyne head office and to that end it has entered into a contract with Ultimate (Commercial Interiors) Limited in March 2025 to fit out the new head office. The total contract value for the fit out is £270,984 and works are due to commence in April/May 2025.

NATIONAL ENERGY ACTION

England & Wales - Charity number 290511

Accounts

Company No: 01853927

Charity Reg No: 290511

National Energy Action

Operating as NEA

(A Charitable Company Limited by Guarantee)

Report of the Board of Trustees

and

Financial Statements

- for the year ended -

31 March 2024

NATIONAL ENERGY ACTION
(Operating as NEA)

Report of the Board of Trustees and Financial Statements

for the Year ended 31 March 2024

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Reference and administrative details

Company No:	01853927
Charity Reg. No:	290511
Business Address:	6th Floor, West One, Forth Banks, Newcastle upon Tyne, NE1 3PA
Independent Auditors:	PKF Littlejohn LLP, 15 Westferry Circus, London, E14 4HD
Principal Bankers:	HSBC Bank plc, 110 Grey Street, Newcastle upon Tyne NE1 6JG
Solicitors:	Womble Bond Dickinson, St Ann's Wharf, 112 Quayside, Newcastle upon Tyne NE1 3DX
President:	Baroness McIntosh of Pickering
Vice Presidents:	Lord Best David Green OBE Baroness Hilton of Eggardon Derek Lickorish MBE David Porter OBE Lord Shipley of Gosforth Lord Whitty
Chief Executive:	Adam Scorer
Company Secretary:	Tracey Archer
Directors and Trustees:	The Directors of the charitable company (the Charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and up to the date of signing the financial statements were as follows:

Chair:	Claire Durkin
Trustees:	Syed Ahmed Judith Damerell Ian Deboys Claire Durkin Jacqueline Gardner David Hall Robert Howard Frazer Scott Professor Philip Taylor Helen Walker Maria Wardrobe OBE

Structure, Governance and Management

Governing Document
National Energy Action (NEA), a registered Charity, is a company limited by guarantee and not having a share capital is governed in accordance with the provisions contained in its Articles of Association. The Articles of the charity were refreshed in October 2021.

Clause 3 of the Articles of Association provides that every member, as defined by paragraph 3(b) of the Articles of Association, is liable to contribute a sum not exceeding £1 in the event of the Charity being wound up while a member, or within one year of ceasing to be a member. As at 31 March 2024 there were 374 full members and 231 associate members (2023: 349 and 182, respectively).

Operating Name
The Charity operates under the name of NEA.

Operational Management
The Charity Senior Management Team comprises:

Chief Executive	Adam Scorer
Deputy Chief Executive & Programme Director	Audra Peacock
Director of Communities	Peter Sumby
Director of Policy & Advocacy	Peter Smith
Director of Development & Partnerships	Danni Barnes
Director of Homes	Colin Timmins

Appointment of Trustees

Trustees are appointed in accordance with the Articles of Association and are confirmed each year at the Annual General Meeting (AGM) of the Charity. A trustee recruitment exercise is ongoing as Trustees' terms of office come to an end and replacement trustees are to be appointed during the 2024-25 financial year.

Trustees are recruited via a number of methods including advertising with specialist agencies and websites, using recruitment services provided by the National Council for Voluntary Organisations and the Association of Chief Executives of Voluntary Organisations and via direct approaches through known contacts and from recommendations which could be through business contacts or personal contacts of trustees, staff, vice-presidents group members and other wide-ranging networks. Our vacancies are also advertised on NEA's website, Charity Job and through NEA's pages on LinkedIn and other social media platforms.

The NEA Board of Trustees comprises individuals who can bring a particular set of skills and expertise to the Board. As part of the process to identify which skills the Board and charity needs, a Trustee skills survey is carried out on a three-yearly basis. The results of the survey are analysed and discussed by the Board in the light of both the external and internal environment and the strategic direction of the charity. When there is an identified need to appoint new Trustees, a discussion of the survey results and any existing or anticipated skills gaps on the Board help to ensure that any new appointment to the Board not only complements the knowledge, understanding and diversity of the existing Trustees; but ensures an appropriate range of knowledge, skills and expertise exists to support the charity's work.

Trustee Induction and Training

Trustees meet with the Charity's Chair and Chief Executive to discuss the role and responsibilities of the Charity's Trustees, and induction sessions for new Trustees take place with members of the Senior Management Team and Company Secretary. Trustees are provided with a support pack comprising a comprehensive collection of information about the Charity and updates to the pack are notified to all Trustees as changes occur. A secure Trustee webpage exists to hold additional resources for NEA Trustees.

As part of on-going training and development, Trustees are provided with opportunities to attend events throughout the year and to attend the Charity's Annual Conference and AGM, where major issues concerning the environment in which the charity works are discussed with representatives from providers of energy efficiency services to low-income households, the fuel utilities, health professionals, voluntary organisations, consumer groups, regulatory bodies and national and local government. The annual conference took place in Leicester in December 2023 and the AGM took place online in December 2023. The 2024 Conference venue has yet to be determined. The AGM will continue to be held online in order to attract the maximum number of participants.

Trustees are also provided with specific training opportunities, as they arise, in areas such as Charity governance and financial matters. Four trustees attended charity governance refresher training, whilst the Board level safeguarding champion attended refresher training in the subject. Trustees will continue to complete regular refresher courses in charity governance, finance and safeguarding during the coming year.

NEA continues to strive towards ensuring it employs best practice in its trustees and governance structures as well as in its operations. Work has been completed in producing a scheme of delegation for financial matters, and a similar exercise for governance issues is almost complete. These documents ensure a clear framework exists for both trustees and the senior management team to operate in; and that the policies and processes remain fit for purpose into the future. Work on the action plan to ensure NEA complies with the Charity Governance Code continues with an emphasis on embedding equality, diversity and inclusion across all areas of NEA's work as outlined in the Charity Governance Code.

A People and Cultures Committee is in place. The Committee sets the pay and remuneration of the Charity's key management personnel and any benchmarks, parameters or criteria used in setting their pay, which is benchmarked by external consultants every three years. It also reviews the NEA terms and conditions of employment and provides guidance and support for staff welfare and organisational cultural matters. The Committee met three times in 2023/24. The Committee was involved in the transition to hybrid working contracts which was completed in year and is overseeing the development of a People Strategy which will cover all aspects of NEA's employment, including the organisation's culture and embedding of equality, equity, diversity and inclusion from the front line staff up to Board level.

Trustees are prohibited by NEA's governing document of receiving payment for their role in governance other than out of pocket expenses. Conflicts of interest are declared at the start of each meeting. There are therefore no declarations to be made regarding any remuneration paid to any serving Trustee.

Organisation

NEA is administered by a Board of Trustees which meets a minimum of four times each year. The Board has a number of sub-committees including a Committee for Audit, Risk and Finance which meets four times a year and a People and Cultures Committee which meets three times a year. A Policy Working Group helps act as a sounding board for the policy team. The Chief Executive is appointed by the Trustees to lead on the management of day-to-day operations, with reference to the scheme of delegation.

Risk management

The Trustees have a risk management strategy that comprises:

- A quarterly review of the key risks at each Board meeting together with a status change record;
- Monthly management review of the operational and strategic risks the Charity may face, and the implications of those risks. Considering the controls in place, necessary planned responses are documented;
- Appropriate controls including systems and procedures to avoid, mitigate, transfer or insure those risks identified in the plan; and
- Procedures designed to minimise any potential impact on the Charity should those risks materialise.

The NEA Committee for Audit, Risk and Finance (CARF) ensures that formal processes for risk management are in place and effectively working across the organisation. The Committee met four times in 2023/24.

In a review of risks the Trustees have recognised the key risks facing the Charity are driven by economic and political changes on our beneficiaries and our response to those challenges, including:

- High wholesale gas and oil prices - impacting on customers, particularly fuel poor and those at risk of fuel poverty.
- Fall in real incomes – increasing in breadth and depth of fuel poverty.

We are past the worst peaks of the energy price crisis – although the dimension of our fuel poverty challenge has broadened and deepened. The 'post-crisis' mindset is becoming embedded. The response to cost-of-living pressures is moving away from energy bill interventions.

The cost-of-living increases and the increase in the energy price cap impacted fuel poverty levels, which were 5.6million from 1 July 2023. This resulted in increased demand for NEA services. Whilst the likelihood of the risk was anticipated, and the charity was able to make some preparations, the impact continued through the 2023/24 winter months.

The Charity strengthened its public facing staff resources, increasing the number of staff working with vulnerable households and enhancing winter support packages; offering practical and financial aid. Standardisation of advice across an expanding team was reinforced by a dedicated client QA role. A web chat facility continues to complement the telephone advice line and colleagues were appropriately equipped with additional training in professional boundaries and safeguarding.

- The UK Government's commitment to Fuel Poverty given the competing priorities for public funds.

The high wholesale gas and oil prices and the fall in real incomes have been further impacted by political uncertainty during the period. Presenting competing priorities at government level, this increased the risk of insufficient action on fuel poverty and inadequate governmental support to households.

There has recently been a change of UK Government and as a result a likely expansion of funded energy efficiency for fuel poor homes, potentially with a greater emphasis on locally delivered/co-ordinated schemes, NEA will explore how expansion is planned and delivered, and the role NEA has in maximising the impact for fuel poor homes.

NEA's enhanced advocacy capability and impact, affords it an influential position to ensure a strong awareness of the causes and consequences of fuel poverty, influencing political expediency in offering financial support for fuel poor households.

During 2023/24, NEA has enjoyed, and been challenged by, a sustained period of responsive growth. Responsive to need and opportunity. We have added additional capability, capacity and creativity. To mitigate strain on legacy systems and processes, the charity has embarked on a period of business transformation to prepare NEA to deploy those advantages to greater effect and impact.

The continuing implementation of the Fundraising Strategy has helped the charity take advantage of a range of opportunities.

Work on extrapolating and disseminating the lessons learned from our operational and advocacy activities to provide front-line evidence on what works and what doesn't at a grass roots level for those who are vulnerable and living in a cold, damp home, is embedded into NEA's day-to-day activities and continue to provide lessons for future policies and schemes for other practitioners in the field.

NEA has increased its policy and advocacy resource by providing dedicated resource in Wales and Northern Ireland whilst continuing to work closely with our sister organisation Energy Action Scotland to ensure the lessons learned from a whole UK approach can be compared, contrasted and disseminated.

Public Benefit report

Chair's Report

We are coming to the end of our Five-Year Strategy. The context in which we work remains challenging and the future uncertain. Our current strategy was agreed before the pandemic and cost-of-living crisis yet has remained robust and relevant. It has helped NEA to maintain focus on our longer-term objectives as we continue to support the urgent interventions demanded of us during the cost-of-living crisis.

However, that strategy could not anticipate the period of expansion that NEA has experienced. Over the period the strategy, to date, we have grown in size, more than doubling our turnover to over £13m, with expectation of increasing this to over £17m in 2024/25. We have also grown in capability, and impact for our clients. Making the most of that growth, in the service of our charitable beneficiaries, will be a major theme for the year to come.

We continued to diversify and deepen our income streams as we have expanded. The NEA Committee on Audit, Risk and Finance have ensured that our growth is prudent, sustainable and is in line with our strategic objectives and charitable aims. We are a larger and more complex organisation but are in resilient and robust health with strong financial governance capability and assurance.

NEA works on behalf of fuel poor households in England, Wales, and Northern Ireland. Last winter, NEA estimated that there were 6.5 million households living in fuel poverty across the UK. That is two million more households who were unable to keep their homes affordably warm, healthy, and safe during the coldest months than at the start of the energy crisis in 2021.

Tackling this terrible reality for millions of people is what motivates everybody who works at NEA, and those who sit on the Board of Trustees. That our motivation remains so high in such desperate and challenging times is testament to our resolute determination to improve the lives of those struggling to afford the cost of a warm home.

I offer my heartfelt thanks to all the staff and trustees at NEA for their hard work and commitment over the year and to our partners for your steadfast support.

Strategic Review

National Energy Action's mission is that 'everyone should be able to afford to keep their homes warm and safe'. The activities undertaken by the charity to carry out its charitable purposes are for the public benefit and the charity has complied with its duty to have due regard to the Charity Commission's public benefit guidance when exercising any powers or duties.

Our advocacy and influence, our advice and support services, our awareness-raising and partnership development all work toward this mission. We deliver our mission through direct support to households in fuel poverty, influencing decision making to make a lasting difference for fuel poor homes and by building partnerships that increase the scale and effectiveness of action for warm homes.

The year ended with average domestic energy prices of £1,928 between January and March 2024. Domestic energy debt levels soared, with the average debt level increasing by around 50%, with the total now sitting at its highest ever level of £3.1billion. The number of households in debt increased by around 20%.

In April 2023, the Energy Bills Support Scheme ended. In July 2023, so did the Energy Price Guarantee (EPG), increasing annual energy payments for the typical household. Standing charge increases worsened the situation.

2023/24 was another year of balancing the urgent need to support households affected by the cost-of-living crisis and advocating for fundamental action to eradicate stubborn fuel poverty across the UK.

2024/25 saw a change of government and hopefully a focused and honest debate on the circumstances in which some of the poorest and most vulnerable households in the UK must live and the role of Governments and others in transforming those circumstances.

Everything we do, we do in partnership with others. We are proud that by the end of 2023/24 600 organisations of different sorts were members of NEA. We start a new year determined to play our full and unique role in making progress to reduce the numbers suffering in fuel poverty.

Objectives, strategies and activities

Key objectives for the year and principal activities undertaken

We expanded the reach of our services, supporting more households directly and reaching into more marginalised communities.

We developed major new programmes of work around cold homes related health impacts and community support.

We pushed for change from companies, regulators, and Government to make the energy market more responsive to the need of fuel poor households.

We worked constructively with Government in England, Wales, and Northern Ireland to deliver action to back up fuel poverty strategies.

We stepped up our role as a convenor for the fuel poverty movement, especially with our in-person regional fuel poverty forums.

We began a business transformation programme to make NEA more agile and effective across all our activities.

NEA ends the year bigger, stronger, and better equipped to deliver on our mission and strategy.

Our Five-Year Strategy – Every Home Should Be a Warm and Safe Place

NEA has a five-year strategy that will enable the Charity to drive toward its mission that everyone should be able to afford to keep their home warm and safe. The strategy has a strong focus on our beneficiaries, the alignment of fuel poverty with the net zero agenda and a transformation of our core enabling systems and processes.

The Strategy identified three key priorities for NEA:

- **Tackling the Worst First** and bringing targeted investment to those whose conditions are gravest, whose need is greatest and who have the least ability to act themselves.
- **Support Guaranteed** so good levels of support are available and based on need, not by a series of lotteries; and
- **A Decade of Delivery** not only in energy and net zero policy, but in welfare provision, public health, housing standards and community advice and support.

Our 5-year strategy is designed so that all NEA activities across advocacy, householder support and partnership development contribute to one, two or all of our strategic priorities. It requires NEA to work over successive years to build a broader and stronger movement to eradicate fuel poverty across the UK.

During 2023/24 NEA has delivered on its three key priorities as detailed below:

Advice and support

We supported over 13,000 households living in or at risk of fuel poverty. Of these clients, 69.2% represented complex cases. These were clients who needed additional care, handholding, and engagement.

Clients accessing our service last year faced a higher risk of experiencing fuel poverty, as well being more vulnerable to the worst of its effects. Often, these vulnerabilities overlapped.

- 67% had an income of less than £12,000 a year, and 89% had an income of less than £16,000 a year.
- 27% were single parents with dependent children.
- 24.2% had at least one child under the age of 5 living with them.
- 78% lived in rented accommodation – 17.4% in the private rented sector and 61.3% in the social rented sector.
- 75% had at least one health condition, additional need, and/or a disability often, they had more than one. 97% of clients using our Warm and Safe Homes (WASH) service were unable to keep their home warm, or could only do so with difficulty, at point of first contact with NEA.
- 89% of WASH clients were cutting back on food and other essentials when they came into the service.

Of our clients with a health condition or disability:

- 15% had a cardiovascular condition.
- Over half (51%) had a mental health condition.
- 16% had a musculoskeletal condition.
- 18% had a respiratory condition.

Providing households with a range of support, tailored to their needs and capabilities, enabled us to find the most appropriate and timely solutions available to them.

- £4,378,441 total financial benefit to clients secured through income maximisation and welfare support.
- £2,353,361 immediate financial benefit to clients secured through energy-related advice and support.
- We almost halved the proportion of our WASH clients who reported being unable to keep their home warm and lifted 12% out of fuel poverty.
- We reduced the proportion who had their heating on lower or less often than they would like by a third.
- One in three worried less about paying their energy bills after receiving support.
- A fifth said their financial situation had improved and over a quarter (26%) felt as though their household budget overall was more manageable.
- 60% (three in five) reported knowing more about saving money at home while also keeping warm.
- We reduced the proportion of WASH clients who were rationing food all or most of the time by a fifth, and doubled the proportion who never or rarely did this.

- One in three said their physical health was either a little or much better after support, with 72% of those linking it to the support they received.
- More than one in three found their mental health to be much or a little better after support, with just under 80% of those linking it to the support they received.

In Communities

We work in communities as well as with individual clients. Our "Warming Communities" programme provides support and energy solutions to some of the most underserved and marginalised communities in England and Wales.

- Last year it ensured that 1,775 vulnerable clients could access community-based, targeted support and overcome barriers in accessing mainstream schemes.
- It also delivered over 3,000 Winter Warmth Packs to clients in desperate need.
- The delivery model is based on responding to local need through collaboration with over 80 trusted local partners who understand their service users.

Wales

- This past year has continued to see record numbers of households in Wales unable to afford to keep warm at home, with 98% of all lower-income households estimated to be living in fuel poverty.

- Our polling with YouGov has also found that Welsh households were more likely to tell us they were in energy debt than other households across GB and more likely to tell us they were in higher levels of energy debt than other households across GB.

- As well as delivering direct support, advice and training in Wales, we have:

    - advocated to ensure the needs of fuel poor households in Wales are at the heart of policy decisions and the public policy debate;
    - frequently engaging with national and local government, Ministers, Senedd Committees, elected representatives, regulator, industry, media, and campaign partners;
    - successfully influencing the Welsh Government to:
        - focus its new Warm Homes Programme on providing deeper retrofit for those least able to pay, taking a 'fabric, worst and low carbon first approach', and significantly increasing the spend per property;
        - support shared calls on the UK Government and Ofgem (e.g. to help address debt, provide deeper price protection, reduce standing charges)
    - convene hundreds of partners to come together in Wales to help tackle fuel poverty, via our Wales Fuel Poverty Forums and Wales Fuel Poverty Conference

Northern Ireland

- NEA Northern Ireland became a member of the Department for Communities Fuel Poverty Reference Panel to advise and support the new and emerging Fuel Poverty Strategy.

- We grew our Belfast Warm and Well Project by identifying five community groups working across seven localities where the prevalence of excess winter mortality has been consistently higher over the past decades. This enabled communities to improve their scope and reach by extending opening hours, providing warm spaces while raising awareness of fuel poverty and directing solutions which included direct financial support, cookery lessons and exercise sessions for all age groups.

- We facilitated the dissemination of 3,000 winter warmth packs across 36 key organisations who deal directly with those in need of support.

- Our training continued to meet the needs of communities and organisations, through City & Guilds, CPD accredited courses and directly into homes through our reach to 300 individuals who attended our workshops.

Advocacy

Working with our advocacy partners, we successfully campaigned for:

- A change to the energy price cap meaning that the premium faced by prepayment customers has now been eliminated. Prepayment meter customers now face the lowest charges of any payment type in the price cap. This has instantly reduced the fuel poverty gap by £100million.

- A commitment from the UK Government to spend £6billion on energy efficiency up to 2028, including a continuation of local authority-led fuel poverty schemes.

- The implementation of substantive new rules that prohibit the forced installation of prepayment meters in vulnerable households. This also led to redress given to households who had undergone a forced installation in the period 1 January 2022 to 1 January 2023, expected to total £0.5million in compensation.

- New consumer standards for energy customers, making it easier for domestic customers to contact their suppliers and to help provide support for domestic customers who are struggling with their energy bills.

Research

To represent the lived experience of fuel poverty and practice-based experiences of frontline professionals and stakeholders, the research team has:

- Surveyed over 1,800 households.
- Interviewed approx. 70 households.
- Engaged with over 300 stakeholders.
- Published 8 high quality reports.
- Spoke or participated at 17 conferences or events.

In addition, the Insights and Impact Team has issued 3 monthly bulletins collating fuel poverty and associated research from across industry, policy and academia; this included 106 publications across fields such as housing, health, Net Zero, behaviour change, energy policy and regulation, energy efficiency, and poverty and inequality.

Our Plugged In research project, working with Friends, Families and Travellers and supported by the Which? Fund explored the lived experience of Gypsy, Traveller, Roma and Nomadic Communities (GTRNCs) living in or at risk of fuel poverty through the height of the energy crisis in 2022/23.

Our research found that:

- Almost half (43%) of surveyed GTRNCs did not receive any government support through the energy crisis.
- Four out of five (80%) households were turning the heating off to save money, with more than half (51%) doing this 'all of the time' or 'some of the time'.
- Energy/fuel is unaffordable for more than 70% of GTRNC households.,
- More than half (61%) reported borrowing money to pay for energy/fuel in the last 12 months.

Communications

NEA has sought to enhance our communications outcomes across events, traditional and social media as part of our bigger voice workstream.

- NEA had a 62% increase in print and online mentions with 7,854 articles quotes and op-eds in print and online media (up from 4,847 as at 31 March 2023).

- NEA had 1,677 Broadcast appearances and mentions, 9,531 media mentions and appearances.

- NEA also added 4,090 social media followers including 777 on Twitter/X, 347 on Facebook, 1,925 on LinkedIn and 599 on Instagram.

Events

This year we held our national Conference in Leicester and our Wales Conference in Cardiff.

- Our Leicester conference had 352 delegates registered, (319 in January 2023). Including the sponsors OVO and Cadent as well as NEA, 28 organisations exhibited at the conference.
- We sent 98 tweets over the three-day period, with the hashtag #EnergyCrisisConf, which received 41,200 impressions and our posts on LinkedIn reached 2,900 accounts. 100% of respondents were either 'satisfied' or 'very satisfied' with the conference overall.
- During 2023/24, over 500 stakeholders attended our Regional Fuel Poverty Forums.
- NEA's Fuel Poverty Awareness Day had 183 media mentions and was trending fifth on Twitter/X. Thousands of organisations and individuals supported us on the day, which meant that the hashtag had a potential reach of just under 11 million. We engaged elected officials, securing support from nearly 50 MPs, our awareness day was mentioned in Parliament and the Cross-Party Group in Wales held in the Senedd that day.

Training

NEA's Training and Assessment team continued to develop new and existing products to respond to identified gaps in existing skills and education provision.

- This included the launch of a new NCFE Level 1 course and qualification 'Using Energy in the Home' qualification, a bitesize mobile phone friendly Vulnerability E Learning module, an extended range of digital learning products as well as Water and Energy efficiency related learning products and partnerships.
- The Training and Assessment team has focussed on the development of new relationships with partners that are not in the energy sector. New partners identified include colleges, HM prisons and other supporting organisations, universities as well as an expanded education offer.
- The team also successfully passed two external quality assurance audits over the year.
- NEA trained over 7,600 advisors with attendees indicating that they expect to pass on advice to 16 householders per week, helping around 6 million households in total. The proportion of course attendees who indicated a good or excellent knowledge of the subject prior to attending a course was 24%, that grew to 96% after the course. 98% of course attendees said they are likely to recommend the course to others.
- The team also delivered education sessions to 1,300 school children.

Innovation and Technical Evaluation

- The team have completed 4 projects in the year including an evaluation of Wakefield Council's Mega Solar scheme, Smart solar in Barnsley with Age UK Barnsley and Energise Barnsley, the evaluation of Smart solar in Cannock with Chase Community Solar and Beat the Cold, and the customer engagement aspect of the Northern Gas Networks Redcar Hydrogen Community project.
- 11 live projects will move forward to the new financial year (2024-25), with 8 of these to conclude during the year.
- Two new demonstration projects have been instigated and will ramp up in the coming year. One will investigate the benefits of optimising the efficiency of gas heating systems and making them ready for future transition to heat pumps. The other will study retrofit approaches to improving indoor air quality in properties with identified damp, and mould problems.

Warm and Safe Homes in Fishwick

- A second phase of work was undertaken at Fishwick. Failed external wall insulation (EWI) was removed, problems caused by damp penetration rectified, and new EWI installed. As a duty of care, NEA and their contractors also dealt with related structural, electrical safety, and gas safety issues in the homes, not all of which were related to the failed EWI but were necessary to leave the homes in good order. 23 homes were completed in phase 2, meaning that a total of 45 homes have now had problems rectified.

- Technical and social evaluation of the properties is ongoing to ensure that the rectification work is satisfactory both in quantitative terms, and also in the perception of the householders. It is expected that the results of the evaluation will be published towards the end of 2024.

- Twelve-month surveys were undertaken on the properties worked on in phase 1, marking the end of the defects period for those homes. Any issues uncovered during the defects period will be rectified.

Key Beneficiaries

The key beneficiaries of NEA's work are low income and other vulnerable households, particularly older people, families with young children and those living with a long-term illness in poorly insulated and under-heated homes. In 2023/24 households at risk during the cost-of-living crisis were a major priority. Additionally, agencies which support these groups benefit from NEA's work including other national charities and service providers. The Trustees have considered the Charity Commission's General Guidance on Public Benefit.

Supporting members

By the end of March 2024 NEA had 605 ordinary members of which 374 were full members who carry voting rights within the charity's constitution. 425 were Supporting Members (free membership) and 180 Enhanced Members (fee-paying). NEA also has 46 members of its Business Supporters Group (BSG). During 2023/24 NEA held:

- 2 in-person member conferences in September 2023 and March 2024. These were attended by delegates representing 26 BSG member organisations. Speakers included representatives from Ofgem, Committee on Fuel Poverty, DESNZ and Bristol University.
- 4 Zoom 'Spotlight' sessions featuring members AgilityEco, ElectraLink, Evouchers and Kensa Group who presented to over 180 NEA standard/ordinary members.
- BSG members also received, via Zoom, 4 policy updates from the Policy and Public Affairs team; and 2 project updates from the Homes directorate and Research team.

This interaction with our members enables the sharing of insight and helps to shape NEA policy developments and campaigns.

Key performance indicators

KPIs for 2023/24 were set to ensure the financial position of the Charity remains strong, that internal systems are robust and that the Charity continues to deliver the three strategic aims.

In 2023/24:

Financial Management

NEA had budgeted for a surplus of £167,875 but has produced a surplus on activities of £378,260. The main reason for the increased surplus is unbudgeted donations.

In accordance with the Reserves Policy, during 2022/23 the Board approved the establishment of a designated reserve and a new restricted reserve was created. The restricted reserve related to a £600,000 donation which was received from Shell during 2022/23 to carry out additional advice activities. During 2022/23, £146,000 of this reserve was expended and the remaining balance of £454,000 as at 31 March 2023 was expended during 2023/24 on these activities. The balance on the restricted reserve as at 31 March 2024 is £nil. A further restricted donation was received during 2023/24 of £600,000. Shell advised during 2023/24 that they required all of their funds to be spent by 31 March 2024 (a total of £1.054m). This required significant changes to planned designated and restricted fund expenditure, in particular the Crisis Fund (designated fund), and the Shell Restricted Fund, of which only £300,000 of the £1.054m was budgeted for expenditure in 23/24.

The designated reserve of £1,277,700 as at 31 March 2023 relates to donations received during 2022/23 and during 2023/24, £116,282 of these funds were expended. Further expenditure against designated funds has had a slower start than anticipated due to Shell requesting that the £1.054m restricted fund be spent by 31 March 2024. The remaining funds in this reserve of £1,161,418 as at 31 March 2024 will be used in future financial years to pay for hardship grants, interventions in relation to the Net Zero Transition agenda and two major Advocacy Campaigns.

	£
SOFA Net Income - Unrestricted Funds	(419,042)
Expenditure incurred from Designated Reserve	116,282
Transfer from Restricted Funds	1,255,428
Unrealised Gain on Listed investments	(312)
Increase in General Reserve	952,355

Delivery

93% of the work programme was successfully delivered on time with 7% of the programme carried forward into 2024/25 due to agreed changes to delivery schedules. (2022/23: 94% of the work programme delivered with 6% of work programme carried forward).

Management

During 2023/24, NEA has adapted to increased capacity to accommodate demand for services during the current economic climate. The transformation of core processes and systems continues to ensure that NEA remains flexible, robust, and impactful.

Warm Zones CIC

Warm Zones CIC (WZ) was a wholly owned subsidiary of NEA. During 2018/19 Warm Zones Directors placed the company into administration and by the end of the 2018/19 Warm Zones had been placed into liquidation.

At the time of liquidation WZ owed NEA £1,739,001. The recoverable amount which was included within NEA's debtors as at 31 March 2023 was assessed as £365,115. During 2023/24 the charity received the final dividend sum of £394,936 from the liquidators of WZ and this recoverable amount is £29,821 higher than the amount that was expected to be recoverable as at 31 March 2023. Provision has been included in NEA's accounts in previous financial years for the WZ net unrecoverable balance of £1,112,961 but as a consequence of the higher recovery rate, the total bad debt provision for the WZ unrecoverable debt has reduced by £29,821 from £1,112,961 as at 31 March 2023 to £1,083,140 as at 31 March 2024. This reduction has been processed through the charity's Statement of Financial Activities in the current financial year.

NEA's balance sheet as at 1 April 2023 included an Ofgem creditor balance of £0.313m which related to the gross value owed by WZ to Ofgem. It was clear from discussions held during 2022/23 that Ofgem expected the amount owed to them to be used to fund expenditure on the Preston/Fishwick programme. During 2023/24, the remaining £0.313m creditor balance has been utilised and the Ofgem creditor balance as at 31 March 2024 is £nil.

At the time of signing, discussions and processes to bring these outstanding matters to conclusion are ongoing. The significant level of provision which has been made has reduced NEA reserves, but the Board is confident that NEA's reserves and financial arrangements are adequate to ensure that the charity remains a going concern.

Green Network Energy

During 2020/21, work was carried out on behalf of Green Network Energy (GNE) in relation to the Warm Homes Discount scheme but in January 2021 GNE entered administration. At the time of the administration GNE owed NEA £413,867. Provision has been included in NEA's accounts in previous financial years for the GNE net unrecoverable balance of £372,480. The recoverable amount which was included within NEA's debtors as at 31 March 2023 was assessed as £41,387. During 2023/24, based on an update from the liquidators of GNE, no further bad debt provision has been processed through the charity's 2023/24 Statement of Financial Activities for the unrecoverable element of the GNE debtor as the anticipated recovery rate has not changed. The total bad debt provision which has been processed through the charity's Statement of Financial Activities for the GNE net unrecoverable balance is £372,480. The remaining recoverable balance of £41,387 is included within NEA's trade debtor figure at 31 March 2024 which is disclosed in note 15 and it is expected that the outstanding sum will be received in full.

Financial Review

Statement of Financial Activities (SOFA) - 2023/24

The Statement of Financial Activities (SOFA) shows a net expenditure on unrestricted activities of £419,044 (2022/23: net income £1,530,115). The transfers into the Charity's General Reserve are detailed below and the balance on it has increased by £952,353 from £3,331,512 at 31 March 2023 to £4,283,865 (2022/23 £808,699 increase). The reason for

the positive movement is the transfer of £1,255,428 from the Restricted Reserve to the General Reserve as a result of a surplus being earned on the 2023/24 restricted activities of the Charity. During 2022/23, as there was a significant increase in donations received by the charity, the decision was made by the Board to establish a designated reserve of £1,277,700. During 2023/24, £116,282 of this reserve has been expended and the remaining funds of £1,161,418 held in this reserve will be expended in future financial years furthering the charitable aims of the charity and will include hardship grants, interventions in relation to the Net Zero Transition agenda and two major Advocacy Campaigns.

Principal Income Sources and Fundraising

NEA's income is derived principally from delivery of services for a wide range of organisations. The Statement of Financial Activities shows that total income increased by £1,129,475 from a total of £12,163,682 in 2022/23 to £13,293,157 in 2023/24, a 9% increase. The increase is principally a result of growth in consultancy, sponsorship and grant income during 2023/24.

During 2023/24, £1,154,940 of income was received from donations which is £1,209,672 less than the £2,364,612 which was received in 2022/23. The donations received during the year have been from both organisations and individuals. Since 2022/23, predominantly due to both the energy and cost of living crises, NEA's public profile has been raised significantly which has resulted in significant donations being received from both organisations and individuals. It is the charity's intention to use this income to further its charitable aims and objectives and to this end, the charity established two reserves in 2022/23. The first reserve established was a designated reserve of £1,277,700 and during 2023/24, £116,282 has been expended. The funds in this reserve have been used and will be used in future financial years to pay for hardship grants, interventions in relation to the Net Zero Transition agenda and two major Advocacy Campaigns. The second reserve was a restricted one and it related to the £600,000 which was received from Shell of which £146,000 was expended during 2022/23. The remaining funds in this reserve of £454,000 were expended during 2023/24 as a result of carrying out additional advice activities during the current financial year.

Consultancy and Sponsorship income have increased in total by £612,290 from a total of £3,173,477 in 2022/23 to £3,785,767 in 2023/24. The main reason for this growth can be attributable to additional funding streams being awarded to the charity by a variety of funders which include Cadent, Northern Gas Networks, SGN, Leicester City Council, Wales & West Utilities, Northumbrian Water & Orbit Housing Association Limited.

Grant income has increased by £1,648,773 from £6,219,002 in 2022/23 to £7,867,776 in 2023/24. This increase is due to additional sources of funding being awarded to the charity by a variety of funders which include National Grid, Smart Energy GB and British Gas/Centrica. This growth in grant income has enabled the charity to help more vulnerable, low income households by funding fuel payments, repairs and replacements of boilers and central heating systems, the distribution of winter warmth packs and essential energy efficient household items, and the provision of both welfare benefits and energy advice and training within community settings. During 2023/24, the Fishwick - Preston project's contractors Seddon Construction Limited, carried out repairs to 23 homes which had faulty external wall insulation which had caused a number of issues for the householders. This project generated income of £2,284,669 which represents an increase of income of £279,163 when compared to 2022/23.

Fundraising policy

NEA has significantly increased its income from general public fundraising over the past 12 months through fundraising campaigns, events and initiatives. In order to respond to this opportunity, a newly formed fundraising team was established within the Fundraising and Partnerships department. The fundraising team comply with both the Charity Commission regulations and the Fundraising Regulator Code of Practice to ensure responsible and ethical fundraising activities. A fundraising Customer Relationship Management (CRM) system has been implemented by the team to safeguard donors data and ensure full compliance with the Charity Commission's regulations and the Fundraising Regulator Code of Practice. No complaints have been received to date by the charity regarding its fundraising activities.

Investment powers and policy

Under the Articles of Association, the Charity has the power to invest in any way the Trustees deem appropriate. The Trustees, having regard to the liquidity requirements of operating the Charity, its Reserves Policy and risks inherent in different vehicles for investment, continue to operate a policy of keeping available funds in interest deposit accounts with its bankers HSBC and Santander and with the CCLA Deposit Fund, prioritising security and liquidity ahead of yield.

Grant Making Policy

NEA makes grants to institutions to further each of the three charitable aims. Grants are funded by NEA's funders and the volume and value of grants made are agreed with the funders. Grants are paid subject to the criteria set out by the funder. Further detail of grants awarded to institutions in the year can be found in note 9. In addition, NEA makes grants to individuals under hardship fund arrangements. These cases are referred to NEA by various care and voluntary organisations which work directly with vulnerable families and individuals.

Reserves Policy

The General Reserve, which represents an accumulation of surpluses from earned income, is available to enable the Charity to continue to fulfil its objectives, to meet existing commitments and to provide funds for tangible asset replacement and project development. The policy, agreed by the Board of Trustees in May 2024, is reviewed annually and aims to provide sufficient reserves to meet contractual commitments and a risk-assessed level of funds to ensure the charity remains a going-concern over the medium term. The Policy also aims to ensure that reserves are not excessive. The range agreed as appropriate for 2023/24 is £2.7 million to £3.2 million. The Trustees regularly monitor the risks facing the Charity allowing them to test the adequacy of the reserves policy in the light of the prevailing economic situation and the current funding climate. The General Reserve as at 31 March 2024 was £5,447,613 (2023/24: £4,611,230).

During 2022/23, the Board approved the creation of a designated reserve. The designated reserve of £1,277,700 as at 31 March 2023 related to donations received during 2022/23. During 2023/24, £116,282 of this fund has been expended and the remaining funds of £1,161,418 in this reserve as at 31 March 2024 will be used in future financial years to pay for hardship grants, interventions in relation to the Net Zero Transition agenda and two major Advocacy Campaigns.

Reserves currently exceed the proposed upper reserves level of £3.2m and are expected to increase throughout the medium term to 31 March 2027. The plan to reduce NEA reserves to within the preferred range has been approved by the Board in May 2024.

Going concern consideration

The Board and senior management have considered both the level of reserves and the ongoing impact of the cost of living and energy crises on the charity. Following a review of cash forecasts, planned operations and financial implications; a satisfactory percentage of income has been secured for the next 12 months and there is sufficient anticipated income to cover the costs of the charity well into 2024/25. Taking into account all potential limitations on the delivery of outcomes or the finalising of income streams, over the next 12 months, the charity is satisfied that it remains in a satisfactory financial position as a going concern and it will endeavour to maintain its reserves position.

Plans for the future and new opportunities

Our Three-Year Business Plan

The 2022/25 business plan identifies five core challenges and eight key transformation workstreams. The core challenges will inform our annual planning. They are:

1. The cost of living and the energy crises will continue to challenge NEA as an advocate and advice provider. We do not aim to be a large-scale advice provider so we need to be clear what we provide, how we provide it, what the limits and boundaries of that support are and what powerful insight we can generate.

2. Political considerations could threaten progress in some of our key advocacy areas or it could create opportunities for radical changes in the approach to fuel poverty and warm homes. We may need to surf political opportunity, not work within a stable policy regime.

3. Energy Efficiency in fuel poor homes is at the heart of our Strategy. However, action to deliver Warm Homes within the decarbonisation of heat agenda may remain at too small a scale to have a significant impact. Longer term solutions to fuel poverty need to be promoted alongside (or to compensate for inadequate) mitigation action.

4. The composition and regulatory framework for the retail energy market will be subject to significant change. Consolidation of suppliers, reduction of cost base and measures to stabilise the retail market present an opportunity to put in place deeper price protection for low-income households alongside likely changes to the price cap mechanism.

5. How NEA comes out the other end of the COVID restrictions could change the character of the charity as a place to work, our delivery models, our recruitment, accommodation strategies, systems, and procedures. The charity, our people, partners, and clients have a range of preferences and needs.

A number of transitional workstreams are outlined in our business plan to help NEA respond positively to a number of challenges. Delivery on the workstreams is staggered over the three year life of the business plan, but work on all of them is underway. Each workstream is summarised below:

1. Advice Service Strategy

NEA advises and supports thousands of households each year. We do not plan to grow into a large-scale advice provider, but we will continue to provide advice to help households, understand their issues, understand the strength and weaknesses of support programmes and give NEA authority as an advocate. This delivery also generates important income to fund the charity's campaigning activity. During 2023/24 we were a multi-channel advice provider.

Aim: To structure our advice services to deliver an effective, impactful experience for our clients, allow our teams to work efficiently and with adequate support and to provide the charity with the authority to speak on behalf of fuel poor and vulnerable households.

2. Integrating Policy and Practice

We are the leading policy and advocacy organisation for those in or at risk of fuel poverty and a significant service deliverer. We aim to make an ever clearer and stronger connection between the insight from our engagement with clients and the design and delivery of policy and programme interventions.

Aim: NEAs operational delivery embeds best practice as set out by our policy and advocacy work which is in turn informed by evidence-based insights. Our teams have a better understanding of the work we do in other areas of the organisation, the role they play in delivering our wider strategic agenda, and in turn, the impacts we make for fuel poor households.

3. Flexibility and Efficiency

Adapting to post Covid-19 has changed assumptions about how organisations work as a team and how they deliver against their priorities. To exploit positive opportunities for the charity and our people, we will:

Aim: To create employment conditions that offer flexibility to colleagues, attract and retain high calibre applicants and that enables the charity to deliver effectively and efficiently for the benefit of our beneficiaries.

4. Diverse and Sustainable Funding

For the continuing sustainability of NEA, we must and are keen to diversify our sources of funding to permit an increase in unrestricted resource for our advocacy functions and to reduce dependence on the restrictive nature of industry and defined funding. To do this requires a strong review of skills and competencies, ambitions and focus, brand projection.

Aim: We become more active in the energy space and across other areas of focus, prosecuting our case to become more impactful both in reach and in outcomes.

5. A Louder Voice

With numbers in fuel poverty likely to continue increasing, opportunities to drive more radical solutions are available but within a very crowded environment around energy prices, low carbon priorities, health priorities and others. We need to articulate the experience of households in fuel poverty ever more loudly. Our ambition with media, effectiveness in using case studies, clarity of voice and persistence of approach will all need to be up to the job.

Aim: We will grow our advocacy and campaigning capability and impact, to deliver the greatest positive impact for those living in fuel poverty.

6. A Bigger Movement

NEA is part of a bigger fuel poverty movement and the bigger that movement the more effective NEA will be as a campaigner, facilitator of action and delivery partner. The movement is broader than our membership, but that membership is vital to help others see how their priorities fit with fuel poverty alleviation and how small actions for more

organisations add weight and power to NEA's mission. We have made good steps but will use the energy crisis and the Net Zero imperative to grow the movement.

Aim: We will not achieve our vision alone, we will grow the network of organisations committed to our vision, to amplify our voice, and raise fuel poverty up the agenda.

7. Business Intelligence

Effective business intelligence relies on equally effective systems and processes. Changes to the design and delivery of projects, partners, funding types, reporting requirements and client information has evolved. As a result, there are too many moving parts to our procedures and we need to make sure that we rationalise, simplify and make fit for the foreseeable future.

Aim: To ensure information flow is accurate, with minimum opportunity for error, to allow reliable analysis, prediction, monitoring and feedback to all stakeholders. To be an agile partner and delivery agent.

8. Evaluating Progress

This business plan amounts to a significant transformation programme across NEA. We have identified areas which are essential for NEA to move forward effectively and with greater impact. We have also identified inevitable dependencies, contingencies and pinch points. Moreover our annual Delivery Plans during this business plan period will have more specific, functional targets to drive forward our strategic agenda. We will build a culture of open evaluation of success and setbacks to keep our strategy and business plan alive and relevant for staff, SMT and trustees.

Aim: We understand how effective we are in progressing our strategic aims during the strategic period, allowing us the opportunity to share successes, review and re-assess our delivery plan, and take corrective actions where required.

NEA will revisit our long-term strategic priorities in 2024/25. At the heart will be how NEA can draw upon the experience of recent years and the challenges in front of us to ensure that we deliver for our beneficiaries – a client at a time and by driving systemic change.

NEA has grown into a larger charity. In 2024/25 we will begin a business transformation programme to bring our capabilities, systems and processes into line with our size and complexity.

We will build out our community engagement work to support people in their local areas and to build capability in local organisations.

We will look to provide more support to our beneficiaries and clients in understanding and engaging with low carbon transition in their own homes whether that is heat technology, insulation, behaviour or market offers.

Prospects for 2024/25

Fuel poverty numbers will remain at extremely concerning levels. Financial support with energy bills will fall away. The new Government may reconsider support for fuel poor households.

Demand for our services will remain high, and although we added greater capacity in 2023/24, we will not be able to support everyone who approaches us, and certainly not support them adequately.

We expect to see our major development programmes such as Warm Homes Healthy Futures and Community Retrofit Hubs take shape and deliver strong outcomes for clients. We expect to consolidate those programmes and explore the scope for extension in coming years.

For 2024/25 we will have a strong focus on internal systems transformation and the development of a People Strategy to build on our growth in services and staff.

Our five-year strategic objectives have proven to be well framed, even though they were agreed before the pandemic and cost of living crisis. In 2024/25 NEA will set our sights on the next period for NEA and for our beneficiaries.

Status of these Financial Statements

These financial statements are prepared in accordance with United Kingdom Accounting Standards, comprising FRS 102 and in compliance with the Companies Act 2006, Charities Act 2011 and the Charities SORP 2019. They have

been audited in accordance with section 475 of the Companies Act 2006. Accordingly, these Financial Statements are the statutory accounts of National Energy Action for the year ended 31 March 2024.

Statement of Trustees' responsibilities

The Trustees (who are also directors of National Energy Action for the purposes of Company Law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company Law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under Company Law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that 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 judgments and estimates that are reasonable and prudent;
- State whether FRS 102 "The Financial Reporting Standard applicable UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors

PKF Littlejohn LLP were confirmed as Independent Auditors to NEA for 2023/24 at the Annual General Meeting in December 2023.

Statement of disclosure to auditors

a) So far as the Trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware; and
b) They have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

The Trustees Reports, including the Strategic report, are approved and authorised for issue by order of the Board of Trustees:



Tracey Archer
Company Secretary

Date: 25 July 2024

Independent auditor's report to the members of National Energy Action

Report on the audit of the financial statements

Opinion

We have audited the financial statements of National Energy Action (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities including the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the the 'FRC's' Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

- We obtained an understanding of the charitable company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the charitable company in this regard to be those arising from the Charities Act 2011, Companies Act 2006 and Financial Reporting Standard 102.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the charitable company with those laws and regulations. These procedures included, but were not limited to, enquiries of management and review of minutes of meetings of those charged with governance.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was the potential for management bias in revenue recognition. We addressed this by testing a sample of agreements between the charitable company and its funders to evaluate whether the income and the corresponding

cash receipt or receivable had been recognised appropriately, and to assess the classification of income as either restricted or unrestricted.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD
~~25th July~~ 4 September 2024

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted Funds 2023/24	Restricted Funds 2023/24	Total Funds 2023/24	Unrestricted Funds 2022/23	Restricted Funds 2022/23	Total Funds 2022/23
Income from:		£	£	£	£	£	£
Generated funds:							
Donations		554,940	600,000	1,154,940	1,764,612	600,000	2,364,612
Investment income	4	66,704	48,822	115,526	5,222	35,914	41,136
Charitable activities:							
Increase Strategic Action Against Fuel Poverty		11,782	2,513,436	2,525,218	13,581	855,724	869,305
Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households		-	7,934,557	7,934,557	-	7,430,287	7,430,287
Enhance Energy Efficiency and Fuel Poverty Education and Skills		-	1,508,829	1,508,829	-	1,397,890	1,397,890
Miscellaneous Income		54,087	-	54,087	60,452	-	60,452
Total Income		687,513	12,605,644	13,293,157	1,843,867	10,319,815	12,163,682
Expenditure on:							
Raising funds:							
Costs of generating donations	7	17,709	-	17,709	14,139	-	14,139
Charitable activities:							
Increase Strategic Action Against Fuel Poverty	6, 8, 9	760,669	2,102,274	2,862,943	299,606	643,696	943,302
Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	6, 8, 9	293,189	8,611,570	8,904,759	-	7,511,391	7,511,391
Enhance Energy Efficiency and Fuel Poverty Education and Skills	6, 8 ,9	35,302	1,094,496	1,129,798	-	1,162,617	1,162,617
Total Expenditure		1,106,869	11,808,340	12,915,209	313,745	9,317,704	9,631,449
Recognised (loss)/gain on Investment assets	19	312	-	312	(7)	-	(7)
Net Income/(Expenditure) Before Transfers and Taxation		(419,044)	797,304	378,260	1,530,115	1,002,111	2,532,226
Transfers between funds	19,20	1,255,428	(1,255,428)	-	556,277	(556,277)	-
Taxation		-	-	-	-	-	-
Net Movement in Funds		836,384	(458,124)	378,260	2,086,392	445,834	2,532,226
Fund balances brought forward at 1 April		4,611,230	460,241	5,071,471	2,524,838	14,407	2,539,245
Fund balances carried forward at 31 March	19, 20 21, 22	5,447,614	2,117	5,449,731	4,611,230	460,241	5,071,471

The statement of financial activities has been prepared on the basis that all income and expenditure derive from continuing activities.

There are no recognised gains and losses other than those passing through the statement of financial activities. There is no material difference between the net resources stated above and their historical cost equivalents.

BALANCE SHEET AS AT 31 MARCH 2024

	Note	2024	2023
		£	£
Fixed Assets			
Tangible assets	14	44,296	45,383
Total Fixed Assets		44,296	45,383
Current Assets			
Debtors	15	1,618,580	1,995,762
Investments	16	2,461	2,149
Cash at bank and in hand		9,299,131	7,655,084
Total Current Assets		10,920,172	9,652,995
Creditors: Amounts falling due within one year	17	(5,514,737)	(4,626,906)
Net Current Assets		5,405,435	5,026,088
Net Assets - Total Assets less Current Liabilities		5,449,731	5,071,471
The Funds of the Charity			
Unrestricted income funds	19	5,447,614	4,611,230
Restricted income funds	20	2,117	460,241
Total Charity Funds		5,449,731	5,071,471

The financial statements on pages 22 to 40 were approved by the Board of Trustees on 25 July 2024 and signed on its behalf by:



Claire Durkin
Chair

Company Number: 01853927

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

	2023/24 Total Funds £	2022/23 Total Funds £
Cash flows from operating activities		
Net cash used in operating activities	**1,547,449**	**2,271,498**
Cash flows from investing activities		
Dividends and interest from investments	**115,526**	41,136
Purchase of fixed assets	**(18,616)**	(9,001)
Net cash used in investing activities	**96,910**	**32,135**
Change in cash and cash equivalents in the reporting period	**1,644,359**	**2,303,633**
Cash and cash equivalents at the beginning of the reporting period	7,657,233	5,353,600
Cash and cash equivalents at the end of the reporting period	**9,301,592**	**7,657,233**

RECONCILIATION OF CASH AND CASH EQUIVALENTS TO BALANCE SHEET

	2023/24 Total Funds £	2022/23 Total Funds £
Cash and cash equivalents comprise: -		
Investments	2,461	2,149
Cash at bank and in hand	9,299,131	7,655,084
	9,301,592	**7,657,233**

RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023/24 Total Funds £	2022/23 Total Funds £
Net surplus/(deficit) for the reporting period (as per the Statement of Financial Activities)	378,260	2,532,226
Adjustments for:		
Depreciation charges	19,703	23,598
Dividends and interest from investments	(115,526)	(41,136)
(Increase)/decrease in debtors	377,182	260,910
Increase in creditors	887,830	(504,100)
Net cash used in operating activities	**1,547,449**	**2,271,498**

1. Charitable status

NEA is registered as a Charity under the Charities Act 2011 and is a company limited by guarantee, incorporated in England. The address of its registered office is 6th Floor, West One, Forth Banks, Newcastle upon Tyne, NE1 3PA. The charity constitutes a public benefit entity as defined by FRS 102.

2. Constitution and liability of members

NEA is a company limited by guarantee and has no share capital. Clause 3 of the Articles of Association provides that every member, as defined by clause 3(b) of the Articles of Association, is liable to contribute a sum not exceeding £1 in the event of the Charity being wound up while a member, or within one year of ceasing to be a member. At the year-end there were 374 full members and 231 associate members (2023/24: 349 and 182 respectively).

3. Statement of Compliance and Accounting Policies

Statement of Compliance

These financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the inclusion of investments at market value, in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2019) preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 and the Charities Act 2011 and the Companies Act 2006.

In accordance with the SORP 2019, restricted and unrestricted income and expenditure are separately identified in the financial statements. The net change in the two types of funds is added to the balances brought forward from the previous year, so that the balance of restricted and unrestricted funds at the end of the year is identified on the balance sheet.

The company's functional and presentation currency is the pound sterling.

The trustees assess whether the use of going concern is appropriate i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. The Board and senior management have considered both the level of reserves and the current ongoing cost of living and energy crises on the charity. Following a review of cash forecasts, planned operations and financial implications; a satisfactory percentage of income has been secured for the next 12 months and there is sufficient anticipated income to cover the costs of the charity well into 2024/25. Taking into account all potential limitations on the delivery of outcomes or the finalising of income streams, over the next 12 months, the trustees are satisfied that the charity remains in a satisfactory financial position as a going concern and have concluded that it has adequate resources to continue in operational existence for the foreseeable future and thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Critical Accounting Estimates & Judgements

Income recognition is a critical judgement in establishing NEA's annual income and expenditure and year-end financial position. Accounting Policies 3.1.d and 3.1.e and the procedures that support them are consistently applied in determining the extent to which income is recognised and deferred in NEA's financial statements.

At the time of liquidation WZ owed NEA £1,739,001. The recoverable amount which was included within NEA's debtors as at 31 March 2023 was assessed as £365,115. As at 31 March 2024 the balance included within NEA's debtors is £0 as during 2023/24 the charity received the final dividend sum of £394,936 from the liquidators of WZ and this recoverable amount is £29,821 higher than the amount that was expected to be recoverable as at 31 March 2023. Provision has been included in NEA's accounts in previous financial years for the WZ net unrecoverable balance of £1,112,961 but as a consequence of the higher recovery rate, the total bad debt provision for the WZ unrecoverable debt has reduced by £29,821 from £1,112,961 as at 31 March 2023 to £1,083,140 as at 31 March 2024. This reduction has been processed through the charity's Statement of Financial Activities in the current financial year.

3. Statement of Compliance and Accounting Policies (continued)

During 2020/21, work was carried out on behalf of Green Network Energy (GNE) in relation to the Warm Homes Discount scheme but in January 2021 GNE entered administration. At the time of the administration GNE owed NEA £413,867. Provision has been included in NEA's accounts in previous financial years for the GNE net unrecoverable balance of £372,480. The recoverable amount which was included within NEA's debtors as at 31 March 2023 was assessed as £41,387. During 2023/24, based on an update from the liquidators of GNE, no further bad debt provision has been processed through the charity's 2023/24 Statement of Financial Activities for the unrecoverable element of the GNE debtor as the anticipated recovery rate has not changed. The total bad debt provision which has been processed through the charity's Statement of Financial Activities for the GNE net unrecoverable balance is £372,480. The remaining recoverable balance of £41,387 is included within NEA's trade debtor figure at 31 March 2024 which is disclosed in note 15 and it is expected that the outstanding sum will be received in full.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed below.

Accounting Policies

The following principal accounting policies have been consistently applied:

3.1 Income

Income receivable by NEA is included in the financial statements at its gross value. All costs associated with generating, earning or collecting income are shown separately as expenditure. Where income included VAT, the VAT element was due to HMRC, not NEA. That VAT is, therefore, excluded from NEA's financial statements.

a. **Income from donations** is recognised in the year in which it is received. When donations have been promised but not received, they are not recognised.

b. **Investment income** - dividends arising on listed investments and interest arising on bank deposits, are recognised on a receivable basis.

c. **Miscellaneous income** – relates to reimbursement of long-term ill-health costs via insurance arrangements, recharge of the costs of a seconded employee and third-party reimbursement of employees travel and subsistence costs.

d. **Income from charitable activities** is principally derived from carrying out work that helps regulated private sector organisations meet statutory obligations to alleviate fuel poverty which contributes to NEA's aims and objectives. Income is recognised to the extent that:
   - Conditions relating to entitlement to the income have been met;
   - The monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably; and
   - It has been received or its receipt is probable.

   Assessments are made regularly during the year to identify:
   - Income that should rightly be included in the financial statements; and
   - Any receipts, entitlement to which is dependent on successful delivery of agreed outputs or other conditions that have not yet been met.

   This continuous process, supplemented by additional assessment after the year end, informs the extent to which income is recognised in the financial statements.

   Charitable activities income also includes:
   - Grants from Government departments, devolved administrations and other public bodies;
   - Sponsorships;

3. Statement of Compliance and Accounting Policies (continued)

- Subscriptions of members and Business Supporters Group (BSG); and
- Sales of training courses, examinations, materials and publications, event fees and consultancy.

e. **Deferred income** - Income from Charitable Activities, both restricted and unrestricted, to which entitlement does not exist until earned in future accounting years is treated as deferred income (See notes 17 and 18).

3.2 Expenditure

Expenditure is included in the statement of financial activities on an accruals basis, inclusive of any VAT that cannot be recovered.

a. **Expenditure on raising funds**
Costs incurred in raising funds are separately accounted for. These include the costs of raising donations and managing investments. NEA does not undertake any trading for the specific purpose of raising funds. The Charity's principle trading activity is training, which is a charitable activity, under NEA's charitable objectives.

b. **Expenditure on charitable activities**
Expenditure on charitable activities relates to work that contributes to NEA's charitable objectives. It includes the costs of delivering the services and products that are required by funders, listed above under the policy relating to income from charitable activities. Also included are costs of any core activities that contribute to charitable objectives but are not funded by specific income sources.

Charitable expenditure includes all expenditure relating to NEA's charitable objectives, including the direct cost of supporting charitable activities and projects, depreciation and profits/losses on disposal of fixed assets used wholly or mainly for charitable activities and, where applicable, the writing off of assets as part of project expenditure. In attributing costs to expenditure headings, expenditure involving more than one heading has been apportioned based on staff time.

Governance costs include work to comply with statutory and constitutional requirements, audit, legal advice for Trustees and an element of apportioned support costs. These costs form part of expenditure on charitable activities.

c. **Support costs**
Support costs include all costs that cannot be analysed directly to expenditure on charitable activities or expenditure on raising funds. They are apportioned to activities on the basis of the staff time directly recorded against those activities.

d. **Operating leases**
Rentals payable under operating leases are accounted for on a straight-line basis over the term of the lease.

e. **Pensions**
NEA operates a defined contribution scheme for its salaried employees. Pension costs are charged as expenditure in the year to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

f. **Grants payable**
Grants paid to beneficiaries under any hardship fund arrangement are referred to NEA by various care and voluntary organisations which work directly with vulnerable families and individuals. Other grants are paid subject to the criteria of the funder. Grants are funded via sponsors of individual programmes (see note 9).

g. **Transfers between funds**
Transfers between funds primarily reflect transfers of resources from unrestricted funds to meet the additional costs of restricted fund activities not covered by restricted income, surpluses on restricted fund activities that funders allow NEA to retain and transfers to or from designated funds for specific, otherwise unrestricted, purposes.

3. Statement of Compliance and Accounting Policies (continued)

3.3 Identifying costs with activities

A large proportion of NEA's expenditure relates to employee costs. Time recording and project accounting systems are used to identify those costs with each activity.

Support costs, which are not directly identifiable with specific activities, are apportioned in proportion to time directly recorded against each activity. They include finance, human resource management, ICT, administration, premises and general office supplies and equipment.

Other costs relating directly to individual projects are identified with each activity, using the project accounting system.

3.4 Fixed assets

Tangible fixed assets are stated at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided to write off, by annual instalments, the cost of tangible fixed assets over their estimated economic lives as follows:

Leasehold properties	- Straight-line over the primary period of the lease
Furniture, fittings and equipment	- Straight-line generally over 5 years

If purchased before 1 October a full year's depreciation is charged in the year of purchase. If purchased after 30 September no depreciation is charged in the year of purchase. Tangible fixed assets costing less than £1,000 are not capitalised. Finance costs are not capitalised. Impairment reviews of tangible fixed assets are carried out on a regular basis. Impairment losses, when they arise, are treated as additional depreciation in the year that they are identified.

Intangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Website development costs are recognised as an intangible asset when all of the following criteria are demonstrated:-

- The technical feasibility of designing the website so that it will be available for use;
- The intention to complete the website and use it;
- The ability to use the website;
- How the website will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use the website; and
- The ability to measure reliably the expenditure attributable to the website design during its development.

Depreciation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives: -

- Website development costs 3 years.

If there is an indication that there has been a significant change in depreciation rate or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Intangible assets costing more than £1,000 are capitalised if their expected economic life is greater than one year. Depreciation is provided to write off, by equal annual instalments, the cost over their estimated economic lives, normally not more than 3 years. If purchased before 1 October a full year's depreciation is charged in the year of purchase. If purchased after 30 September no depreciation is charged in the year of purchase.

3. Statement of Compliance and Accounting Policies (continued)

3.5 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

3.6 Debtors

Income due from debtors at 31 March is prudently assessed in accordance with the policy relating to income from charitable activities, described above.

Provision is made in the financial statements for any specific debts which are expected to be irrecoverable. Provision is also made for debts whose recovery is assessed as being doubtful. Doubtful debts are assessed with regard to their age, the debtor, the reason for the debt, the size of the debt and viability, including any likely cost, of taking further recovery action.

The great majority of NEA's income is from public sector and large private sector organisations that are regarded as being at a lower of risk of failing financially. A prudent approach is also taken to the inclusion of income in the financial statements.

3.7 Investments

Investments are made only in basic financial instruments. Investments in listed shares are revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities. Reserves and short-term surplus funds are placed in cash deposits with major UK banks.

3.8 Liabilities

Liabilities include trade and other creditors, taxes and social security costs, including obligations to make future payments. They are recognised in the financial statements as resources expended as soon as legal and/or constructive obligations arise.

3.9 Holiday Entitlement

Provision is made for the cost of untaken holiday entitlement as at 31 March each year. A provision of £64,464 is made in 2023/24 (2023/24: £50,511) financial statements, in addition to a provision of £5,739 (2023/24: £14,000) for permanent health insurance (PHI) costs relating to accrued holiday entitlement.

3.10 Short term deposits and cash

Reserves, which are maintained to help ensure that NEA can continue to deliver its charitable objectives, and receipts that are held in the short-term before being used to meet expenditure, are deposited with COIF Charities Deposit Account. The principal aims are to ensure that such funds are secure and are available at the time they are needed. Short-term deposits also achieve a rate of return that contributes to NEA's charitable activities. A managed level of cash is held available for immediate use and very short-term cash-flow. Short-term deposits that mature in less than three months are shown as cash-equivalents in the cash flow statement.

3. Statement of Compliance and Accounting Policies (continued)

3.11 Fund Accounting

Funds held by the Charity are either:

- Restricted – which can only be used for specific purposes within the objects of the Charity. Restrictions arise when specified by the funder or when funds are raised for particular specified purposes; or
- Unrestricted – which can be used for any of the charitable objects at the discretion of the Trustees.

Within the unrestricted funds, amounts may be set aside by the Trustees to be used for particular purposes. The aims and use of designated funds are set out in notes to the financial statements.

Transfers between funds are made:

- Between unrestricted and restricted funds to meet expenditure on restricted activities that is not fully funded, and surpluses made on restricted funds projects, which funders allow NEA to retain; and
- To and from designated funds, usage of which is at Trustees' discretion, designated funds remain unrestricted.

3.12 Post Balance Sheet events

Any events that have occurred after the end of the financial year that have, or are likely to have, a material effect on the value of assets or liabilities must be noted and explained in the financial statements. Although the financial statements are prepared on a historic basis for the year up to 31 March, it is important that the users of the financial statements are also made aware of any subsequent events that may materially affect the Charity.

4. Investment Income

	2023/24	2022/23
	£	£
Bank Interest	115,526	41,136
Total	**115,526**	**41,136**

5. Grants Received

NEA receives grants from a range of funders. The grants are usually for specific projects with requirements to deliver specified outputs, making them performance related. Funders also generally require grants to be expended solely on projects with geographic or charitable aim limitations, making them restricted funds under charity accounting rules. As projects have discrete start and end dates, there is not necessarily continuity of funding from individual sources across financial years.

Income from Charitable Activities includes grants from the following sources: –

	2023/24 Total All Restricted	2022/23 Total All Restricted
	£	£
Companies in the energy sector - other	6,727,585	5,019,228
UK central, devolved and local government and the EU	222,706	176,896
Trusts and foundations	161,855	715,106
Housing Associations	17,898	47,518
Other non-profit organisations	722,983	241,318
Companies in the property sector	12,749	18,936
Companies in the water sector	2,000	-
	7,867,776	**6,219,002**
Other restricted income	4,737,868	4,100,813
Total restricted income	**12,605,644**	**10,319,815**

6. Analysis of charitable expenditure

2023/24 Aim	Direct Staff Costs £	Grant Funded £	Direct Costs £	Support Costs £	Total 2023/24 £
1 Increase Strategic Action Against Fuel Poverty	1,291,596	697,360	351,118	522,868	2,862,942
2 Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	2,744,641	3,909,440	1,098,224	1,152,454	8,904,759
3 Enhance Energy Efficiency and Fuel Poverty Education and Skills	634,188	-	234,789	260,822	1,129,799
	4,670,425	**4,606,800**	**1,684,131**	**1,936,144**	**12,897,500**

2022/23 Aim	Direct Staff Costs £	Grant Funded £	Direct Costs £	Support Costs £	Total 2022/23 £
1 Increase Strategic Action Against Fuel Poverty	531,325	9,049	135,329	267,600	943,303
2 Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	2,206,130	3,332,000	1,058,490	914,771	7,511,391
3 Enhance Energy Efficiency and Fuel Poverty Education and Skills	578,815	11,989	243,761	328,051	1,162,616
	3,316,270	**3,353,038**	**1,437,580**	**1,510,422**	**9,617,310**

Other direct costs include irrecoverable VAT input tax amounting to £289,605 (2022/23: £320,251). 2023/24 Aim 2 direct costs include a £29,821 release of the bad debt provision for the Aim 2 WZ debt. 2022/23 Aim 2 and 3 direct costs include in total a £27,751 provision, £12,129 and £15,622 respectively, for the GNE irrecoverable debt which has been offset by a £52,220 release of the bad debt provision for the Aim 2 WZ debt.

Both provisions are detailed in note 15.

7. Cost of Raising Funds

	Staff Costs £	Support Costs £	Direct Costs £	Total £
2023/24	66,789	20,309	17,709	**104,807**
2022/23	6,118	2,253	14,139	**22,510**

8. Allocation of support

The Charity allocates support costs as shown in the table below then further apportions those costs between the charitable activities undertaken. Support costs are allocated on the basis of staff time.

Note 8 - Allocation of Support Costs (continued)

2023/24	Charitable Activities					
	Aim 1	Aim 2	Aim 3	Charitable Activities Total	Cost of Raising Funds	2023/24 Total
	£	£	£	£	£	£
Support staff	228,305	503,208	113,884	845,397	8,866	854,263
Staff training	7,734	17,046	3,858	28,638	300	28,938
Travel & Subsistence	27,361	60,306	13,648	101,315	1,063	102,378
Accommodation and insurances	92,331	203,508	46,058	341,897	3,586	345,483
IT support	43,322	95,485	21,610	160,417	1,683	162,100
Communication costs	21,871	48,206	10,910	80,987	850	81,837
Other general costs	35,364	77,946	17,641	130,951	1,374	132,325
Legal and professional costs	41,683	91,874	20,793	154,350	1,619	155,969
Capital grants/depreciation adjustment	5,266	11,606	2,627	19,499	205	19,704
General Capital Expenditure	19,631	43,269	9,793	72,693	763	73,456
	522,868	**1,152,454**	**260,822**	**1,936,144**	**20,309**	**1,956,453**

2022/23	Aim 1	Aim 2	Aim 3	Charitable Activities Total	Cost of Raising Funds	2022/23 Total
	£	£	£	£	£	£
Support staff	123,875	423,457	151,858	699,190	1,043	**700,233**
Staff training	5,122	17,509	6,279	28,910	43	**28,953**
Travel & Subsistence	10,396	35,537	12,744	58,677	88	**58,765**
Accommodation and insurances	51,409	175,737	63,022	290,168	433	**290,601**
IT support	19,916	68,082	24,415	112,413	168	**112,581**
Communication costs	12,628	43,169	15,481	71,278	106	**71,384**
Other general costs	16,320	55,788	20,006	92,114	137	**92,251**
Legal and professional costs	17,603	60,175	21,580	99,358	148	**99,506**
Capital grants/depreciation adjustment	4,174	14,270	5,118	23,562	35	**23,597**
General Capital Expenditure	6,157	21,047	7,548	34,752	52	**34,804**
	267,600	**914,771**	**328,051**	**1,510,422**	**2,253**	**1,512,675**

9. Grants Payable

Total grants paid to orgainsations and to individuals were: -	2023/24 £	2022/23 £
Grants paid to organisations	4,606,801	3,345,538
Grants paid to individuals	-	7,500
	4,606,801	**3,353,038**

9. Grants Payable (continued)

During the year, grants were paid out under the following programmes and schemes:

	2023/24 £
Warm Homes Discount	
3,018 grants were awarded to individuals to fund fuel payments with an average award of £134.24. This was administered via NEA's WASH energy advice service.	405,147
137 grants were awarded to individuals to fund new central heating systems.	416,707
10 grants were awarded to individuals to fund fuel payments. The recipients of the grants were eligible for their energy suppliers' WHD payment but they did not receive it during 2023/24.	9,120
Smart Energy GB	
GB in Communities programme, aiming to engage customers in vulnerable circumstances (people living in fuel poverty; people lacking basic digital skills; and people who are carers) to ensure they could benefit from the smart meter rollout. Through the programme, NEA awarded grant funding to 38 organisations across GB to fund a variety of smart meter focussed direct and indirect activities to take place, including advice, events and bespoke resources.	697,360
Cadent Reactive Repair	
Preferred Management Solutions Limited were funded to provide measures in 239 homes of vulnerable, low income householders in the Cadent network area. The essential work carried out included servicing of "at risk" gas appliances as well as both repairing and replacing condemned gas appliances.	473,082
Community Action Projects	
The SSE Crisis, the PHA - Belfast Crisis & Belfast City Council Hardship funds aided the identification of five community groups working across seven localities where the prevalence of excess winter mortality has been consistently higher over the past decade. This enabled communities to improve their scope and reach by extending opening hours, providing warm spaces whilst raising awareness of fuel poverty and directing solutions which included direct financial support, cookery lessons and exercise sessions for all age groups. The funds facilitated the dissemination of 3,000 winter warmth packs across 36 key organisations who deal directly with those in need of support.	109,503
The Great Places Crisis fund awarded 128 grants to individuals to fund fuel payments.	8,701
The Melin Homes Prepayment Meter Crisis fund awarded 36 grants to individuals to fund fuel payments.	2,885
The NEA Winter Support Funds which were funded from public donations has awarded 1,879 grants to individuals to fund fuel payments and awarded grants to individuals to fund measures such as energy efficient household items (e.g. slow cookers, microwaves, washing machines) and warmth items such as bedding & thermal sleepwear.	520,532
The Cadent Special Grant Cases fund delivered extensive improvements to the gas central heating and cooking facilities of a very vulnerable client living in fuel poverty.	5,356
The Hyde Housing Energy Hardship fund awarded 66 grants to individuals to fund fuel payments.	17,898
The WWU fund awarded grants to 113 low income households to fund the repair or replacement of gas central heating systems, associated pipework and gas cookers.	146,918
The SSEN Hardship fund awarded 58 grants to individuals to fund fuel payments.	11,231
National Grid's Warm Home Prescription scheme began during 2023/24 to provide financial support to clients across England and Wales whom are on a low income or benefits and whom are reliant upon the use of medical equipment in their home. The scheme awarded 12 grants to fund fuel payments to contribute towards the cost of electrical medical equipment and heating costs, to keep the clients warm and well.	12,000
Middlesborough. The aim of the scheme was to help individuals heat their homes to safe temperatures throughout the winter of 2023/24. The scheme was developed for people with chronic health conditions that are made worse by living in cold homes, to reduce harmful health complications and relieve pressure on the NHS.	48,513
The Gas Distribution Network Collaboration fund provided emergency energy top-up vouchers for vulnerable customers on pre-payment meters.	2,808
Fishwick/Preston	
Seddon Construction Limited were funded to repair 23 homes that had failed External Wall Insulation and which was installed in 2013 by a failed scheme.	1,718,554
Other - Miscellaneous grant awards	486
Total grants paid 2023/24:	**4,606,801**
2022/23:	3,353,038

9. Grants Payable (continued)

During the year, grants were paid out under the following programmes and schemes:

	2022/23 £
Warm Homes Discount	
365 grants were awarded to individuals to fund fuel payments with an average award of £134.85. This was administered via NEA's WASH energy advice service.	49,222
129 grants were awarded to individuals to fund new central heating systems	364,512
57 grants were awarded to individuals to fund fuel payments. The recipients of the grants were eligible for their energy suppliers' WHD payment but they did not receive it during 2022/23.	7,599
Smart Energy GB	
39 organisation were awarded funds to deliver smart meter focused advice, events and activities. Engaging customers in vulnerable circumstances (people aged over 65; people on a low income; and people who are carers) to ensure they could benefit from the smart meter rollout.	235,641
Cadent Reactive Repair	
Preferred Management Solutions Limited were funded to provide measures in 789 homes of vulnerable, low income householders in the Cadent network area. Essential work carried out included servicing of 'at risk' gas appliances and repairing and replacing condemned gas appliances.	492,493
Student Bursaries - Malcom Wicks Memorial Funds	
2 grants of £3,000 and 1 of £4,500 were paid as bursaries to 2 students from low-income families to undertake work experience with the charity or one of NEA's partners. £9,000, relating to the Malcom Wicks Memorial Fund Post-Graduate Researcher Scholarship was awarded to 1 student via funding from Affordable Warmth Solutions (AWS) and Cardiff University.	16,500
Community Action Projects	
The SSE Crisis and PHA - Belfast Crisis funds awarded 234 grants to help individuals in Northern Ireland to keep their homes warm, via energy advice and practical support to stay warm and well, and where appropriate, the provision of heating measures/ discretionary financial assistance to alleviate the negative impacts on personal health and wellbeing arising from living in cold and damp	9,235
The Great Places Crisis fund awarded 291 grants to individuals to fund fuel payments.	32,924
The SSE/EDF Assistance fund awarded 4 grants to low income individuals for measures which included fridge freezers and a HIVE thermostat.	890
The Coventry Hardship Fund awarded 43 grants to fund fuel payments.	5,800
The Melin Homes Prepayment Meter Crisis fund awarded 122 grants to individuals to fund fuel payments.	8,242
The NEA Winter Support Fund which was funded from public donations has awarded 22 grants to individuals to fund fuel payments and awarded 85 grants to individuals to fund measures such as energy efficient household items (e.g. slow cookers, microwaves) and warmth items such as bedding and thermal sleepwear.	156,670
The Energy Saving Trust Warm Welcome fund awarded grants to individuals to fund fuel payments, the purchase of energy efficient cooking appliances and warmth items such as bedding and thermal sleepwear.	979
The Hyde Housing Energy Hardship fund awarded 19 grants to individuals to fund fuel payments.	4,500
The WWU fund awarded grants to 137 low income households to fund the repair or replacement of gas central heating systems, associated pipework and gas cookers.	125,600
The SSEN Hardship fund awarded 230 grants to individuals to fund fuel payments.	24,770
The EST Winter Hardship Fund awarded 1,293 grants to low income households who use pre-payment meters to fund fuel payments.	200,791
Energy Systems Catapult's Warm Home Prescription scheme awarded funds to 292 individuals in the Tees Valley and 22 individuals in the London area. The aim of the scheme was to help individuals heat their homes to safe temperatures throughout the winter of 2022/23. The scheme was developed for people with chronic health conditions that are made worse by living in cold homes, to reduce harmful health complications and relieve pressure on the NHS.	191,228
The Gas Distribution Network collaboration fund awarded grants to 134 indidividuals to fund fuel payments	18,212
Fishwick/Preston	
Seddon Construction Limited were funded to repair 22 homes that had failed External Wall Insulation and which was installed in 2013 by a failed scheme.	1,406,500
Other - Miscellaneous grant awards	732
Total grants paid 2022/23:	**3,353,038**
2021/22:	2,891,932

10. Board of Trustees and other key management personnel

In accordance with the Charity's Articles of Association, the members of the Board of Trustees received no remuneration during the year. Travel and subsistence costs were paid for 8 trustees in 2023/24 (2022/23: 10), amounting to £8,071 (2022/23: £4,988).

11. Employees

Staff costs:	2023/24 £	2022/23 £
Wages and salaries	4,472,236	3,231,724
Social Security Costs	435,611	327,600
Other pension costs	501,033	366,690
Other payments	41,393	13,812
	5,450,273	**3,939,826**

The average number of employees during the year was: -	2023/24 Number	2022/23 Number
Chief Executive & Deputy	2	2
Northern Ireland	5	5
Support Services	15	12
Operations - Communities	31	24
Operations - Development & Partnerships	41	20
Policy and Advocacy	12	11
Communications and External Relations	12	10
Special Projects	3	4
Income Maximisation	9	7
Total	**130**	**95**

Staff receiving emoluments (including taxable benefits in kind but excluding employer's pension and insurance contributions) exceeding £60,000 were as follows:

	2023/24 Number	2022/23 Number
£60,000 - £69,999	0	1
£70,000 - £79,999	3	2
£80,000 - £89,999	2	1
£90,000 - £99,999	0	0
£100,000 - £109,999	1	1

Total pension contributions for staff members receiving emoluments of more than £60,000 during the year amounted to £56,465 (2022/23: £46,173).

In 2023/24 employee benefits, including employers pension contribution, totalling £616,012 were paid to 6 key management personnel (2022/23: £576,037 to 7 key management personnel).

12. Pension costs

The Charity operates a non-contributory, defined contribution, Group Personal Pension Scheme for its employees, administered by Aegon Scottish Equitable. Employer contributions during the year were £501,033 (2022/23: £366,690). At 31 March 2024, outstanding contributions to be paid over to the Scheme Administrator were £921 (31 March 2023: £2,967).

13. Net expenditure before transfers

Net expenditure before transfers is arrived at after charging:	2023/24 £	2022/23 £
Amounts payable to the auditor for:		
- Audit Fee	22,750	21,700
Other professional and legal fees	195,881	113,220
Depreciation	19,703	23,598
Operating Leases – Land and buildings	210,970	177,196

14. Tangible Assets

	Leasehold properties - short	Furniture, fixtures & equipment	Total
	£	£	£
Cost			
1 April 2023	117,711	390,699	508,410
Additions	-	18,616	18,616
31 March 2024	**117,711**	**409,315**	**527,026**
Depreciation			
1 April 2023	81,329	381,698	463,027
Charge for the year	17,903	1,800	19,703
31 March 2024	**99,232**	**383,498**	**482,730**
Net book value at 31 March 2024	**18,479**	**25,817**	**44,296**
Net book value at 31 March 2023	36,382	9,001	45,383

15. Debtors

	2024	2023
	£	£
Trade debtors	1,238,804	1,208,677
Other debtors	5,382	5,201
Prepayments and accrued income	374,394	781,884
Total Debtors	**1,618,580**	**1,995,762**

At 31 March 2024 NEA's wholly-owned subsidiary Warm Zones CIC (WZ) which entered liquidation in November 2018 is shown in the trade debtors figure as owing £0 (31 March 2023 £365,115). During 2023/24 the charity received the final dividend sum of £394,936 from the liquidators of WZ. The recoverable amount of £394,936 is £29,821 higher than the amount that was expected to be recoverable as at 31 March 2023 and this higher recovery rate has reduced the total bad debt provision for the WZ unrecoverable debt by £29,821 from £1,112,961 as at 31 March 2023 to £1,083,140 as at 31 March 2024. This reduction has been processed through the charity's Statement of Financial Activities in the current financial year.

Also at 31 March 2024 the trade debtors figure includes the recoverable element of the Green Network Energy (GNE) debt of £41,387 (31 March 2023 £41,387). During 2020/21, work was carried out on behalf of GNE in relation to the Warm Homes Discount scheme but in January 2021 GNE entered administration owing the charity £413,867. GNE is now in liquidation and the liquidators' latest update which was received in March 2024 indicated that the likely recovery rate has not changed since 31 March 2023. The total bad debt provision which has been processed through the charity's Statement of Financial Activities for the GNE net unrecoverable balance is £372,480.

16. Investments

	2024	2023
	£	£
Listed investments at market value	2,461	2,149
Historical cost of listed investments	(131)	(131)
Revaluation Reserve	**2,330**	**2,018**

Investments have been revalued at the 31 March 2024 closing price quoted on the London Stock Exchange

The charity also has two wholly owned subsidiaries, Neighbourhood Energy Action Ltd and NEA Ltd, both of which are dormant. The charity's investment in each of its subsidiary undertaking comprises share capital of £2 (2 ordinary shares of £1 each). The charity's investment in its two subsidiaries is not included on the balance sheet as it is immaterial.

17. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	982,001	737,396
Taxation and social security costs	182,480	74,500
Other creditors	2,817	315,692
Holiday pay provision	70,203	64,511
Accruals	256,724	140,031
Deferred income (see note 18)	4,020,512	3,294,776
Total Creditors	**5,514,737**	**4,626,906**

18. Deferred Income

Income is recognised when legal entitlement is secured by meeting conditions agreed with funders regarding delivery of projects and other conditions have been met. Income received prior to entitlement is deferred until the income has been earned.

	2024	2023
	£	£
Balance at 1 April	3,294,776	1,941,763
Amount released to income during year	(811,738)	(559,331)
Amount deferred in the year	1,537,474	1,912,344
Balance at 31 March	**4,020,512**	**3,294,776**

19. Unrestricted Income Funds

2024	Balance at 1 April 2023	Income	Expenditure	Transfers Between Funds	Net Investment Gain	Balance at 31 March 2024
	£	£	£	£	£	£
General Reserve	3,331,512	687,513	(990,587)	1,255,428	-	**4,283,866**
Unrealised Gain on Investments	2,018	-	-	-	312	**2,330**
Designated Reserve	1,277,700	-	(116,282)	-	-	**1,161,418**
	4,611,230	**687,513**	**(1,106,869)**	**1,255,428**	**312**	**5,447,614**

During 2022/23 the Board approved the creation of a designated reserve of £1,277,700 from donations received. During 2023/24, £116,282 of this reserve has been expended and the remaining balance of £1,164,418 will be used in future financial years to pay for hardship grants, interventions in relation to the Net Zero Transition agenda and two major Advocacy Campaigns.

2023	Balance at 1 April 2022	Income	Expenditure	Transfers Between Funds	Net Investment Losses	Balance at 31 March 2023
	£	£	£	£	£	£
General Reserve	2,522,813	1,843,867	(313,745)	(721,423)	-	**3,331,512**
Unrealised Gain on Investments	2,025	-	-	-	(7)	**2,018**
Designated Reserve	-	-	-	1,277,700	-	**1,277,700**
	2,524,838	**1,843,867**	**(313,745)**	**556,277**	**(7)**	**4,611,230**

20. Restricted Income Funds

2024	Balance at 1 April 2023	Income	Expenditure	Transfers Between Funds	Balance at 31 March 2024
	£	£	£	£	£
Increase Strategic Action Against Fuel Poverty	4,126	2,513,436	(2,102,274)	(415,288)	-
Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	456,115	8,583,379	(8,611,570)	(425,807)	2,117
Enhance Energy Efficiency and Fuel Poverty Education and Skills	-	1,508,829	(1,094,496)	(414,333)	-
	460,241	**12,605,644**	**(11,808,340)**	**(1,255,428)**	**2,117**

2023	Balance at 1 April 2022	Income	Expenditure	Transfers Between Funds	Balance at 31 March 2023
	£	£	£	£	£
Increase Strategic Action Against Fuel Poverty	6,492	855,724	(643,696)	(214,394)	**4,126**
Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	7,915	8,966,201	(7,511,391)	(106,610)	**456,115**
Enhance Energy Efficiency and Fuel Poverty Education and Skills	-	1,397,890	(1,162,617)	(235,273)	-
	14,407	**10,319,815**	**(9,317,704)**	**(556,277)**	**460,241**

Income and expenditure have been allocated to specific aims, within each of the Charity's main areas of activity, designed to enable the Charity to achieve the objectives contained in its Strategic Plan 2023/29.

Transfers between funds primarily reflect transfers from unrestricted funds to meet the additional cost of restricted fund activities not covered by restricted income and transfers to unrestricted funds of surpluses on restricted fund activities, which funders allow NEA to retain and transfer to the general fund. In 2023/24, £1,255,428 (2022/23: £556,277) was transferred from the restricted funds to the unrestricted funds as the Charity made a surplus on its restricted activities. During 2022/23 the Board approved the designation of a restricted reserve and this reserve related to a £600,000 donation which was received from Shell during 2022/23 to carry out additional advice activities. During 2023/24, the balance on the reserve of £454,000 was expended on these activities so as at 31 March 2024 there remains no unspent funds (2023: £454,000).

There were no investment gains or losses on restricted funds in the year ended 31 March 2024.

There were no investment gains or losses on restricted funds in the year ended 31 March 2024 (2023/24: £Nil).

Restricted Funds held at 31 March are: -	2024	2023
	£	£
Shell Donation Fund	-	454,000
Coventry Hardship Fund & Keeping Coventry Warm Fund	2,117	2,117
Northern Ireland Donation Fund	-	4,126
	2,117	**460,241**

21. Analysis of Net Assets between Funds

	2024			2023		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Fixed Assets	44,296		44,296	45,383		45,383
Net Current Assets	5,403,318	2,117	5,405,435	4,539,875	460,242	5,000,117
Net Assets at the end of the year	**5,447,614**	**2,117**	**5,449,731**	**4,585,258**	**460,242**	**5,045,500**

22. Purposes of Funds

NEA has an annual programme of activities to help meet its strategic aims and these are funded through different sources of income. All of the Charity's activities are aligned to its strategic aims and objectives which are designed to make a positive impact on the alleviation of fuel poverty.

Coventry Hardship Fund and the Keeping Coventry Warm Fund are grant-making funds, the balances of which are Restricted Funds. The balances on these funds at 31 March are shown in note 20 above.

Donations are made on the understanding that they contribute to the overall work of NEA within its charitable aims and are generally treated as Unrestricted Funds. In August 2019 a donation of £75,000 was received from SSE, which is restricted to be used in Northern Ireland. As at 31 March 2024 the balance on this reserve is £0 as the remaining funds of £4,126 were expended during 2023/24.

Key information about activities and public benefit is given in the Strategic Report of the Trustees for the year ended 31 March 2024, on pages 3 to 17 of this document.

23. Financial Commitments – Operating Lease Commitments

The total future minimum lease payments under non-cancellable operating leases.

	2024		2023	
	Land & Buildings	Other	Land & Buildings	Other
	£	£	£	£
Payable within one year	52,198	2,203	210,287	19,961
Payable between one and five years	221,804	66,266	217,181	33,485
Payable after five years	-	-	-	-
	274,002	**68,469**	**427,468**	**53,446**

The total value of lease payments recognised as an expense in 2023/24 was £210,970 (2023/24: £177,196).

24. Related Party Disclosures

FRS 102 requires NEA to include in its financial statements the disclosures necessary to draw attention to the possibility that its financial position and profit or loss have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

During 2022/23, the charity was awarded a funding contract by Leicester City Council and the income earned from this contract as at 31 March 2024 is £330,860 (31 March 2023 £95,866). Robert Howard who is a Trustee of the charity is also an employee of Leicester City Council and it is noted that the appropriate protocols have been followed as per the Charity Commission's guidance. Robert Howard was excluded from any discussions or decisions regarding the funding award by Leicester City Council.

The charity's Chief Executive is a Trustee of Energy Action Scotland (EAS) and during 2023/24 the charity sold services to EAS which totalled £23,149 (2022/23 £29,424) and EAS sold services to the charity which totalled £325 as at 31 March 2024 (31 March 2023 £2,100). It is noted that the appropriate protocols have been followed as per the Charity Commission's guidance.

NEA does not have any other related party transactions with Trustees or their connected persons, other than the expenses disclosed in note 10.

25. Capital Commitments

At 31 March 2024 capital commitments were £Nil (31 March 2023: £Nil).

NATIONAL ENERGY ACTION

England & Wales - Charity number 290511

Accounts

Company No: 01853927

Charity Reg No: 290511

National Energy Action

Operating as NEA

(A Charitable Company Limited by Guarantee)

Report of the Board of Trustees

and

Financial Statements

- for the year ended -

31 March 2023

NATIONAL ENERGY ACTION
(Operating as NEA)

Report of the Board of Trustees and Financial Statements

for the Year ended 31 March 2023

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Reference and administrative details

Company No:	01853927
Charity Reg. No:	290511
Business Address:	6th Floor, West One, Forth Banks, Newcastle upon Tyne, NE1 3PA
Independent Auditors:	PKF Littlejohn LLP, 15 Westferry Circus, London, E14 4HD
Principal Bankers:	HSBC Bank plc, 110 Grey Street, Newcastle upon Tyne NE1 6JG
Solicitors:	Womble Bond Dickinson, St Ann's Wharf, 112 Quayside, Newcastle upon Tyne NE1 3DX
President:	Baroness McIntosh of Pickering
Vice Presidents:	Lord Best David Green OBE Baroness Hilton of Eggardon Derek Lickorish MBE David Porter OBE Lord Shipley of Gosforth Lord Whitty
Chief Executive:	Adam Scorer
Company Secretary:	Tracey Archer

Directors and Trustees: The Directors of the charitable company (the Charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and up to the date of signing the financial statements were as follows:

Chair:	Claire Durkin
Trustees:	Syed Ahmed David Blakemore (from 14 March 2022 to 10 January 2023) Judith Damerell Ian Deboys (from 21 July 2022) Claire Durkin Jacqueline Gardner David Hall Robert Howard Noel Rice (to 21 July 2022) Frazer Scott Professor Philip Taylor Helen Walker Maria Wardrobe OBE

Structure, Governance and Management

Governing Document

National Energy Action (NEA), a registered Charity, is a company limited by guarantee and not having a share capital and is governed in accordance with the provisions contained in its Articles of Association. The Articles of the charity were refreshed during 2022/23.

Clause 3 of the Articles of Association provides that every member, as defined by paragraph 3(b) of the Articles of Association, is liable to contribute a sum not exceeding £1 in the event of the Charity being wound up while a member, or within one year of ceasing to be a member. As at 31 March 2023 there were 349 full members and 182 associate members (2022: 221 and 115, respectively).

Operating Name

The Charity operates under the name of NEA.

Operational Management

The Charity Senior Management Team comprises:

Chief Executive	Adam Scorer
Group Programme Director and Deputy Chief Executive	Audra Peacock
Director of Operations Community Engagement and Demonstration	Peter Sumby
Director of Policy and Research UK	Peter Smith
Director of Operations Skills, Standards and Delivery	Danni Crosland
Director of Homes (from 1st January 2023)	Colin Timmins
Head of Major Projects	Lorraine Donaldson

Appointment of Trustees

Trustees are appointed in accordance with the Articles of Association and are approved each year at the Annual General Meeting (AGM) of the Charity. One new Trustee was appointed during the year and one stood down having served two three-year terms. One Trustee resigned from the Board during the year.

Trustees are recruited via a number of methods including advertising with specialist agencies and websites, using recruitment services provided by the National Council for Voluntary Organisations and the Association of Chief Executives of Voluntary Organisations and via direct approaches through known contacts and from recommendations which could be through business contacts or personal contacts of trustees, staff, vice-presidents group members and other wide-ranging networks. Our vacancies are also advertised on NEA's website, Charity Job and through NEA's pages on LinkedIn and other social media platforms.

The NEA Board of Trustees comprises individuals who can bring a particular set of skills and expertise to the Board. As part of the process to identify which skills the Board and charity needs, a Trustee skills survey is carried out on a three-yearly basis. The results of the survey are analysed and discussed by the Board in the light of both the external and internal environment and the strategic direction of the charity. When there is an identified need to appoint new Trustees, a discussion of the survey results and any existing or anticipated skills gaps on the Board help to ensure that any new appointment to the Board not only complements the knowledge, understanding and diversity of the existing Trustees; but ensures an appropriate range of knowledge, skills and expertise exists to support the charity's work.

Trustee Induction and Training

Trustees meet with the Charity's Chair and Chief Executive to discuss the role and responsibilities of the Charity's Trustees, and induction sessions for new Trustees take place with members of the Senior Management Team and Company Secretary. Trustees are provided with a support pack comprising a comprehensive collection of information about the Charity and updates to the pack are notified to all Trustees as changes occur. A secure Trustee webpage exists to hold additional resources for NEA Trustees.

As part of on-going training and development, Trustees are provided with opportunities to attend events throughout the year and to attend the Charity's Annual Conference and AGM, where major issues concerning the environment in which the charity works are discussed with representatives from providers of energy efficiency services to low-income households, the fuel utilities, health professionals, voluntary organisations, consumer groups, regulatory bodies and national and local government. The annual conference took place in Birmingham in January 2023 and the AGM took place online in December 2022. The 2023 Conference will take place in Leicester in November/December 2023 and the AGM will continue to be held online in order to attract the maximum number of participants.

Trustees are also provided with specific training opportunities, as they arise, in areas such as Charity governance and financial matters. Three trustees attended charity governance refresher training. Trustees will continue to complete regular refresher courses in charity governance, finance and safeguarding during the coming year.

NEA continues to strive towards ensuring it employs best practice in its trustees and governance structures as well as in its operations. Work is ongoing to produce a scheme of delegation as well as review all of its governance procedures to ensure they provide a clear framework for both trustees and the senior management team to operate in; and that they remain fit for purpose into the future. Work on the action plan to ensure NEA complies with the Charity Code continues with an emphasis on embedding equality, diversity and inclusion across all areas of NEA's work as outlined in the Charity Code

A People and Cultures Committee is in place. The Committee sets the pay and remuneration of the Charity's key management personnel and any benchmarks, parameters or criteria used in setting their pay. It also reviews the NEA terms and conditions of employment and provides guidance and support for staff welfare and organisational cultural matters. The Committee met three times in 2022/23. The Committee was involved in the transition to hybrid working contracts which the organisation is embedding into its terms and conditions in order to make NEA an exemplary employer and assist staff to achieve a good work/life balance A hybrid working policy has been developed to set out expectations to ensure that both the charity and staff can ensure its beneficiaries continue to receive the best support possible regardless of where staff are based. The charity is also developing a menopause policy to reflect the differing needs of its staff members.

Trustees are prohibited by NEA's governing document of receiving payment for their role in governance other than out of pocket expenses. Conflicts of interest are declared at the start of each meeting. There are therefore no declarations to be made regarding any remuneration paid to any serving Trustee.

Organisation

NEA is administered by a Board of Trustees which meets a minimum of four times each year. The Board has a number of sub-committees including a Committee for Audit, Risk and Finance which meets four times a year and a People and Culture Committee which meets three times a year. A Chief Executive is appointed by the Trustees to lead on the management of day-to-day operations.

Risk management

The Trustees have a risk management strategy that comprises:

- A quarterly review of the key risks at each Board meeting together with a status change record;
- Monthly management review of the operational and strategic risks the Charity may face, and the implications of those risks. Considering the controls in place, necessary planned responses are documented.
- Appropriate controls including systems and procedures to avoid, mitigate, transfer or insure those risks identified in the plan; and
- Procedures designed to minimise any potential impact on the Charity should those risks materialise.

The NEA (National Energy Action) Committee for Audit, Risk and Finance (CARF) ensures that formal processes for risk management are in place and effectively working across the organisation. The Committee met four times in 2022/23.

In a review of risks the Trustees have recognised the key risks facing the Charity are driven by economic and political changes, including:

1. High wholesale gas and oil prices - impacting on customers, particularly fuel poor and those at risk of fuel poverty.
2. Fall in real incomes – increasing in breadth and depth of fuel poverty.

The cost-of-living increases and the increase in the energy price cap impacted fuel poverty levels, which rose from 4.3m before Winter 2021 to 6.5m in April 2022. This resulted in increased demand for NEA services. Whilst the likelihood of the risk was anticipated, and the charity was able to make some preparations, it was further compounded by the cost-of-living crisis which worsened through the 2022/23 winter months.

The Charity strengthened its public facing staff resources, increasing the number of staff working with vulnerable households and enhancing winter support packages; offering practical and financial aid. Standardisation of advice across an expanding team was reinforced by a dedicated client QA role. A web chat facility was introduced to complement the telephone advice line and colleagues were appropriately equipped with additional training in professional boundaries and safeguarding.

3. The UK Government's commitment to Fuel Poverty given the competing priorities for public funds

The high wholesale gas and oil prices and the fall in real incomes was further impacted by political changes during the period. Presenting competing priorities at government level, this increased the risk of insufficient action on fuel poverty and inadequate governmental support to households.

By further enhancing its advocacy capability and impact, NEA used its influential position to ensure a strong awareness of the causes and consequences of fuel poverty, influencing political expediency in offering financial support for fuel poor households.

During 2022/23 the Board were pleased to note the implementation of the Fundraising Strategy to help the charity take advantage of a range of opportunities. NEA has invested in a CRM system to help manage is supporters and donors, and a new post of Fundraising Manager will shortly join the Team to help take forward the rest of the action plan. Work on extrapolating and disseminating the lessons learned from our operational and advocacy activities to provide front-line evidence on what works and what doesn't at a grass roots level for those who are vulnerable and living in a cold, damp home, has now been cemented into NEA's day-to-day activities and continue to provide lessons for future policies and schemes for other practitioners in the field. NEA will be increasing its policy and advocacy resource by providing dedicated resource in Wales and Northern Ireland whilst continuing to work closely with our sister organisation Energy Action Scotland to ensure the lessons learned from a whole UK approach can be compared, contrasted and disseminated.

Public Benefit report

Chair's Report

We are three years into our Five-Year Strategy. The UK continues to struggle with extraordinary circumstances that we could not have foreseen when we crafted that strategy, yet the strategy has proved to be robust, and is every bit as relevant today as it was three years ago. It has helped trustees to maintain focus on our longer-term objectives as we continue to support NEA's urgent interventions demanded of us in the cost-of-living crisis.

Over the period of this annual report, National Energy Action has consolidated services to clients in need and strengthened both our financial sustainability and governance oversight.

We have succeeded in diversifying and deepening our income streams. This enables us to meet the growth in demand from clients as well as in our leadership role in challenging fuel poverty. It has also brought us a wider group of partners and supporters, which is a strength that helps both our policy and advocacy as well as our programmes and delivery.

The NEA Committee on Audit, Risk and Finance made great strides reviewing and upgrading our financial and oversight processes. Charity trustees have even greater levels of assurance that as NEA grows in size, it does so with strong financial governance capability and assurance.

Delivering complex projects such as Warm and Safe Homes in Fishwick has continued to benefit from the close scrutiny and strong support of our partnership Oversight Group, ensuring that the interests of households and communities are at the heart of what we do, while we deliver an efficient and exemplary project that will carry many lessons for similar communities and projects elsewhere.

All organisations have to navigate a post Covid world of hybrid working patterns, including remote working, with the challenges of isolated staff and changed management responsibilities. Our People and Culture Committee has supported the management team to recruit, onboard, support and develop a growing team dispersed across England, Wales and Northern Ireland.

Challenges continue. Our ambition is if anything stronger than ever to meet those challenges, and to help create a fairer future for all with affordable warm homes in a lower carbon world. I am delighted to present an exceptional report of activities and I pay tribute to my fellow trustees and all the staff at NEA for their hard work and commitment over the year.

Strategic Review

National Energy Action's mission is that 'everyone should be able to afford to keep their homes warm and safe'. The activities undertaken by the charity to carry out its charitable purposes are for the public benefit and the charity has complied with its duty to have due regard to the Charity Commission's public benefit guidance when exercising any powers or duties. Our advocacy and influence, our advice and support services, our awareness-raising and partnership development all work toward this mission. We deliver our mission through direct support to households in fuel poverty, influencing decision making to make a lasting difference for fuel poor homes and by building partnerships that increase the scale and effectiveness of action for warm homes.

2022/23 was another year of balancing the urgent need to support households affected by the cost-of-living crisis and progressing those steps necessary to eradicate stubborn fuel poverty across the UK.

By the end of the financial year, typical domestic energy costs were 2.5 times pre-crisis levels. The number of households in fuel poverty across the UK had reached 7.5 million.

The scale of crisis presented an unsurprising set of daunting challenges and opportunities for NEA across England, Wales and Northern Ireland.

As the need of householders, the demand on NEA services and the breadth of the policy agenda reached unprecedented levels, so did the public awareness of fuel poverty, opportunities to forge effective partnerships and greater funding opportunities to tackle fuel poverty become heightened.

In 2022/23 NEA looked to meet our challenges and take advantage of our opportunities to minimise harm for those fuel poor households struggling with the cost-of-living crisis.

Objectives, strategies and activities

Key objectives for the year and principal activities undertaken

NEA grew in response to those challenges and opportunities. We generated greater levels of income, in particular from generous donations from members of the public. Our staff numbers also grew across our directorates reflecting growing demand and partnership development.

We continued to develop our multi-channel advice services to expand our reach and support to fuel poor households. While much of this was delivered over our telephone helpline and online routes, we have refocused on in-person community presence both for advice and training, getting back to the traditional strengths of the charity.

NEA created a new Directorate (Homes) to bring together our programmes of work around energy efficiency, heating systems and innovation. This provided not only strong project management from programmes such as our work in Fishwick but builds a centre of expertise and authority for NEA in one of our priority areas.

Over the year NEA engaged across a broad advocacy programme. We worked with partners to improve the support and treatment of households on prepayment meters. We pushed for broad and deep financial support for fuel poor households struggling to pay energy bills as well as enduring solutions like Social Tariffs. We consistently made the case for strategic fuel poverty responses from UK, Welsh and Northern Ireland government.

NEA has been a more regular presence across national and sector media throughput the crisis, bringing our expertise and the voice of people in fuel poverty to public debates. We celebrated our first in-person annual conference since the pandemic and reinstituted our fuel poverty forums and other events.

The growth in demand for our services has seen a pressure on NEA staff, not only on frontline advisors, but across the whole organisation. The growth that we have seen stretched our processes and corporate services. While we have taken action to support staff working in pressurised circumstances and to address the challenge to process and system, it is an area that will need ongoing attention.

The growth in staff numbers and the legacy of the pandemic has meant that NEA is both a more geographically representative organisation, especially in English regions, and a more dispersed workforce creating challenges for NEA to maintain the cohesive and supportive character of the charity.

Notwithstanding the scale of the challenge, NEA ends the year in a better place to support clients, work with partners and push policy makers to focus on the urgent and longer-term solutions to fuel poverty.

Our Five-Year Strategy – Every Home Should Be a Warm and Safe Place

NEA has a five-year strategy that will enable the Charity to drive toward its mission that everyone should be able to afford to keep their home warm and safe. The strategy has a strong focus on our beneficiaries, the alignment of fuel poverty with the net zero agenda and a transformation of our core enabling systems and processes.
The Strategy identified three key priorities for NEA:

- **Tackling the Worst First** and bringing targeted investment to those whose conditions are gravest, whose need is greatest and who have the least ability to act themselves.
- **Support Guaranteed** so good levels of support are available and based on need, not by a series of lotteries; and
- **A Decade of Delivery** not only in energy and net zero policy, but in welfare provision, public health, housing standards and community advice and support.

Our 5-year strategy is designed so that all NEA activities across advocacy, householder support and partnership development contribute to one, two or all of our strategic priorities. It requires NEA to work over successive years to build a broader and stronger movement to eradicate fuel poverty across the UK.

During 2022/23 NEA has delivered on its three key priorities as detailed below :

Advocacy

Working with others we have had success with both urgent and longstanding advocacy goals and these include:

- Achieved financial support for households through the Energy Price Guarantee, limiting the typical energy bill to £2,500 and Energy Bills Support Scheme, a £400 energy bill rebate for all households.
- Secured a temporary ban on the forced installation of prepayment meters, accompanied by a strengthening of the rules governing such installations, ensuring that households with health conditions that make them vulnerable to the cold will never have a prepayment meter forced upon them.
- Prompted the UK Government to commit to introducing new consumer protections in the energy market, including the potential for a social tariff, from April 2024.
- Won a commitment from the UK Government to eliminate the premium faced by prepayment customers indefinitely from July 2023.

Research

To represent **the lived experience of fuel poverty** and practice-based experiences of frontline professionals and stakeholders, the research team has:

- Surveyed almost **4,000** households.
- Interviewed approx. **80** households.
- Engaged with over **200** stakeholders.
- Delivered **20** focus groups (households and stakeholders)
- Published **9** high quality reports,
- Spoke at **10** conferences.

Wales

There are record numbers of households in Wales in fuel poverty, and the hardship of those already in it have deepened significantly. As well as delivering direct support and engaging with politicians, policy makers, charity and industry bodies across Wales, have:

- Secured a significant package of expanded crisis support in Wales to help households with their energy costs.
- Worked with the Welsh Government on the implementation of its *Tackling Fuel Poverty Plan* and influencing the development of the next iteration of its Warm Homes Programme to improve the energy efficiency of fuel poor homes in Wales.

Northern Ireland

Northern Ireland has been particularly exposed to the cost-of-living crisis. With high numbers of households on prepayment meters, 68% reliant on domestic home heating oil, fewer protections for vulnerable consumers than in the GB market and the absence of a formal fuel poverty strategy it has been a very busy period for NEA in Northern Ireland. Our training and direct community support like Warm and Well has never been more important. NEA has:

- Coordinated an ‘Emergency Winter Vulnerability Response’ Group in Northern Ireland to agree common principles and identify collective actions that could be put in place ahead of the winter, to ensure that there was at least some level of support for vulnerable consumers.
- Pushed the Northern Ireland Department of Communities to initiate the process to produce a new updated fuel poverty strategy.

Communications

NEA has sought to enhance our communications outcomes across events, traditional and social media as part of out bigger voice workstream.

- NEA appeared in the media 22,595 times (up from 9,907 in total in 2021-22). This was made up of:
    - 17,748 Broadcast appearances and mentions.
    - 4,847 print/online mentions, quotes and op eds.
- NEA also added 4,500 followers across social media platforms in the same period.

Events

This year we held not one but two conferences. With just three working days' notice, our plans for a physical conference had to be repurposed as an online event and featured 35 speakers and 510 attendees. In January 2023 we were finally able to hold an in person conference for the first time since 2019, with 38 speakers and 319 participants.

Membership

In 2022/23 we aimed to increase both our Standard Membership and our Business Supporters Group. The former grew from 336 to 531 over the year, around 49%. The latter from 31 to 38. That growth expands our connections with community organisations and the insight from market participants and frontline organisations.

Advice

NEA's increased capacity and capability as a multi-channel advice provider saw our frontline advice teams :

- take 16,000 calls, 3,066 online referrals and 465 online webchat conversations.
- support 7,978 clients with one-to-one energy advice and support.
- support 3,173 people through events.

Our direct support to households included:

- 543,245 prepayment top-ups issued.
- 1,873 clients supported with benefits entitlements checks and 1,088 claims made.
- £3.1m in confirmed gains and an average of £3,234 per year, per client.

Training

The training team continued to develop new products to respond to identified gaps in existing skills and education provision. This included the launch of a new decarbonisation and low carbon product set. The team also passed 2 audits over the year, from NCFE and BSI.

NEA trained almost 5,000 learners with attendees indicating that they expect to pass on advice to 13 householders per week, helping over 3 million households in total. The proportion of course attendees who indicated a good or excellent knowledge of the subject prior to attending a course was 21%, that grew to 95% after the course. 99% of course attendees said they are likely to recommend the course to others.

Energy Efficiency measures

In 2022/23 NEA delivered over £1m worth of energy efficiency installations or repairs in 551 homes. We completed a first phase of work on homes in Fishwick, Preston bringing 22 homes out of desperate conditions of severe damp and mould. We have installed new solid wall insulation correctly, with a 25-year insurance-backed guarantee. In the year we also conducted surveys for phase 2 of the project that will look to rectify problems in around 26 more properties.

Innovation and Technical Evaluation

During the year the team concluded 5 projects and produced comprehensive reports on those projects. The team supported the development of NEA's new Decarbonisation and Renewables training suite and published a guide to making Heat Pumps work for fuel poor households.

Live projects that will continue into 2023/24 include:

- A new project to evaluate the effectiveness of some electric heating technologies alongside newly installed solar PV, which include heat pumps, infrared and more traditional storage heating.
- Fairwater – We are a partner in Ofwat's £36m Water Breakthrough Challenge delivering a project to reduce household water (particularly hot water) consumption through improved water efficiency at a task-based level.
- Evaluation of two separate Smart Solar (retrofitted battery storage) projects for partner organisations in Barnsley and Cannock Chase areas.
- A project with Northern PowerGrid to install and evaluate the impact of fitting battery storage as a backup power supply in homes where residents rely heavily on electricity for medical equipment.

Supporting members

By the end of March 2023 NEA had 531 ordinary members of which 349 were full members who carry voting rights within the charity's constitution. 381 were Supporting Members (free membership) and 148 Enhanced Members (fee-paying). NEA also has 38 members of its Business Supporters Group (BSG). NEA held 4 online BSG member meetings in 2022/23 sharing insight and helping to shape NEA policy developments and campaigns.

Key performance indicators
KPIs for 2022/23 were set to ensure the financial position of the Charity remains strong, that internal systems are robust and that the Charity continues to deliver the three strategic aims.

In 2022/23:

Financial Management
NEA had budgeted for a surplus of £184,995 but has produced a surplus on activities of £2,532,226. The main reason for the increased surplus is unbudgeted donations.

In accordance with the Reserves Policy, during 2022/23 the Board approved the designation of two new reserves, a restricted and a designated reserve. The restricted reserve relates to a £600,000 donation which was received from Shell during 2022/23 to carry out additional advice activities. During 2022/23, £146,000 was expended on these activities so the balance on the restricted reserve as at 31 March 2023 is £454,000. The designated reserve of £1,277,700 relates to donations received during 2022/23 and the funds in this reserve will be used in future financial years to pay for hardship grants, interventions in relation to the Net Zero Transition agenda and two major Advocacy Campaigns.

Delivery
95% of the work programme was successfully delivered on time with 5% of the programme carried forward into 2023/24 due to agreed changes to delivery schedules. (2021/22: 94% of the work programme delivered with 6% of work programme carried forward).

Management
During 2022/23, NEA has adapted to increased capacity to accommodate demand for services during the energy and cost-of-living crises. The transformation of core processes continues to ensure that NEA remains flexible, robust, and impactful. This transformation agenda has also enabled NEA to effectively adapt to a post-pandemic work environment.

Warm Zones CIC

Warm Zones CIC (WZ) was a wholly owned subsidiary of NEA. During 2018/19 Warm Zones Directors placed the company into administration and by the end of the 2018/19 Warm Zones had been placed into liquidation.

At the time of liquidation WZ owed NEA £1,739,001. The recoverable amount which was included within NEA's debtors as at 31 March 2021 was assessed as £573,820. An interim sum of £260,904 was received from the liquidators during 2020/21. No further payments have been received but the liquidators informed NEA in June 2023 that the anticipated recovery rate for the WZ debt has improved and the recoverable balance as a result has increased by £52,220 from £312,916 as at 31 March 2022 to £365,136 as at 31 March 2023. This figure is included within NEA's trade debtor figure at 31 March 2023 and it is expected that the outstanding sum will be received in full. Provision has been included in NEA's accounts in previous financial years for the WZ net unrecoverable balance of £1,165,181 but as a consequence of the anticipated higher recovery rate, the total bad debt provision for the WZ unrecoverable debt has reduced by £52,220 from £1,165,181 as at 31 March 2022 to £1,112,961 as at 31 March 2023. This reduction has been processed through the charity's Statement of Financial Activities in the current financial year.

It is still the charity's intention to seek recourse for the unrecoverable element of the WZ debt with WZ's former insurers. A claim would be made against WZ's professional indemnity insurance cover and legal advice will be sought in this regard but at this stage it is uncertain whether a claim would be successful.

NEA's balance sheet as at 1 April 2022 included an Ofgem creditor balance of £2.054million which related to the gross value owed by WZ to Ofgem. It was clear from discussions held during 2022/23 that Ofgem expected the amount owed to them to be used to fund expenditure on the Preston/Fishwick programme. During 2022/23, £1.741m of the £2.054m creditor balance has been utilised and the Ofgem creditor balance as at 31 March 2023 is £0.313m.

At the time of signing, discussions and processes to bring these outstanding matters to conclusion are ongoing. The significant level of provision which has been made has reduced NEA reserves, but the Board is confident that NEA's reserves and financial arrangements are adequate to ensure that the charity remains a going concern.

Green Network Energy

During 2020/21, work was carried out on behalf of Green Network Energy (GNE) in relation to the Warm Homes Discount scheme but in January 2021 GNE entered administration. At the time of the administration GNE owed NEA £413,867. Provision has been included in NEA's accounts in previous financial years for the GNE net unrecoverable balance of £344,729.. The recoverable amount which was included within NEA's debtors as at 31 March 2022 was assessed as £69,138. During 2022/23, based on an update from the administrators of GNE, a further bad debt provision of £27,751 has been processed through the charity's 2022/23 Statement of Financial Activities for the unrecoverable element of the GNE debtor. The total bad debt provision which has been processed through the charity's Statement of Financial Activities for the GNE net unrecoverable balance is £372,480. The remaining recoverable balance of £41,387 is included within NEA's trade debtor figure at 31 March 2023 which is disclosed in note 15 and it is expected that the outstanding sum will be received in full.

Financial Review

Statement of Financial Activities (SOFA) - 2022/23

The Statement of Financial Activities (SOFA) shows a net income on unrestricted activities of £1,530,115 (2021/22: £304,275). The transfers into the Charity's General Reserve are detailed below and the balance on it has increased by £808,699 from £2,522,813 at 31 March 2022 to £3,331,512 (2021/22 £956,597 increase). The reason for the positive movement is the transfer of £556,277 from the Restricted Reserve to the General Reserve as a result of a surplus being earned on the 2022/23 restricted activities of the Charity. Also during 2022/23, there was a significant increase in donations received by the charity and the decision was made by the Board to establish a designated reserve of £1,277,700. The funds held in this reserve will be expended in future financial years furthering the charitable aims of the charity and will include hardship grants, interventions in relation to the Net Zero Transition agenda and two major Advocacy Campaigns.

SOFA Net Income – Unrestricted Funds	1,530,115
Transfer from General Reserves to designated Reserve	(1,277,700)
Transfer from restricted Funds	556,277
Unrealised Loss on Listed Investments	7
Increase in General Reserve	808,699

Principal Income Sources and Fundraising

NEA's income is derived principally from delivery of services for a wide range of organisations. The Statement of Financial Activities shows that total income increased by £3,746,484 from a total of £8,417,198 in 2021/22 to £12,163,682 in 2022/23, a 45% increase. The increase is principally a result of growth in donations, consultancy, sponsorship and grant income during 2022/23.

During 2022/23, £2,364,612 of income was received from donations which is £2,049,049 more than the £315,563 which was received in 2021/22. The donations received during the year have been from both organisations and individuals. In previous years only a small amount of donations were received from individuals as fundraising activity with the public by NEA or anyone acting on its behalf was limited. During 2022/23, predominantly due to both the energy and cost of living crises as well as the after effects of the COVID-19 pandemic, NEA's public profile has been raised significantly which has resulted in a corresponding increase in donations from both organisations and individuals. It is the charity's intention to use this income to further its charitable aims and objectives and to this end, the Board approved the designation of two reserves. The first reserve established is a designated reserve of £1,277,700 and the funds in this reserve will be used in future financial years to pay for hardship grants, interventions in relation to the Net Zero Transition agenda and two major Advocacy Campaigns. The second reserve is a restricted one and it relates to the £600,000 which was received from Shell of which £146,000 was expended during 2022/23. The funds in this reserve will be expended carrying out additional advice activities during future financial years.

Consultancy and Sponsorship income have increased in total by £1,181,412 from a total of £1,992,065 in 2021/22 to £3,173,477 in 2022/23. The main reason for this growth can be attributable to new funding streams being awarded to the charity by a variety of funders which include Cadent, Northern Powergrid, SGN, Energy Systems Catapult, Leicester City Council & Orbit Housing Association Limited.

Grant income has increased by £356,055 from £5,862,947 in 2021/22 to £6,219,002 in 2022/23. This increase is due to new sources of funding being awarded to the charity by a variety of funders which include the Energy Savings Trust and the National Grid. Also during 2022/23, the Cadent Gas Limited and the Charities Trust reactive response programme came to an end and the grant income attributed to this programme was £234,234, whilst the income in 2021/22 attributed to this programme was £1,747,266, a decrease of £1,513,032. This decrease in grant income was offset by the significant growth in income attributable to the Fishwick - Preston project. During 2022/23, the Fishwick -

Preston project started delivering on its project aims and the contractors, Seddon Construction Limited, carried out repairs to 22 homes which had faulty external wall insulation which had caused a number of issues for the householders. This project generated income of £2,005,506 which represents an increase of income of £1,626,177 when compared to 2021/22.

Investment powers and policy

Under the Articles of Association, the Charity has the power to invest in any way the Trustees deem appropriate. The Trustees, having regard to the liquidity requirements of operating the Charity, its Reserves Policy and risks inherent in different vehicles for investment, continue to operate a policy of keeping available funds in interest deposit accounts with its bankers HSBC and Santander and with the CCLA Deposit Fund, prioritising security and liquidity ahead of yield.

Grant Making Policy

NEA makes grants to institutions to further each of the three charitable aims. Grants are funded by NEA's funders and the volume and value of grants made are agreed with the funders. Grants are paid subject to the criteria set out by the funder. Further detail of grants awarded to institutions in the year can be found in note 9. In addition, NEA makes grants to individuals under hardship fund arrangements. These cases are referred to NEA by various care and voluntary organisations which work directly with vulnerable families and individuals.

Reserves Policy

The General Reserve, which represents an accumulation of surpluses from earned income, is available to enable the Charity to continue to fulfil its objectives, to meet existing commitments and to provide funds for tangible asset replacement and project development. The policy, agreed by the Board of Trustees in May 2021, is reviewed annually and aims to provide sufficient reserves to meet contractual commitments and a risk-assessed level of funds to ensure the charity remains a going-concern over the medium term. The Policy also aims to ensure that reserves are not excessive. The range agreed as appropriate for 2022/23 is £2.9 million to £3.4 million. The Trustees regularly monitor the risks facing the Charity allowing them to test the adequacy of the reserves policy in the light of the prevailing economic situation and the current funding climate. The General Reserve as at 31 March 2023 was £4,611,230 (2021/22: £2,522,813).

During 2022/23, the Board approved the creation of a new designated reserve. The designated reserve of £1,277,700 relates to donations received during 2022/23 and the funds in this reserve will be used in future financial years to pay for hardship grants, interventions in relation to the Net Zero Transition agenda and two major Advocacy Campaigns.

Reserves currently exceed the proposed upper reserves level of £3.2m and are expected to increase throughout the medium term to 31 March 2026. The plan to reduce NEA reserves to within the preferred range has been approved by the Board in May 2023.

Going concern consideration

The Board and senior management have considered both the level of reserves and the ongoing impact of the current cost of living and energy crises on the charity. Following a review of cash forecasts, planned operations and financial implications; a satisfactory percentage of income has been secured for the next 12 months and there is sufficient anticipated income to cover the costs of the charity well into 2023/24. Taking into account all potential limitations on the delivery of outcomes or the finalising of income streams, over the next 12 months, the charity is satisfied that it remains in a satisfactory financial position as a going concern and it will endeavour to improve its reserves position.

Plans for the future and new opportunities

Our Three-Year Business Plan

The 2022/25 business plan identifies five core challenges and eight key transformation workstreams. The core challenges will inform our annual planning. They are:

1. The cost of living and the energy crises will continue to challenge NEA as an advocate and advice provider. We do not aim to be a large-scale advice provider so we need to be clear what we provide, how we provide it, what the limits and boundaries of that support are and what powerful insight we can generate.

2. Political considerations could threaten progress in some of our key advocacy areas or it could create opportunities for radical changes in the approach to fuel poverty and warm homes. We may need to surf political opportunity, not work within a stable policy regime.

3. Energy Efficiency in fuel poor homes is at the heart of our Strategy. However, action to deliver Warm Homes within the decarbonisation of heat agenda may remain at too small a scale to have a significant impact. Longer term solutions to fuel poverty need to be promoted alongside (or to compensate for inadequate) mitigation action.

4. The composition and regulatory framework for the retail energy market will be subject to significant change. Consolidation of suppliers, reduction of cost base and measures to stabilise the retail market present an opportunity to put in place deeper price protection for low-income households alongside likely changes to the price cap mechanism.

5. How NEA comes out the other end of the COVID restrictions could change the character of the charity as a place to work, our delivery models, our recruitment, accommodation strategies, systems, and procedures. The charity, our people, partners, and clients have a range of preferences and needs.

A number of transitional workstreams are outlined in our business plan to help NEA respond positively to a number of challenges. Delivery on the workstreams is staggered over the three year life of the business plan, but work on all of them is underway. Each workstream is summarised below:

1. Advice Service Strategy

NEA advises and supports thousands of households each year. We do not plan to grow into a large-scale advice provider, but we will continue to provide advice to help households, understand their issues, understand the strength and weaknesses of support programmes and give NEA authority as an advocate. This delivery also generates important income to fund the charity's campaigning activity. During 2022/23 we were a multi-channel advice provider.

Aim: To structure our advice services to deliver an effective, impactful experience for our clients, allow our teams to work efficiently and with adequate support and to provide the charity with the authority to speak on behalf of fuel poor and vulnerable households.

2. Integrating Policy and Practice

We are the leading policy and advocacy organisation for those in or at risk of fuel poverty and a significant service deliverer. We aim to make an ever clearer and stronger connection between the insight from our engagement with clients and the design and delivery of policy and programme interventions.

Aim: NEAs operational delivery embeds best practice as set out by our policy and advocacy work which is in turn informed by evidence-based insights. Our teams have a better understanding of the work we do in other areas of the organisation, the role they play in delivering our wider strategic agenda, and in turn, the impacts we make for fuel poor households.

3. Flexibility and Efficiency

Adapting to Covid-19 has changed assumptions about how organisations work as a team and how they deliver against their priorities. To exploit positive opportunities for the charity and our people, we will:

Aim: To create employment conditions that offer flexibility to colleagues, attract and retain high calibre applicants and that enables the charity to deliver effectively and efficiently for the benefit of our beneficiaries.

4. Diverse and Sustainable Funding

For the continuing sustainability of NEA, we must and are keen to diversify our sources of funding to permit an increase in unrestricted resource for our advocacy functions and to reduce dependence on the restrictive nature of industry and defined funding. To do this requires a strong review of skills and competencies, ambitions and focus, brand projection.

Aim: We become more active in the energy space and across other areas of focus, prosecuting our case to become more impactful both in reach and in outcomes.

5. A Louder Voice

With numbers in fuel poverty likely to continue increasing, opportunities to drive more radical solutions are available but within a very crowded environment around energy prices, low carbon priorities, health priorities and others. We need to articulate the experience of households in fuel poverty ever more loudly. Our ambition with media, effectiveness in

using case studies, clarity of voice and persistence of approach will all need to be up to the job.

Aim: We will grow our advocacy and campaigning capability and impact, to deliver the greatest positive impact for those living in fuel poverty.

6. A Bigger Movement

NEA is part of a bigger fuel poverty movement and the bigger that movement the more effective NEA will be as a campaigner, facilitator of action and delivery partner. The movement is broader than our membership, but that membership is vital to help others see how their priorities fit with fuel poverty alleviation and how small actions for more organisations add weight and power to NEA's mission. We have made good steps but will use the energy crisis and the Net Zero imperative to grow the movement.

Aim: We will not achieve our vision alone, we will grow the network of organisations committed to our vision, to amplify our voice, and raise fuel poverty up the agenda.

7. Business Intelligence

Effective business intelligence relies on equally effective systems and processes. Changes to the design and delivery of projects, partners, funding types, reporting requirements and client information has evolved. As a result, there are too many moving parts to our procedures and we need to make sure that we rationalise, simplify and make fit for the foreseeable future.

Aim: To ensure information flow is accurate, with minimum opportunity for error, to allow reliable analysis, prediction, monitoring and feedback to all stakeholders. To be an agile partner and delivery agent.

8. Evaluating Progress

This business plan amounts to a significant transformation programme across NEA. We have identified areas which are essential for NEA to move forward effectively and with greater impact. We have also identified inevitable dependencies, contingencies and pinch points. Moreover our annual Delivery Plans during this business plan period will have more specific, functional targets to drive forward our strategic agenda. We will build a culture of open evaluation of success and setbacks to keep our strategy and business plan alive and relevant for staff, SMT and trustees.

Aim: We understand how effective we are in progressing our strategic aims during the strategic period, allowing us the opportunity to share successes, review and re-assess our delivery plan, and take corrective actions where required.

Key Beneficiaries

The key beneficiaries of NEA's work are low income and other vulnerable households, in particular older people, families with young children and those living with a long-term illness in poorly insulated and under-heated homes. In 2022/23 households adversely affected by the COVID-19 pandemic and at risk during the cost of living crisis were also a major priority. Additionally, agencies which support these groups benefit from NEA's work including other national charities and service providers. The Trustees have taken into consideration the Charity Commission's General Guidance on Public Benefit.

Prospects for 2023/24

We expect to see energy prices stabilise, but at level far higher than pre-crisis levels, keeping fuel poverty numbers at staggeringly high levels. At the same time direct financial support for energy bills will fall away in the summer and a focus for the year will be to argue for its reintroduction, at least for low incomes households over the winter period.

The cumulative effects of an extended cost of living crisis will build. NEA will likely experience no decrease in demand for services. In fact, we expect to see continued growth in demand and in our capability and capacity to deliver support in person, over the phone and in community settings.

We are likely to grow further across the charity's functions, building on sustainable income streams and our greater capability and capacity in the Fundraising and Partnership team. As well as a necessary focus on our core advice functions, we will focus on supporting our work within marginalised communities, demonstration projects within our Directorate of Homes, our work connecting fuel poverty and health inequality and our advocacy capabilities.

As NEA grows into a larger charity, we know that we will have to focus our attention on further interventions across our internal systems, processes and management oversight.

Our five-year strategic objectives have proven to be appropriate and well framed, even across such a tumultuous period. As the next general election approaches, we will look to make sure they are reflected in the manifesto priorities for the next UK Government.

Status of these Financial Statements

These financial statements are prepared in accordance with United Kingdom Accounting Standards, comprising FRS 102 and in compliance with the Companies Act 2006, Charities Act 2011 and the Charities SORP 2019. They have been audited in accordance with section 475 of the Companies Act 2006. Accordingly, these Financial Statements are the statutory accounts of National Energy Action for the year ended 31 March 2023.

Statement of Trustees' responsibilities

The Trustees (who are also directors of National Energy Action for the purposes of Company Law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company Law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under Company Law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that 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 judgments and estimates that are reasonable and prudent;
- State whether FRS 102 "The Financial Reporting Standard applicable UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors

Deloitte LLP resigned as auditors during 2022/23. PKF Littlejohn LLP were confirmed as Independent Auditors to NEA for 2022/23 at the Annual General Meeting in December 2022.

Statement of disclosure to auditors

a) So far as the Trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware; and
b) They have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

The Trustees Reports, including the Strategic report, are approved and authorised for issue by order of the Board of Trustees:

Tracey Archer
Company Secretary

Date: 27 September 2023

Independent auditor's report to the members of National Energy Action

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of National Energy Action (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and

- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial activities including the income and expenditure account;
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 25.

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).

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

We have nothing to report in this regard.

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: 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, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the industry and its control environment, and reviewed the documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Charities Act and UK Companies Act; and

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address them are described below:

- recognition of grant income in the correct accounting period and correctly classified. To address this risk we tested a sample of agreements between the charitable company and its funders to evaluate whether the income and the corresponding cash receipt or receivable have been recognised appropriately, and to assess the classification of the income as either restricted or unrestricted; and

- classification of funds between restricted and unrestricted. To address this risk we have tested a sample of income and expenditure in the year to assess whether they have been classified appropriately.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with Charity Commission.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:
- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

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

Alastair S. Duke (Senior statutory auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
London, United Kingdom
29 September 2023

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted Funds 2022/23	Restricted Funds 2022/23	Total Funds 2022/23	Unrestricted Funds 2021/22	Restricted Funds 2021/22	Total Funds 2021/22
Income from:		£	£	£	£	£	£
Generated funds:							
Donations		**1,764,612**	**600,000**	**2,364,612**	315,563	-	315,563
Investment income	4	**5,222**	**35,914**	**41,136**	9,040	6,504	15,544
Charitable activities:							
Increase Strategic Action Against Fuel Poverty		**13,581**	**855,724**	**869,305**	8,161	673,464	681,624
Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households		**-**	**7,430,287**	**7,430,287**	-	5,925,790	5,925,790
Enhance Energy Efficiency and Fuel Poverty Education and Skills		**-**	**1,397,890**	**1,397,890**	-	1,410,464	1,410,464
Miscellaneous Income		**60,452**	**-**	**60,452**	68,214	-	68,214
Total Income		**1,843,867**	**10,319,815**	**12,163,682**	**400,977**	**8,016,221**	**8,417,198**
Expenditure on:							
Raising funds:							
Costs of generating donations	7	**14,139**	-	**14,139**	4,496	-	4,496
Charitable activities:							
Increase Strategic Action Against Fuel Poverty	6, 8, 9	**299,606**	**643,696**	**943,302**	91,753	597,638	689,391
Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	6, 8, 9	**-**	**7,511,391**	**7,511,391**	-	5,946,481	5,946,481
Enhance Energy Efficiency and Fuel Poverty Education and Skills	6, 8 ,9	**-**	**1,162,617**	**1,162,617**	-	1,231,965	1,231,965
Total Expenditure		**313,745**	**9,317,704**	**9,631,449**	**96,249**	**7,776,084**	**7,872,333**
Recognised (loss)/gain on Investment assets	19	**(7)**	**-**	**(7)**	(453)	-	(453)
Net Income/(Expenditure) Before Transfers and Taxation		**1,530,115**	**1,002,111**	**2,532,226**	**304,275**	**240,137**	**544,412**
Transfers between funds	19,20	**556,277**	**(556,277)**	-	247,177	(247,177)	-
Taxation		**-**	**-**	-	-	-	-
Net Movement in Funds		**2,086,392**	**445,834**	**2,532,226**	**551,452**	**(7,040)**	**544,412**
Fund balances brought forward at 1 April		**2,524,838**	**14,407**	**2,539,245**	1,973,386	21,447	1,994,833
Fund balances carried forward at 31 March	19, 20 21, 22	**4,611,230**	**460,241**	**5,071,471**	**2,524,838**	**14,407**	**2,539,245**

The statement of financial activities has been prepared on the basis that all income and expenditure derive from continuing activities.

There are no recognised gains and losses other than those passing through the statement of financial activities. There is no material difference between the net resources stated above and their historical cost equivalents.

	Note	2023	2022
		£	£
Fixed Assets			
Tangible assets	14a	**45,383**	54,371
Intangible assets	14b	**-**	5,609
Total Fixed Assets		**45,383**	**59,979**
Current Assets			
Debtors	15	**1,995,762**	2,256,672
Investments	16	**2,149**	2,156
Cash at bank and in hand		**7,655,084**	5,351,445
Total Current Assets		**9,652,995**	**7,610,273**
Creditors: Amounts falling due within one year	17	**(4,626,906)**	(5,131,006)
Net Current Assets		**5,026,088**	**2,479,266**
Net Assets - Total Assets less Current Liabilities		**5,071,471**	**2,539,245**
The Funds of the Charity			
Unrestricted income funds	19	**4,611,230**	2,524,838
Restricted income funds	20	**460,241**	14,407
Total Charity Funds		**5,071,471**	**2,539,245**

The financial statements on pages 20 to 38 were approved by the Board of Trustees on 29 September 2023 and signed on its behalf by:

Claire Durkin
Chair

Company Number: 01853927

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

	2022/23 Total Funds £	2021/22 Total Funds £
Cash flows from operating activities		
Net cash used in operating activities	**2,271,498**	**(1,213,872)**
Cash flows from investing activities		
Dividends and interest from investments	**41,136**	15,544
Maturity of investments realised/(Investments made)	**-**	1,000,000
Purchase of fixed assets	**(9,001)**	-
Net cash used in investing activities	**32,135**	**1,015,544**
		0
Change in cash and cash equivalents in the reporting period	**2,303,633**	**(198,329)**
Cash and cash equivalents at the beginning of the reporting period	5,353,600	5,551,928
Cash and cash equivalents at the end of the reporting period	**7,657,233**	**5,353,600**

RECONCILIATION OF CASH AND CASH EQUIVALENTS TO BALANCE SHEET

	2022/23 Total Funds £	2021/22 Total Funds £
Cash and cash equivalents comprise: -		
Investments	2,149	2,156
Cash at bank and in hand	7,655,084	5,351,445
	7,657,233	**5,353,600**

RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022/23 Total Funds £	2021/22 Total Funds £
Net surplus/(deficit) for the reporting period (as per the Statement of Financial Activities)	2,532,226	544,412
Adjustments for:		
Depreciation charges	23,598	27,730
Dividends and interest from investments	(41,136)	(15,544)
(Increase)/decrease in debtors	260,910	(1,514,943)
Increase in creditors	(504,100)	(255,527)
Net cash used in operating activities	**2,271,498**	**(1,213,872)**

1. Charitable status

NEA is registered as a Charity under the Charities Act 2011 and is a company limited by guarantee, incorporated in England. The address of its registered office is 6th Floor, West One, Forth Banks, Newcastle upon Tyne, NE1 3PA. The charity constitutes a public benefit entity as defined by FRS 102.

2. Constitution and liability of members

NEA is a company limited by guarantee and has no share capital. Clause 3 of the Articles of Association provides that every member, as defined by clause 3(b) of the Articles of Association, is liable to contribute a sum not exceeding £1 in the event of the Charity being wound up while a member, or within one year of ceasing to be a member. At the year-end there were 349 full members and 182 associate members (2021/22: 221 and 115 respectively).

3. Statement of Compliance and Accounting Policies

Statement of Compliance

These financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the inclusion of investments at market value, in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2019) preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 and the Charities Act 2011 and the Companies Act 2006.

In accordance with the SORP 2019, restricted and unrestricted income and expenditure are separately identified in the financial statements. The net change in the two types of funds is added to the balances brought forward from the previous year, so that the balance of restricted and unrestricted funds at the end of the year is identified on the balance sheet.

The company's functional and presentation currency is the pound sterling.

The trustees assess whether the use of going concern is appropriate i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. The Board and senior management have considered both the level of reserves and the current ongoing cost of living and energy crises on the charity. Following a review of cash forecasts, planned operations and financial implications; a satisfactory percentage of income has been secured for the next 12 months and there is sufficient anticipated income to cover the costs of the charity well into 2023/24. Taking into account all potential limitations on the delivery of outcomes or the finalising of income streams, over the next 12 months, the trustees are satisfied that the charity remains in a satisfactory financial position as a going concern and have concluded that it has adequate resources to continue in operational existence for the foreseeable future and thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Critical Accounting Estimates & Judgements

Income recognition is a critical judgement in establishing NEA's annual income and expenditure and year-end financial position. Accounting Policies 3.1.d and 3.1.e and the procedures that support them are consistently applied in determining the extent to which income is recognised and deferred in NEA's financial statements.

At the time of liquidation WZ owed NEA £1,739,001. The recoverable amount which was included within NEA's debtors as at 31 March 2021 was assessed as £573,820. An interim sum of £260,904 was received from the liquidators during 2020/21. No further payments have been received but the liquidators informed NEA in June 2023 that the anticipated recovery rate for the WZ debt has improved and the recoverable balance as a result has increased by £52,220 from £312,916 as at 31 March 2022 to £365,136 as at 31 March 2023. This figure is included within NEA's trade debtor figure at 31 March 2023 and it is expected that the outstanding sum will be received in full. Provision has been included in NEA's accounts in previous financial years for the WZ net unrecoverable balance of £1,165,181 but as a consequence of the anticipated higher recovery rate, the total bad debt provision for the WZ unrecoverable debt has reduced by £52,220 from £1,165,181 as at 31 March 2022 to £1,112,961 as at 31 March 2023.

It is still the charity's intention to seek recourse for the unrecoverable element of the WZ debt with WZ's former insurers. A claim would be made against WZ's professional indemnity insurance cover and legal advice will be sought in this regard but at this stage it is uncertain whether a claim would be successful.

3. Statement of Compliance and Accounting Policies (continued)

During 2020/21, work was carried out on behalf of Green Network Energy (GNE) in relation to the Warm Homes Discount scheme but in January 2021 GNE entered administration. At the time of the administration GNE owed NEA £413,867. Provision has been included in NEA's accounts in previous financial years for the GNE net unrecoverable balance of £344,729.. The recoverable amount which was included within NEA's debtors as at 31 March 2022 was assessed as £69,138. During 2022/23, based on an update from the administrators of GNE, a further bad debt provision of £27,751 has been processed through the charity's 2022/23 Statement of Financial Activities for the unrecoverable element of the GNE debtor. The total bad debt provision which has been processed through the charity's Statement of Financial Activities for the GNE net unrecoverable balance is £372,480. The remaining recoverable balance of £41,387 is included within NEA's trade debtor figure at 31 March 2023 which is disclosed in note 15 and it is expected that the outstanding sum will be received in full.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed below.

Accounting Policies

The following principal accounting policies have been consistently applied:

3.1 Income

Income receivable by NEA is included in the financial statements at its gross value. All costs associated with generating, earning or collecting income are shown separately as expenditure. Where income included VAT, the VAT element was receivable by HMRC, not NEA. That VAT is, therefore, excluded from NEA's financial statements.

a. **Income from donations** is recognised in the year in which it is received. When donations have been promised but not received, they are not recognised.

b. **Investment income -** dividends arising on listed investments and interest arising on bank deposits, are recognised on a receivable basis.

c. **Miscellaneous income** – relates to reimbursement of long-term ill-health costs via insurance arrangements, recharge of the costs of a seconded employee and third-party reimbursement of employees travel and subsistence costs.

d. **Income from charitable activities** is principally derived from carrying out work that helps regulated private sector organisations meet statutory obligations to alleviate fuel poverty which contributes to NEA's aims and objectives. Income is recognised to the extent that:

- Conditions relating to entitlement to the income have been met;
- The monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably; and
- It has been received or its receipt is probable.

Assessments are made regularly during the year to identify:

- Income that should rightly be included in the financial statements; and
- Any receipts, entitlement to which is dependent on successful delivery of agreed outputs or other conditions that have not yet been met.

This continuous process, supplemented by additional assessment after the year end, informs the extent to which income is recognised in the financial statements.

Charitable activities income also includes:

- Grants from Government departments, devolved administrations and other public bodies;
- Sponsorships;
- Subscriptions of members and Business Supporters Group (BSG); and
- Sales of training courses, examinations, materials and publications, event fees and consultancy.

3. Statement of Compliance and Accounting Policies (continued)

e. Deferred income - Income from Charitable Activities, both restricted and unrestricted, to which entitlement does not exist until earned in future accounting years is treated as deferred income (See notes 17 and 18).

3.2 Expenditure

Expenditure is included in the statement of financial activities on an accruals basis, inclusive of any VAT that cannot be recovered.

a. Expenditure on raising funds
Costs incurred in raising funds are separately accounted for. These include the costs of raising donations and managing investments. NEA does not undertake any trading for the specific purpose of raising funds. The Charity's principle trading activity is training, which is a charitable activity, under NEA's charitable objectives.

b. Expenditure on charitable activities
Expenditure on charitable activities relates to work that contributes to NEA's charitable objectives. It includes the costs of delivering the services and products that are required by funders, listed above under the policy relating to income from charitable activities. Also included are costs of any core activities that contribute to charitable objectives but are not funded by specific income sources.

Charitable expenditure includes all expenditure relating to NEA's charitable objectives, including the direct cost of supporting charitable activities and projects, depreciation and profits/losses on disposal of fixed assets used wholly or mainly for charitable activities and, where applicable, the writing off of assets as part of project expenditure. In attributing costs to expenditure headings, expenditure involving more than one heading has been apportioned based on staff time.

Governance costs include work to comply with statutory and constitutional requirements, audit, legal advice for Trustees and an element of apportioned support costs. These costs form part of expenditure on charitable activities.

c. Support costs
Support costs include all costs that cannot be analysed directly to expenditure on charitable activities or expenditure on raising funds. They are apportioned to activities on the basis of the staff time directly recorded against those activities.

d. Operating leases
Rentals payable under operating leases are accounted for on a straight-line basis over the term of the lease.

e. Pensions
NEA operates a defined contribution scheme for its salaried employees. Pension costs are charged as expenditure in the year to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

f. Grants payable
Grants paid to beneficiaries under any hardship fund arrangement are referred to NEA by various care and voluntary organisations which work directly with vulnerable families and individuals. Other grants are paid subject to the criteria of the funder. Grants are funded via sponsors of individual programmes (see note 9).

g. Transfers between funds
Transfers between funds primarily reflect transfers of resources from unrestricted funds to meet the additional costs of restricted fund activities not covered by restricted income, surpluses on restricted fund activities that funders allow NEA to retain and transfers to or from designated funds for specific, otherwise unrestricted, purposes.

3. Statement of Compliance and Accounting Policies (continued)

3.3 Identifying costs with activities

A large proportion of NEA's expenditure relates to employee costs. Time recording and project accounting systems are used to identify those costs with each activity.

Support costs, which are not directly identifiable with specific activities, are apportioned in proportion to time directly recorded against each activity. They include finance, human resource management, ICT, administration, premises and general office supplies and equipment.

Other costs relating directly to individual projects are identified with each activity, using the project accounting system.

3.4 Fixed assets

Tangible fixed assets are stated at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided to write off, by annual instalments, the cost of tangible fixed assets over their estimated economic lives as follows:

Leasehold properties	- Straight-line over the primary period of the lease
Furniture, fittings and equipment	- Straight-line generally over 5 years

If purchased before 1 October a full year's depreciation is charged in the year of purchase. If purchased after 30 September no depreciation is charged in the year of purchase. Tangible fixed assets costing less than £1,000 are not capitalised. Finance costs are not capitalised. Impairment reviews of tangible fixed assets are carried out on a regular basis. Impairment losses, when they arise, are treated as additional depreciation in the year that they are identified.

Intangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Website development costs are recognised as an intangible asset when all of the following criteria are demonstrated:-

- The technical feasibility of designing the website so that it will be available for use;
- The intention to complete the website and use it;
- The ability to use the website;
- How the website will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use the website; and
- The ability to measure reliably the expenditure attributable to the website design during its development.

Depreciation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives: -

- Website development costs 3 years.

If there is an indication that there has been a significant change in depreciation rate or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Intangible assets costing more than £1,000 are capitalised if their expected economic life is greater than one year. Depreciation is provided to write off, by equal annual instalments, the cost over their estimated economic lives, normally not more than 3 years. If purchased before 1 October a full year's depreciation is charged in the year of purchase. If purchased after 30 September no depreciation is charged in the year of purchase.

3. Statement of Compliance and Accounting Policies (continued)

3.5 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

3.6 Debtors

Income due from debtors at 31 March is prudently assessed in accordance with the policy relating to income from charitable activities, described above.

Provision is made in the financial statements for any specific debts which are expected to be irrecoverable. Provision is also made for debts whose recovery is assessed as being doubtful. Doubtful debts are assessed with regard to their age, the debtor, the reason for the debt, the size of the debt and viability, including any likely cost, of taking further recovery action.

The great majority of NEA's income is from public sector and large private sector organisations that are regarded as being at a lower of risk of failing financially. A prudent approach is also taken to the inclusion of income in the financial statements.

3.7 Investments

Investments are made only in basic financial instruments. Investments in listed shares are revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities. Reserves and short-term surplus funds are placed in cash deposits with major UK banks.

3.8 Liabilities

Liabilities include trade and other creditors, taxes and social security costs, including obligations to make future payments. They are recognised in the financial statements as resources expended as soon as legal and/or constructive obligations arise.

3.9 Holiday Entitlement

Provision is made for the cost of untaken holiday entitlement as at 31 March each year. A provision of £50,511 is made in 2022/23 (2021/22: £48,467) financial statements, in addition to a provision of £14,000 (2021/22: £14,000) for permanent health insurance (PHI) costs relating to accrued holiday entitlement.

3.10 Short term deposits and cash

Reserves, which are maintained to help ensure that NEA can continue to deliver its charitable objectives, and receipts that are held in the short-term before being used to meet expenditure, are deposited with COIF Charities Deposit Account. The principal aims are to ensure that such funds are secure and are available at the time they are needed. Short-term deposits also achieve a rate of return that contributes to NEA's charitable activities. A managed level of cash is held available for immediate use and very short-term cash-flow. Short-term deposits that mature in less than three months are shown as cash-equivalents in the cash flow statement.

3. Statement of Compliance and Accounting Policies (continued)

3.11 Fund Accounting

Funds held by the Charity are either:

- Restricted – which can only be used for specific purposes within the objects of the Charity. Restrictions arise when specified by the funder or when funds are raised for particular specified purposes; or
- Unrestricted – which can be used for any of the charitable objects at the discretion of the Trustees.

Within the unrestricted funds, amounts may be set aside by the Trustees to be used for particular purposes. The aims and use of designated funds are set out in notes to the financial statements.

Transfers between funds are made:

- Between unrestricted and restricted funds to meet expenditure on restricted activities that is not fully funded, and surpluses made on restricted funds projects, which funders allow NEA to retain; and
- To and from designated funds, usage of which is at Trustees' discretion, designated funds remain unrestricted.

3.12 Post Balance Sheet events

Any events that have occurred after the end of the financial year that have, or are likely to have, a material effect on the value of assets or liabilities must be noted and explained in the financial statements. Although the financial statements are prepared on a historic basis for the year up to 31 March, it is important that the users of the financial statements are also made aware of any subsequent events that may materially affect the Charity.

4. Investment Income

	2022/23 £	2021/22 £
Listed Investments	-	7
Bank Interest	41,136	15,537
Total	**41,136**	**15,544**

5. Grants Received

NEA receives grants from a range of funders. The grants are usually for specific projects with requirements to deliver specified outputs, making them performance related. Funders also generally require grants to be expended solely on projects with geographic or charitable aim limitations, making them restricted funds under charity accounting rules. As projects have discrete start and end dates, there is not necessarily continuity of funding from individual sources across financial years.

Income from Charitable Activities includes grants from the following sources: –

	2022/23 Total All Restricted £	2021/22 Total All Restricted £
Companies in the energy sector - Health & Innovation Programme	-	28,666
Companies in the energy sector - other	5,019,228	4,878,495
UK central, devolved and local government and the EU	176,896	632,721
Trusts and foundations	715,106	300,123
Housing Associations	47,518	22,941
Other non-profit organisations	241,318	-
Companies in the property sector	18,936	-
	6,219,002	**5,862,947**

Other restricted income	4,100,813	2,153,274
Total restricted income	**10,319,815**	**8,016,221**

6. Analysis of charitable expenditure

	2022/23	Direct Staff Costs	Grant Funded	Direct Costs	Support Costs	Total 2022/23
Aim		£	£	£	£	£
1	Increase Strategic Action Against Fuel Poverty	531,325	9,049	135,329	267,600	943,303
2	Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	2,206,130	3,332,000	1,058,490	914,771	7,511,391
3	Enhance Energy Efficiency and Fuel Poverty Education and Skills	578,815	11,989	243,761	328,051	1,162,616
		3,316,270	**3,353,038**	**1,437,580**	**1,510,422**	**9,617,310**

	2021/22	Direct Staff Costs	Grant Funded	Direct Costs	Support Costs	Total 2021/22
Aim		£	£	£	£	£
1	Increase Strategic Action Against Fuel Poverty	448,035	-	45,488	195,868	689,391
2	Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	1,762,043	2,761,777	634,709	787,952	5,946,481
3	Enhance Energy Efficiency and Fuel Poverty Education and Skills	583,598	122,344	243,452	282,571	1,231,965
		2,793,676	**2,884,121**	**923,649**	**1,266,391**	**7,867,837**

Other direct costs include irrecoverable VAT input tax amounting to £320,251 (2021/22: £299,140). 2022/23 Aim 2 and 3 direct costs include a £27,751 provision, £12,129 and £15,622, respectively, for the GNE irrecoverable debt which has been offset by a £52,220 release of the bad debt provision for the Aim 2 WZ debt. 2021/22 Aim 2 and 3 direct costs include in total a £37,729 provision, £16,490 and £21,239 respectively, for the GNE irrecoverable debt. Both provisions are detailed in note 15.

7. Cost of Raising Funds

	Staff Costs	Support Costs	Direct Costs	Total
	£	£	£	£
2022/23	6,118	2,253	14,139	**22,510**
2021/22	2,263	719	4,496	**7,479**

8. Allocation of support

The Charity allocates support costs as shown in the table below then further apportions those costs between the charitable activities undertaken. Support costs are allocated on the basis of staff time.

Note 8 - Allocation of Support Costs (continued)

2022/23	Charitable Activities					
	Aim 1	Aim 2	Aim 3	Charitable Activities Total	Cost of Raising Funds	2022/23 Total
	£	£	£	£	£	£
Support staff	123,875	423,457	151,858	699,190	1,043	**700,233**
Staff training	5,122	17,509	6,279	28,910	43	**28,953**
Travel & Subsistence	10,396	35,537	12,744	58,677	88	**58,765**
Accommodation and insurances	51,409	175,737	63,022	290,168	433	**290,601**
IT support	19,916	68,082	24,415	112,413	168	**112,581**
Communication costs	12,628	43,169	15,481	71,278	106	**71,384**
Other general costs	16,320	55,788	20,006	92,114	137	**92,251**
Legal and professional costs	17,603	60,175	21,580	99,358	148	**99,506**
Capital grants/depreciation adjustment	4,174	14,270	5,118	23,562	35	**23,597**
General Capital Expenditure	6,157	21,047	7,548	34,752	52	**34,804**
	267,600	**914,771**	**328,051**	**1,510,422**	**2,253**	**1,512,675**

2021/22				Charitable Activities	Cost of Raising	2021/22
	Aim 1	Aim 2	Aim 3	Total	Funds	Total
	£	£	£	£	£	£
Support staff	94,294	379,332	136,034	609,660	346	**610,006**
Staff training	1,240	4,986	1,788	8,014	5	**8,019**
Travel & Subsistence	2,400	9,656	3,463	15,519	9	**15,528**
Accommodation and insurances	41,040	165,099	59,207	265,346	150	**265,496**
IT support	10,194	41,009	14,706	65,909	37	**65,946**
Communication costs	11,464	46,117	16,538	74,119	42	**74,161**
Other general costs	16,653	66,994	24,025	107,672	61	**107,733**
Legal and professional costs	10,804	43,463	15,587	69,854	40	**69,894**
Capital grants/depreciation adjustment	4,286	17,244	6,184	27,714	16	**27,730**
General Capital Expenditure	3,493	14,052	5,039	22,584	13	**22,597**
	195,868	**787,952**	**282,571**	**1,266,391**	**719**	**1,267,110**

9. Grants Payable

	2022/23	2021/22
Total grants paid to orgainsations and to individuals were: -	£	£
Grants paid to organisations	3,345,538	2,881,402
Grants paid to individuals	7,500	10,530
	3,353,038	**2,891,932**

9. Grants Payable (continued)

During the year, grants were paid out under the following programmes and schemes:

	2022/23 £
Warm Homes Discount	
365 grants were awarded to individuals to fund fuel payments with an average award of £134.85. This was administered via NEA's WASH energy advice service.	49,222
129 grants were awarded to individuals to fund new central heating systems	364,512
57 grants were awarded to individuals to fund fuel payments. The recipients of the grants were eligible for their energy suppliers' WHD payment but they did not receive it during 2022/23.	7,599
Smart Energy GB	
39 organisation were awarded funds to deliver smart meter focused advice, events and activities. Engaging customers in vulnerable circumstances (people aged over 65; people on a low income; and people who are carers) to ensure they could benefit from the smart meter rollout.	235,641
Cadent Reactive Repair	
Preferred Management Solutions Limited were funded to provide measures in 789 homes of vulnerable, low income householders in the Cadent network area. Essential work carried out included servicing of 'at risk' gas appliances and repairing and replacing condemned gas appliances.	492,493
Student Bursaries - Malcom Wicks Memorial Funds	
2 grants of £3,000 and 1 of £4,500 were paid as bursaries to 2 students from low-income families to undertake work experience with the charity or one of NEA's partners. £9,000, relating to the Malcom Wicks Memorial Fund Post-Graduate Researcher Scholarship was awarded to 1 student via funding from Affordable Warmth Solutions (AWS) and Cardiff University.	16,500
Community Action Projects	
The SSE Crisis and PHA - Belfast Crisis funds awarded 234 grants to help individuals in Northern Ireland to keep their homes warm, via energy advice and practical support to stay warm and well, and where appropriate, the provision of heating measures/ discretionary financial assistance to alleviate the negative impacts on personal health and wellbeing arising from living in cold and damp homes.	9,235
The Great Places Crisis fund awarded 291 grants to individuals to fund fuel payments.	32,924
The SSE/EDF Assistance fund awarded 4 grants to low income individuals for measures which included fridge freezers and a HIVE thermostat.	890
The Coventry Hardship Fund awarded 43 grants to fund fuel payments.	5,800
The Melin Homes Prepayment Meter Crisis fund awarded 122 grants to individuals to fund fuel payments.	8,242
The NEA Winter Support Fund which was funded from public donations has awarded 22 grants to individuals to fund fuel payments and awarded 85 grants to individuals to fund measures such as energy efficient household items (e.g. slow cookers, microwaves) and warmth items such as bedding and thermal sleepwear.	156,670
The Energy Saving Trust Warm Welcome fund awarded grants to individuals to fund fuel payments, the purchase of energy efficient cooking appliances and warmth items such as bedding and thermal	979
The Hyde Housing Energy Hardship fund awarded 19 grants to individuals to fund fuel payments.	4,500
The WWU fund awarded grants to 137 low income households to fund the repair or replacement of gas central heating systems, associated pipework and gas cookers.	125,600
The SSEN Hardship fund awarded 230 grants to individuals to fund fuel payments.	24,770
The EST Winter Hardship Fund awarded 1,293 grants to low income households who use pre-payment meters to fund fuel payments.	200,791
Energy Systems Catapult's Warm Home Prescription scheme awarded funds to 292 individuals in the Tees Valley and 22 individuals in the London area. The aim of the scheme was to help individuals heat their homes to safe temperatures throughout the winter of 2022/23. The scheme was developed for people with chronic health conditions that are made worse by living in cold homes, to reduce harmful health complications and relieve pressure on the NHS.	191,228
The Gas Distribution Network collaboration fund awarded grants to 134 indidividuals to fund fuel payments	18,212
Fishwick/Preston	
Seddon Construction Limited were funded to repair 22 homes that had failed External Wall Insulation and which was installed in 2013 by a failed scheme.	1,406,500
Other - Miscellaneous grant awards	730
Total grants paid 2022/23:	**3,353,038**
2021/22:	2,891,932

10. Board of Trustees and other key management personnel

In accordance with the Charity's Articles of Association, the members of the Board of Trustees received no remuneration during the year. Travel and subsistence costs were paid for 10 trustees in 2022/23 (2021/22: 7), amounting to £4,988 (2021/22: £1,973)

In 2022/23 employee benefits, including employers pension contribution, totalling £576,037 were paid to 7 key management personnel (2021/22: £502,763 to 6 key management personnel).

11. Employees

Staff costs:	2022/23	2021/22
	£	£
Wages and salaries	3,231,724	2,738,008
Social Security Costs	327,600	262,754
Other pension costs	366,690	314,246
Other payments	13,812	12,397
	3,939,826	**3,327,404**

The average number of employees during the year was: -	2022/23	2021/22
	Number	Number
Chief Executive & Deputy	2	2
Northern Ireland	5	5
Support Services	12	13
Operations - Community Engagement and Demonstration	24	20
Operations - Skills, Standards and Delivery	20	15
Policy and Research	11	9
Communications and External Relations	10	10
Special Projects	4	3
Income Maximisation	7	6
Total	**95**	**83**

Staff receiving emoluments (including taxable benefits in kind but excluding employer's pension and insurance contributions) exceeding £60,000 were as follows:

	2022/23	2021/22
	Number	Number
£60,000 - £69,999	1	2
£70,000 - £79,999	2	1
£80,000 - £89,999	1	-
£90,000 - £99,999	0	1
£100,000 - £109,999	1	-

Total pension contributions for staff members receiving emoluments of more than £60,000 during the year amounted to £46,173 (2021/22: £35,015).

12. Pension costs

The Charity operates a non-contributory, defined contribution, Group Personal Pension Scheme for its employees, administered by Aegon Scottish Equitable. Employer contributions during the year were £366,690 (2021/22: £314,246). At 31 March 2023, outstanding contributions to be paid over to the Scheme Administrator were £2,967 (31 March 2021: £31,249).

13. Net expenditure before transfers

Net expenditure before transfers is arrived at after charging:	2022/23 £	2021/22 £
Amounts payable to the auditor for:		
- Audit Fee	21,700	20,500
Other professional and legal fees	113,220	70,322
Depreciation	23,598	27,730
Operating Leases – Land and buildings	177,196	206,180

14a. Tangible Assets

14a Tangible Assets

	Leasehold properties - short £	Furniture, fixtures & equipment £	Total £
Cost			
1 April 2022	117,711	381,698	499,409
Additions	-	9,001	9,001
31 March 2023	**117,711**	**390,699**	**508,410**
Depreciation			
1 April 2022	63,340	381,698	445,038
Charge for the year	17,989	-	17,989
31 March 2023	**81,329**	**381,698**	**463,027**
Net book value at 31 March 2023	**36,382**	**9,001**	**45,383**
Net book value at 31 March 2022	54,370	-	54,370

14b. Intangible Assets

15. Debtors

	2023 £	2022 £
Trade debtors	1,208,677	1,294,510
Other debtors	5,201	4,582
Prepayments and accrued income	781,884	957,580
Total Debtors	**1,995,762**	**2,256,672**

At 31 March 2023 NEA's wholly-owned subsidiary Warm Zones CIC (WZ) which entered liquidation in November 2018 is shown in the trade debtors figure as owing £365,136 (31 March 2022 £312,916). This sum has been confirmed by the liquidators of WZ and currently the exact timings of its receipt is not known. The recoverable amount of £365,136 is £52,220 higher than the amount that was expected to be recoverable as at 31 March 2022 and this is the result of the liquidators of WZ anticipating a higher recovery rate. The anticipated higher recovery rate has reduced the total bad debt provision for the WZ unrecoverable debt by £52,220 from £1,165,181 as at 31 March 2022 to £1,112,961 as at 31 March 2023. This reduction has been processed through the charity's Statement of Financial Activities in the current financial year.

Also at 31 March 2023 the trade debtors figure includes the recoverable element of the Green Network Energy (GNE) debt of £41,387. During 2020/21, work was carried out on behalf of GNE in relation to the Warm Homes Discount scheme but in January 2021 GNE entered administration owing the charity £413,867. During 2022/23, based on an update from the administrators of GNE, a further bad debt provision of £27,751 has been processed through the charity's Statement of Financial Activities for the GNE debt and this is in addition to the £344,729 bad debt provision which was processed through previous financial years for the net unrecoverable balance. The total bad debt provision which has been processed through the charity's Statement of Financial Activities for the GNE net unrecoverable balance is £372,480.

16. Investments

	2023	2022
	£	£
Listed investments at market value	2,149	2,156
Historical cost of listed investments	(130)	(130)
Revaluation Reserve	**2,019**	**2,026**

Investments have been revalued at the 31 March 2023 closing price quoted on the London Stock Exchange

17. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	737,396	472,032
Taxation and social security costs	74,500	31,249
Other creditors	315,692	2,057,221
Holiday pay provision	64,511	62,467
Accruals	140,031	566,274
Deferred income (see note 18)	3,294,776	1,941,763
Total Creditors	**4,626,906**	**5,131,006**

18. Deferred Income

Income is recognised when legal entitlement is secured by meeting conditions agreed with funders regarding delivery of projects and other conditions have been met. Income received prior to entitlement is deferred until the income has been earned.

	2023	2022
	£	£
Balance at 1 April	1,941,763	2,215,154
Amount released to income during year	(559,331)	(750,850)
Amount deferred in the year	1,912,344	477,459
Balance at 31 March	**3,294,776**	**1,941,763**

19. Unrestricted Income Funds

2023	Balance at 1 April 2022	Income	Expenditure	Transfers Between Funds	Net Investment Losses	Balance at 31 March 2023
	£	£	£	£	£	£
General Reserve	2,522,813	1,843,867	(313,745)	(721,423)	-	**3,331,512**
Unrealised Gain on Investments	2,025	-	-	-	(7)	**2,018**
Designated Reserve	-	-	-	1,277,700	-	**1,277,700**
	2,524,838	**1,843,867**	**(313,745)**	**556,277**	**(7)**	**4,611,230**

During 2022/23 the Board approved the creation of a designated reserve. The designated reserve of £1,277,700 relates to donations received during 2022/23 and the funds in this reserve will be used in future financial years to pay for hardship grants, interventions in relation to the Net Zero Transition agenda and two major Advocacy Campaigns.

2022	Balance at 1 April 2021	Income	Expenditure	Transfers Between Funds	Net Investment Losses	Balance at 31 March 2022
	£	£	£	£	£	£
General Reserve	1,566,216	400,977	(96,249)	651,869	-	**2,522,813**
Unrealised Gain on Investments	2,478	-	-	-	(453)	**2,025**
Designated Reserve - Post-HIP Transition	404,692	-	-	(404,692)	-	
	1,973,386	**400,977**	**(96,249)**	**247,177**	**(453)**	**2,524,838**

20. Restricted Income Funds

2023	Balance at 1 April 2022	Income	Expenditure	Transfers Between Funds	Balance at 31 March 2023
	£	£	£	£	£
Increase Strategic Action Against Fuel Poverty	6,492	855,724	(643,696)	(214,394)	4,126
Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	7,915	8,066,201	(7,511,391)	(106,610)	456,115
Enhance Energy Efficiency and Fuel Poverty Education and Skills	-	1,397,890	(1,162,617)	(235,273)	-
	14,407	**10,319,815**	**(9,317,704)**	**(556,277)**	**460,241**

2022	Balance at 1 April 2021	Income	Expenditure	Transfers Between Funds	Balance at 31 March 2022
	£	£	£	£	£
Increase Strategic Action Against Fuel Poverty	13,533	673,464	(597,638)	(82,867)	**6,492**
Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	7,914	5,932,293	(5,946,481)	14,189	**7,915**
Enhance Energy Efficiency and Fuel Poverty Education and Skills	-	1,410,464	(1,231,965)	(178,499)	**-**
	21,447	**8,016,221**	**(7,776,084)**	**(247,177)**	**14,407**

Income and expenditure have been allocated to specific aims, within each of the Charity's main areas of activity, designed to enable the Charity to achieve the objectives contained in its Strategic Plan 2023/29.

Transfers between funds primarily reflect transfers from unrestricted funds to meet the additional cost of restricted fund activities not covered by restricted income and transfers to unrestricted funds of surpluses on restricted fund activities, which funders allow NEA to retain and transfer to the general fund. In 2022/23, £556,277 (2021/22: £247,177) was transferred from the restricted funds to the unrestricted funds as the Charity made a surplus on its restricted activities. During 2022/23 the Board approved the designation of a restricted reserve and this reserve relates to a £600,000 donation which was received from Shell during 2022/23 to carry out additional advice activities. During 2022/23, £146,000 was expended on these activities so the balance on the restricted reserve as at 31 March 2023 is £454,000.

There were no investment gains or losses on restricted funds in the year ended 31 March 2023 (2021/22: £Nil).

Restricted Funds held at 31 March are: -	**2023**	**2022**
	£	**£**
Shell Donation Fund	454,000	-
Coventry Hardship Fund & Keeping Coventry Warm Fund	2,115	7,915
Northern Ireland Donation Fund	4,126	6,492
	460,241	**14,407**

21. Analysis of Net Assets between Funds

	2023			**2022**		
	Unrestricted	**Restricted**	**Total**	**Unrestricted**	**Restricted**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
Fixed Assets	45,383		45,383	59,979		59,979
Net Current Assets	4,539,875	460,242	5,000,117	2,464,859	14,407	2,479,265
Net Assets at the end of the year	**4,585,258**	**460,242**	**5,045,500**	**2,524,838**	**14,407**	**2,539,245**

22. Purposes of Funds

NEA has an annual programme of activities to help meet its strategic aims and these are funded through different sources of income. All of the Charity's activities are aligned to its strategic aims and objectives which are designed to make a positive impact on the alleviation of fuel poverty.

Coventry Hardship Fund and the Keeping Coventry Warm Fund are grant-making funds, the balances of which are Restricted Funds. The balances on these funds at 31 March are shown in note 20 above.

Donations are made on the understanding that they contribute to the overall work of NEA within its charitable aims and are generally treated as Unrestricted Funds. In August 2019 a donation of £75,000 was received from SSE, which is restricted to be used in Northern Ireland. At 31 March 2023 £4,126 remained to be spent in 2022/23.

Key information about activities and public benefit is given in the Strategic Report of the Trustees for the year ended 31 March 2023, on pages 3 to 14 of this document.

23. Financial Commitments – Operating Lease Commitments

The total future minimum lease payments under non-cancellable operating leases.

	2023		2022	
	Land & Buildings	Other	Land & Buildings	Other
	£	£	£	£
Payable within one year	210,287	19,961	183,952	18,181
Payable between one and five years	217,181	33,485	383,576	35,252
Payable after five years	-	-	-	-
	427,468	**53,446**	**567,528**	**53,433**

The total value of lease payments recognised as an expense in 2022/23 was £177,196 (2021/22: £206,180).

24. Related Party Disclosures

FRS 102 requires NEA to include in its financial statements the disclosures necessary to draw attention to the possibility that its financial position and profit or loss have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

NEA does not have any related party transactions with Trustees or their connected persons, other than the expenses disclosed in note 10.

25. Capital Commitments

At 31 March 2023 capital commitments were £Nil (31 March 2021: £Nil).

NATIONAL ENERGY ACTION

England & Wales - Charity number 290511

Accounts

Company No: 01853927

Charity Reg No: 290511

National Energy Action

Operating as NEA

(A Charitable Company Limited by Guarantee)

Report of the Board of Trustees

and

Financial Statements

- for the year ended -

31 March 2022

NATIONAL ENERGY ACTION
(Operating as NEA)

Report of the Board of Trustees and Financial Statements

for the Year ended 31 March 2022

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Reference and administrative details

Company No:	01853927
Charity Reg. No:	290511
Business Address:	6th Floor, West One, Forth Banks, Newcastle upon Tyne, NE1 3PA
Independent Auditors:	Deloitte LLP, 1 City Square, Leeds, LS1 2AL
Principal Bankers:	HSBC Bank plc, 110 Grey Street, Newcastle upon Tyne NE1 6JG
Solicitors:	Womble Bond Dickinson, St Ann's Wharf, 112 Quayside, Newcastle upon Tyne NE1 3DX
President:	Baroness McIntosh of Pickering
Vice Presidents:	Lord Best David Green OBE Baroness Hilton of Eggardon Derek Lickorish MBE David Porter OBE Lord Shipley of Gosforth Lord Whitty
Chief Executive:	Adam Scorer
Company Secretary:	Tracey Archer
Directors and Trustees:	The Directors of the charitable company (the Charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and up to the date of signing the financial statements were as follows:

Chair:	Claire Durkin
Trustees:	Syed Ahmed David Blakemore (from 14 March 2022) Judith Damerell Claire Durkin Jacqueline Gardner David Hall Robert Howard Noel Rice Fraser Scott Professor Philip Taylor Professor Christopher Underwood (Until 22 July 2021) Helen Walker Maria Wardrobe

Structure, Governance and Management

Governing Document

National Energy Action (NEA), a registered Charity, is a company limited by guarantee and not having a share capital and is governed in accordance with the provisions contained in its Articles of Association. The Articles of the charity were refreshed during 2021/22.

Clause 3 of the Articles of Association provides that every member, as defined by paragraph 3(b) of the Articles of Association, is liable to contribute a sum not exceeding £1 in the event of the Charity being wound up while a member, or within one year of ceasing to be a member. As at 31 March 2022 there were 221 full members and 115 associate members (2021: 133 and 76, respectively).

Operating Name

The Charity operates under the name of NEA.

Operational Management

The Charity Senior Management Team comprises:

Chief Executive	Adam Scorer
Group Programme Director and Deputy Chief Executive	Audra Peacock
Director of Operations Community Engagement and Demonstration	Peter Sumby
Director of Policy and Research UK	Peter Smith
Director of Operations Skills, Standards and Delivery	Danni Crosland
Director of Operations Skills, Standards and Delivery (from 1 April 2021 – 30 November 2021 - temporary position covering maternity leave)	Lorraine Donaldson
Head of Major Projects (from 1 December 2021)	Lorraine Donaldson

Appointment of Trustees

Trustees are appointed in accordance with the Articles of Association and are approved each year at the Annual General Meeting (AGM) of the Charity. One new Trustee was appointed during the year and one stood down having served two three-year terms.

Trustees are recruited via a number of methods including advertising with specialist agencies and websites, using recruitment services provided by the National Council for Voluntary Organisations and the Association of Chief Executives of Voluntary Organisations and via direct approaches through known contacts and from recommendations which could be through business contacts or personal contacts of trustees, staff, vice-presidents group members and other wide-ranging networks. Our vacancies are also advertised on NEA's website Charity Job and through NEA's pages on LinkedIn and other social media platforms.

The NEA Board of Trustees comprises individuals who can bring a particular set of skills and expertise to the Board. As part of the process to identify which skills the Board and charity needs, a Trustee skills survey is carried out on a three-yearly basis. The results of the survey are analysed and discussed by the Board in the light of external and internal environment and the strategic direction of the charity. When there is a need to appoint new Trustees, a discussion of the survey results and any existing or anticipated skills gaps on the Board help to ensure that any new appointment to the Board not only complements the knowledge, understanding and diversity of the existing Trustees; but ensures an appropriate range of knowledge, skills and expertise exists to support the charity's work.

Trustee Induction and Training

Trustees meet with the Charity's Chair and Chief Executive to discuss the role and responsibilities of the Charity's Trustees, and induction sessions for new Trustees take place with members of the Senior Management Team and Company Secretary. Trustees are provided with a support pack comprising a comprehensive collection of information about the Charity and updates to the pack are notified to all Trustees as changes occur.

As part of on-going training and development, Trustees are provided with opportunities to attend events throughout the year and to attend the Charity's Annual Conference and AGM, where major issues concerning the work of the Charity are discussed with representatives from providers of energy efficiency services to low-income households, the fuel utilities, health professionals, voluntary organisations, consumer groups, regulatory bodies and national and local government. The annual conference took place online in September 2021 and the AGM took place during the Conference proceedings. The 2022 Conference will take place in Birmingham in September 2022 and AGM will continue to be held online in order to attract the maximum number of participants.

Trustees are also provided with specific training opportunities, as they arise, in areas such as Charity governance and financial matters. Three trustees attended charity finance training and one has undertaken additional training in safeguarding. Four have also undertaken a refresher course in charity governance and the proposed revisions to the Charity Act. Trustees will continue to complete regular refresher courses in charity governance, finance and safeguarding during the coming year.

NEA reviewed its compliance with the Charity Code during the year as it strives to ensure it employs best practice in its trustees and governance structures as well as in its operations. Work is ongoing to produce an action plan to embed equality, diversity and inclusion across all areas of NEA's work which will involve consultation with staff, members and other stakeholders as well as with Trustees.

A People and Cultures Committee is also in place. The Committee sets the pay and remuneration of the Charity's key management personnel and any benchmarks, parameters or criteria used in setting their pay. It also reviews the NEA terms and conditions of employment and provides guidance and support for staff welfare and organisational cultural matters. The Committee met three times in 2021/22. The Committee will be involved in any transition to hybrid working contracts which result from the review of the organisation's terms and conditions in order to make NEA an exemplary employer and assist staff to achieve a good work/life balance, while ensuring the charity is able to serve its beneficiaries in the best ways possible.

Trustees are prohibited by NEA's governing document of receiving payment for their role in governance other than out of pocket expenses. Conflicts of interest are declared at the start of each meeting. There are therefore no declarations to be made regarding any monies paid to any serving Trustee.

Organisation

NEA is administered by a Board of Trustees which meets a minimum of four times each year. The Board has a number of sub-committees including a Committee for Audit, Risk and Finance which meets four times a year and a People and Culture Committee which meets three times a year. A Chief Executive is appointed by the Trustees to lead on the management of day-to-day operations.

Risk management

The Trustees have a risk management strategy that comprises:

- A quarterly review of the strategic risks at each Board meeting;
- Monthly management review of the operational and strategic risks the Charity may face, the controls in place and any actions required, and exception reporting on operational issues to Trustees;
- Systems and procedures to mitigate, transfer or insure those risks identified in the plan; and
- Procedures designed to minimise any potential impact on the Charity should those risks materialise.

A NEA Committee for Audit, Risk and Finance ensures, among other things, that formal processes for risk management are in place and effectively working across the organisation. The Committee met four times in 2021/22.

In a review of risks following the administration and subsequent liquidation of NEA's subsidiary, Warm Zones, the Trustees have recognised the three highest risks facing the Charity and the actions to be taken in mitigating them as:

(1) Global Pandemic/Severe Epidemic – the risk materialised and it has been incumbent on the charity to mitigate the impact of this. In mitigation of the impact on both employees and beneficiaries, the charity enacted its comprehensive Business Continuity Plan, engaged with funders and regulatory bodies to reprofile delivery objectives to target audiences and facilitated safe working from home practices for all staff. The plan is being reviewed in the light of the lessons learned during the pandemic and recommendations from the reviews will be included in the Plan.

(2) Changes to Warm Home Discount Scheme – during 2021/22, the charity worked with the relevant regulatory body and government department and succeeded in securing agreement to extend the scheme to 2026. Work is currently ongoing to ensure any future schemes are informed by evidence from NEA's policy into practice work so that assistance is targeted to those most in need. Although the scheme for 2022-23 has been confirmed, work is still ongoing as the Regulations have yet to be laid in Parliament which will confirm this as a continuing income stream.

(3) Economic Downturn –The cost of living increases and in particular the increase in the energy price cap has impacted greatly on fuel poverty levels, which rose from 4.3m before Winter 2021 to 6.5m in April 2022. This resulted in increased demand for NEA services. To mitigate this, the charity grew its delivery capacity and diversified its services by introducing free helplines and an online chat facility. Through effective engagement with funders and regulatory bodies, the charity was able to continue to assist beneficiaries through alternative, COVID-19 safe means, but is now transitioning back to its community-based work. It is recognised, however

that the new ways of working enable NEA's beneficiaries to access assistance in a variety of ways and inclusion of these as 'business as usual' is ongoing.

During 2020/21 the Board set up a number of working groups to provide assistance on formulating NEA's long-term funding strategy. Work of the groups concluded in mid-summer, and a consultant appointed to provide specific analysis in a number of areas identified by the working groups. From this, an action plan has been formulated and longer-term plans will be put in place during 2022-23 and beyond to help the charity expand and enhance the charity's ability to take advantage of a range of opportunities. In a world where the policy horizon is changing quickly, a working group on policy and practice has also been set up to help NEA determine and prioritise its advocacy and policy work. The Group, having worked with NEA's policy and advocacy team on the charity's key asks during the energy crisis also continue to provide strategic guidance actions to mitigate the worst impacts of high energy bills and poorly insulated homes in the run-up to the Winter of 2022. Work of the Group will also concentrate on extrapolating and disseminating the lessons learned from our operational and advocacy activities to provide front-line evidence on what works and what doesn't at a grass roots level for those who are vulnerable and living in a cold, damp home, but also as lessons for future policies and schemes and to provide lessons learned for other practitioners in the field.

Strategic Review

2021/22 was another extraordinary year. Lower incomes for the poorest households, increasing energy bills and inefficient housing conspired to make millions more homes places of misery and despair rather than comfort and happiness.

By the end of the year over 6.5 million households across the UK were estimated to be in fuel poverty, 2.5 million more than at the end of 2020/21. The cost of heating a home with gas had doubled in 18 months.

National Energy Action's mission is that 'everyone should be able to afford to keep their homes warm and safe'. In that context, the demand for our services and interventions has grown rapidly and significantly. It has never been greater and has required a greater degree of responsiveness and agility in consequence.

With challenges at this scale, our advice and support, advocacy and influence, awareness raising, and partnership activities have delivered significant outcomes for fuel poor households and has also accelerated plans to make NEA more flexible, robust, and impactful over the coming years. The charity believes that in 2022/23 the war in Ukraine will drive global energy prices higher and could leave millions more households in fuel poverty across the UK.

Objectives, strategies and activities

Key objectives for the year and principal activities undertaken

NEA's mission is that everyone should be able to afford to keep their home warm and safe. The activities undertaken by the charity to carry out its charitable purposes are for the public benefit and the charity has complied with its duty to have due regard to the Charity Commission's public benefit guidance when exercising any powers or duties. Our advocacy and influence, our advice and support services, our awareness-raising and partnership development all work toward this mission. In doing so we work with households, the broader support and advocacy community, commercial organisations, regulators, local, regional, and national government in England, Wales, and Northern Ireland.

In line with good practice, over the summer of 2021, NEA reviewed its Articles of Association to ensure they remained appropriate and relevant to the charity. Changes were made to enable NEA to engage with the widest range of relevant stakeholders in order to pursue the ambitions outlined in its new Strategic Plan. The opportunity was also taken to revise terminology, to update processes in respect of governance matters and to clarify the ex-officio position of the Chief Executive Officer of Energy Action Scotland who serves on NEA's Board as part of a reciprocal agreement between the two organisations.

Over the year we prioritised activities which represent the most effective ways of increasing our impact for fuel poor households during the COVID-19 pandemic and Cost of Living crisis. We have sought to be agile and responsive to circumstances, to demand and to the opportunities to bring about a strategic response. We have sought to strengthen our core activities, to develop our teams and to convert more diverse income streams to support that response.

We continued to deliver projects which provide essential advice and support to households. We grew our range of partnerships and expanded our membership base. We adapted our training, research and evaluation, advocacy and awareness raising activities to match the in-year challenges. Those activities included our projects working across energy and water sectors to ensure the greatest impact for fuel poor households.

In the extraordinary circumstances of the COVID-19 pandemic and its impact on fuel poor households, NEA extended the strategic aims of our 2019/21 Strategy into 2021/22, while we developed a new five-year strategy.

These Strategic Aims framed our principal activities in 2021/22. Those aims are to:

(a) increase strategic action against fuel poverty;

(b) develop and progress solutions to improve access to energy efficiency products, advice, and fuel poverty related services in UK households: and

(c) enhance energy efficiency and fuel poverty education and skills.

AIM 1: To increase strategic action against fuel poverty

The pandemic and the energy price crisis meant millions of people living in fuel poverty needed an urgent response from governments, regulators, and energy firms. NEA responded to these unprecedented challenges by being a more powerful voice for the poorest households, where possible conveying their direct experiences of the energy crisis to policy makers. We addressed the urgent financial hardship, health implications and additional challenges and opportunities to support low incomes households on the low carbon transition.

The demands of this year have required a high level of responsiveness to a fluid policy environment and a greater number of influencing targets. Over the year we increased our engagement with industry, policy makers and the media to understand the need for, and the shape of, a proportionate response to the crisis.

Our primary areas of focus have been:

- Understanding the barriers and opportunities experienced by low-income households in the transition to a low carbon future
- Combating the impact of the pandemic and energy crisis for the poorest households
- Highlighting the risk of increased debt and self-disconnection for households using prepayment meters
- Extending and expanding the Energy Company Obligation (ECO) and Warm Home Discount (WHD)
- Prompting the UK Government and other nations across the UK to develop and invest in their own domestic energy efficiency schemes
- Ensured more support for vulnerable customers within network price controls
- Prompted an affordability review and the development of a social tariff in the water sector
- Prompted a commitment to update the fuel poverty strategy for Northern Ireland
- Prompted and directly inputted into the Welsh Government's Cold Weather Resilience Plan and wider national public health guidance on the links between COVID-19, cold homes, and health

During 2021/22 NEA:

- Published its annual Fuel Poverty Monitor
- Delivered its online Annual Conference with 2,545 registrations, 17 sessions and 23 hours of live content
- Brought key stakeholders together in a January 2022 policy conference
- Appeared in almost 10,000 media articles over print, broadcast and online
- Reached 1.5m people over social media channels
- Convened the Westminster All Party Parliamentary Group, the Senedd Cross Party Group and continued to play a major role in the Northern Ireland Fuel Poverty Coalition

AIM 2: To develop and progress solutions to improve access to energy efficiency products, advice, and fuel poverty related services in UK households

NEA continued to strengthen our direct advice and support activities to respond to the enormous demand for our services. We focused on working with funding partners to support more households with energy advice, income maximisation, hardship support and access to energy efficiency measures or appliance replacement.

In 2020/21 the COVID-19 pandemic fundamentally altered how NEA delivered services to households, community groups and others. In 2021/22 those new structures and processes for delivering advice and support had become more established, and more essential. We continued to develop our Fishwick project and deepened our partnerships to support vulnerable households with condemned appliances.

Our primary areas of focus have been:

- Supporting clients with benefit entitlement and income maximisation
- Taking thousands of calls into our phone lines
- Distributing crisis, hardship, or debt relief payments
- Installing heating and insulation measures to help people stay warm
- Providing 1-2-1 advice delivering a variety of support interventions

During 2021/22 NEA:

- Received over 13,500 contacts from people seeking advice and support
- Provided advice to 5,660 people in individual sessions, 906 people in group sessions and delivered a further 87 client-facing events
- Directly supported 982 clients through benefit entitlement checks securing £3.15m confirmed benefits and £579,000 in unconfirmed benefits
- Distributed £350,000 in crisis and hardship grants
- Delivered over £2m worth of heating and insulation measures

AIM 3: To enhance energy efficiency and fuel poverty education and skills

Raising awareness of the causes of and solutions for fuel poverty and developing the energy efficiency skills of those able to support low-income households remains central to our mission. During the year we responded to the challenge of delivering against the backdrop of the pandemic, the net zero agenda and the emerging cost of living crisis. That involved working with communities, innovators, and frontline professionals.

National Energy Action continue to deliver quality assured accredited training to frontline professionals and volunteers to equip them with the knowledge and skills to delivery good quality, accurate advice, and support on domestic energy-related issues; and build capacity across the sector.

Our primary areas of focus have been:

- Training thousands of learners with essential skills and knowledge and return excellent satisfaction outcomes
- Producing resources for education providers such as schools
- Supporting young carers who are often in the most exposed household demographics, with the most complex needs. The charity regards them as a core group for support
- Delivering the Smart Energy GB in Communities to inform people about smart meters and the benefits they can bring
- Partnering firms with innovation and technical evaluation to enhance outcomes for low income and vulnerable consumers.

During 2021/22 NEA:

- Supported 4,788 learners with a reported reach of 2.3m clients
- Achieved 91% of learners saying they would recommend NEA training courses
- Partnered on 9 Technology Evaluation and Innovation projects
- Distributed 35 grants worth £576,000 as part of the Smart Energy GB in Communities programme, with another 39 grants worth £675,000 in 2022

Supporting members

By the end of March 2022 NEA had 336 ordinary members of which 221 were full members who carry voting rights within the charity's constitution. 231 were Supporting Members (free membership) and 105 Enhanced Members (fee-paying). NEA also has 31 members of its Business Supporters Group (BSG). NEA held 4 online BSG member meetings in 2021/22 sharing insight and helping to shape NEA policy developments and campaigns.

Key performance indicators
KPIs for 2021/22 were set to ensure the financial position of the Charity remains strong, that internal systems are robust and that the Charity continues to deliver the three strategic aims.

In 2021/22:

Financial Management
NEA had budgeted for a surplus of £178,107 but has produced an operating surplus on activities of £544,412 or 6% of turnover for the year. The main reason for the increased surplus is unbudgeted donations.

In accordance with the Reserves Policy, during 2021/22 the Board approved the release back to the General Reserve of the designated fund of £404,692 as it was deemed to be no longer required for its intended purpose.

Delivery
94% of the work programme was successfully delivered on time with 6% of the programme carried forward into 2022/23 due to agreed changes to delivery schedules. (2020/21: 92% of the work programme delivered with 8% of work programme carried forward).

Management
During 2021/22, NEA has adapted to delivery during the constraints of the pandemic and the demands of the cost of living crisis. At the same time, with the introduction of a new strategy, we began the process of transforming many of our core systems and processes to make NEA more flexible, robust, and impactful. This transformation agenda will also enable NEA to adapt to the post-pandemic work environment.

Campaigns
NEA continued to work with partners to demonstrate that an ambitious energy efficiency programme would capture major economic benefits, that central funding for domestic energy efficiency should be a spending priority for UK Government and that to be regarded as an important infrastructure priority.

Warm Zones CIC

Warm Zones CIC (WZ) was a wholly owned subsidiary of NEA. During 2018/19 Warm Zones Directors placed the company into administration and by the end of the 2018/19 Warm Zones had been placed into liquidation.

At the time of liquidation WZ owed NEA £1,739,001. Provision was included in NEA's accounts for the year ended 31 March 2020 for £1,061,181 of that debt, which was considered to be irrecoverable. The balance of £677,820, which was believed to be recoverable, was included within NEA's trade debtors figure at 31 March 2020. This balance was expected to be received during the course of 2020/21 but the recoverable amount has since been reassessed as £573,820. An interim sum of £260,904 was received from the liquidators during 2020/21. No further payments have been received from the liquidators during 2021/22 and the remaining recoverable balance of £312,916 is included within NEA's trade debtor figure at 31 March 2022 and it is expected that the outstanding sum will be received in full. It is still the charity's intention to seek recourse for the unrecoverable element of the WZ debt with WZ's former insurers. A claim would be made against WZ's professional indemnity insurance cover and legal advice will be sought in this regard but at this stage it is uncertain whether a claim would be successful. The balance sheet at 31 March 2022 includes a corresponding creditor relating to the gross value owed by WZ (£2.054 million), which may have to be repaid to Ofgem.

At the time of signing, discussions and processes to bring these outstanding matters to conclusion are ongoing. The significant level of provision which has been made has reduced NEA reserves, but the Board is confident that NEA's reserves and financial arrangements are adequate to ensure that the charity remains a going concern.

Green Network Energy

During 2020/21, work was carried out on behalf of Green Network Energy (GNE) in relation to the Warm Homes Discount scheme but in January 2021 GNE entered administration. At the time of the administration GNE owed NEA £413,867. Provision was included in NEA's accounts for the year ended 31 March 2021 for £307,000 of that debt, which was considered irrecoverable. The balance of £106,867, which was believed to be recoverable, was included within NEA's trade debtors figure as 31 March 2021. During 2021/22, based on an update from the administrators of GNE, a further bad debt provision of £37,729 has been processed through the charity's 2021/22 Statement of Financial Activities for the unrecoverable element of the GNE debtor. The total bad debt provision which has been processed through the charity's Statement of Financial Activities for the GNE net unrecoverable balance is £344,729. The remaining recoverable balance of £69,138 is included within NEA's trade debtor figure at 31 March 2022 which is disclosed in note 15 and it is expected that the outstanding sum will be received in full.

Financial Review

Statement of Financial Activities (SOFA) - 2021/22

The Statement of Financial Activities (SOFA) shows a net income on unrestricted activities of £304,275 (2020/21: £63,321). The transfers into the Charity's General Reserve are detailed below and the balance on it has increased by £956,597 from £1,566,216 at 31 March 2021 to £2,522,813 (2020/21 £393,740 decrease). The main reasons for the positive movement include the transfer of £247,177 from the Restricted Reserve to the General Reserve as a result of a surplus being earned on the 2021/22 restricted activities of the Charity together with the release of the designated reserve of £404,692 as it was deemed to be no longer required for its stated purpose by the Charity:

	£
SOFA Net Income - Unrestricted Funds	304,275
Transfer of Designated Reserve to General Reserve	404,692
Transfer from Restricted Funds	247,177
Unrealised Loss on Listed investments	453
Increase in General Reserve	956,597

Principal Income Sources and Fundraising

NEA's income is derived principally from delivery of services for a wide range of organisations. In 2021/22 the Statement of Financial Activities shows that total income increased by £2,371,915 from a total of £6,045,283 in 2020/21 to £8,417,198 in 2021/22, a 39% increase. The increase is principally a result of growth in both grant and sponsorship income during 2021/22. Grant income has increased by £1,796,168 from £4,066,778 in 2020/21 to £5,862,947 in 2021/22, details of which are shown in Note 5 to the accounts. A significant portion of this growth is as a result of our increased involvement in delivering the Reactive Response programme on behalf of Cadent Gas Limited and the Charities Trust. The remaining portion of the growth in grant income can be attributable to the impact of the Fishwick - Preston project, as the detailed planning phase was completed and the appointment of contractors took place during 2021/22. This activity earned income of £379,328 which represents an increase of £215,616 when compared to 2020/21. Sponsorship income also increased by £279,516 during 2021/22 from £1,549,931 in 2020/21 to £1,829,448 in 2021/22 and the main reason for this growth can be attributable to our management of Smart Energy GB's delivery of its targeted dissemination of information about smart meters at a community level.

During 2021/22, £315,563 of income was received from donations which is significantly more than the £26,658 which was received in 2020/21. The donations received during the year have been from both organisations and individuals. In previous years only a small amount of donations were received from individuals as fundraising activity with the public by NEA or anyone acting on its behalf was limited. During 2021/22, predominantly due to the COVID-19 pandemic and the cost of living crisis, NEA's public profile has been raised significantly which has resulted in a corresponding increase in donations from both organisations and individuals.

Investment powers and policy

Under the Articles of Association, the Charity has the power to invest in any way the Trustees deem appropriate. The Trustees, having regard to the liquidity requirements of operating the Charity, its Reserves Policy and risks inherent in different vehicles for investment, continue to operate a policy of keeping available funds in interest deposit accounts with its bankers HSBC and Santander and with the CCLA Deposit Fund, prioritising security and liquidity ahead of yield.

Grant Making Policy

NEA makes grants to institutions to further each of the three charitable aims. Grants are funded by NEA's funders and the volume and value of grants made are agreed with the funders. Grants are paid subject to the criteria set out by the funder. Further detail of grants awarded to institutions in the year can be found in note 9. In addition, NEA makes grants to individuals under hardship fund arrangements. These cases are referred to NEA by various care and voluntary organisations which work directly with vulnerable families and individuals.

Reserves Policy

The General Reserve, which represents an accumulation of surpluses from earned income, is available to enable the Charity to continue to fulfil its objectives, to meet existing commitments and to provide funds for tangible asset replacement and project development. The policy, agreed by the Board of Trustees in May 2021, is reviewed annually and aims to provide sufficient reserves to meet contractual commitments and a risk-assessed level of funds to ensure the charity remains a going-concern over the medium term. The Policy also aims to ensure that reserves are not excessive. The range agreed as appropriate for 2021/22 is £3.1 million to £3.5 million. The Trustees regularly monitor the risks facing the Charity allowing them to test the adequacy of the reserves policy in the light of the prevailing

economic situation and the current funding climate. The General Reserve as at 31 March 2022 was £2,522,813 (2020/21: £1,566,216).

During 2021/22, the Board approved the release of the remaining balance of £404,692 of the Post-HIP Transition Designated Reserve back to the General Reserve as it was deemed to be no longer required for its stated purpose by the Charity.

Taking into account the level of reserves at 31 March 2022 and the projected level of reserves to 31 March 2025, it is forecast that the reserve levels will be within the proposed preferred lower range. The plan to restore NEA reserves to within the preferred range has been approved by the Board in May 2022.

Going concern consideration

The Board and senior management have considered both the level of reserves and the ongoing impact of the COVID-19 pandemic on the charity. Following a review of cash forecasts, planned operations and financial implications; a satisfactory percentage of income has been secured for the next 12 months and there is sufficient anticipated income to cover the costs of the charity well into 2023/24. The charity has adapted well to the pandemic and is able to offer virtual access to its training courses and case work. Taking into account all potential limitations on the delivery of outcomes or the finalising of income streams, over the next 12 months, the charity is satisfied that it remains in a satisfactory financial position as a going concern and it will endeavour to improve its reserves position.

Plans for the future and new opportunities

Our Five-Year Strategy – Every Home Should Be a Warm and Safe Place

NEA has agreed a new five-year strategy that enable the Charity to drive toward its mission that everyone should be able to afford to keep their home warm and safe. The strategy has a strong focus on our beneficiaries, the alignment of fuel poverty with the net zero agenda and a transformation of our core enabling systems and processes.

The Strategy identified three key priorities for fuel poor households:

- **Tackling the Worst First** and bring targeted investment to those whose conditions are gravest, whose need is greatest and who have the least ability to act themselves;
- **Support Guaranteed** so good levels of support are available and based on need, not by a series of lotteries; and
- **A Decade of Delivery** not only in energy and net zero policy, but in welfare provision, public health, housing standards and community advice and support.

The Strategy identifies how NEA's core strengths of service delivery, advocacy and partnership development can deliver those priorities. It requires NEA to work over successive years to build a broader and stronger movement to eradicate fuel poverty across the UK.

Our Three-Year Business Plan

The 2022/25 business plan identifies five core challenges and eight key transformation workstreams. The core challenges will inform our annual planning. They are:

1. COVID-19 and the Energy Crisis will continue to challenge NEA as an advocate and advice provider. We do not aim to be a large-scale advice provider so we need to be clear what we provide, how we provide it, what the limits and boundaries of that support are and what powerful insight we can generate.

2. Political considerations could threaten progress in some of our key advocacy areas or it could create opportunities for radical changes in the approach to fuel poverty and warm homes. We may need to surf political opportunity, not work within a stable policy regime.

3. Energy Efficiency in fuel poor homes is at the heart of our Strategy. However, action to deliver Warm Homes within the decarbonisation of heat agenda may remain at too small a scale to have a significant impact. Longer term solutions to fuel poverty need to be promoted alongside (or to compensate for inadequate) mitigation action.

4. The composition and regulatory framework for the retail energy market will be subject to significant change. Consolidation of suppliers, reduction of cost base and measures to stabilise the retail market present an

opportunity to put in place deeper price protection for low-income households alongside likely changes to the price cap mechanism.

5. How NEA comes out the other end of the COVID restrictions could change the character of the charity as a place to work, our delivery models, our recruitment, accommodation strategies, systems, and procedures. The charity, our people, partners, and clients have a range of preferences and needs.

A number of transitional workstreams are outlined in our business plan to help NEA respond positively to a number of challenges. Delivery on the workstreams is staggered over the three year life of the business plan, but work on all of them began in earnest in April 2022. Each workstream is summarised below:

1. Advice Service Strategy

NEA advises and supports thousands of households each year. We do not plan to grow into a large-scale advice provider, but we will continue to provide advice to help households, understand their issues, understand the strength and weaknesses of support programmes and give NEA authority as an advocate. This delivery also generates important income to fund the charity's campaigning activity. From April 2022 we will be a multi-channel advice provider.

Aim: To structure our advice services to deliver an effective, impactful experience for our clients, allow our teams to work efficiently and with adequate support and to provide the charity with the authority to speak on behalf of fuel poor and vulnerable households.

2. Integrating Policy and Practice

We are the leading policy and advocacy organisation for those in or at risk of fuel poverty and a significant service deliverer. We aim to make an ever clearer and stronger connection between the insight from our engagement with clients and the design and delivery of policy and programme interventions.

Aim: NEAs operational delivery embeds best practice as set out by our policy and advocacy work which is in turn informed by evidence-based insights. Our teams have a better understanding of the work we do in other areas of the organisation, the role they play in delivering our wider strategic agenda, and in turn, the impacts we make for fuel poor households.

3. Flexibility and Efficiency

Adapting to Covid-19 has changed assumptions about how organisations work as a team and how they deliver against their priorities. To exploit positive opportunities for the charity and our people, we will:

Aim: To create employment conditions that offer flexibility to colleagues, attract and retain high calibre applicants and that enables the charity to deliver effectively and efficiently for the benefit of our beneficiaries.

4. Diverse and Sustainable Funding

For the continuing sustainability of NEA, we must and are keen to diversify our sources of funding to permit an increase in unrestricted resource for our advocacy functions and to reduce dependence on the restrictive nature of industry and defined funding. To do this requires a strong review of skills and competencies, ambitions and focus, brand projection.

Aim: We become more active in the energy space and across other areas of focus, prosecuting our case to become more impactful both in reach and in outcomes.

5. A Louder Voice

With numbers in fuel poverty likely to spiral, opportunities to drive more radical solutions are available but within a very crowded environment around energy prices, low carbon priorities, health priorities and others. We need to articulate the experience of households in fuel poverty ever more loudly. Our ambition with media, effectiveness in using case studies, clarity of voice and persistence of approach will all need to be up to the job.

Aim: We will grow our advocacy and campaigning capability and impact, to deliver the greatest positive impact for those living in fuel poverty.

6. A Bigger Movement

NEA is part of a bigger fuel poverty movement and the bigger that movement the more effective NEA will be as a campaigner, facilitator of action and delivery partner. The movement is broader than our membership, but that membership is vital to help others see how their priorities fit with fuel poverty alleviation and how small actions for more organisations add weight and power to NEA's mission. We have made good steps but will use the Energy Crisis and the Net Zero imperative to grow the movement

Aim: We will not achieve our vision alone, we will grow the network of organisations committed to our vision, to amplify our voice, and raise fuel poverty up the agenda.

7. Business Intelligence

Effective business intelligence relies on equally effective systems and processes. Changes to the design and delivery of projects, partners, funding types, reporting requirements and client information has evolved. As a result, there are too many moving parts to our procedures and we need to make sure that we rationalise, simplify and make fit for the foreseeable future.

Aim: To ensure information flow is accurate, with minimum opportunity for error, to allow reliable analysis, prediction, monitoring and feedback to all stakeholders. To be an agile partner and delivery agent.

8. Evaluating Progress

This business plan amounts to a significant transformation programme across NEA. We have identified areas which are essential for NEA to more forward effectively and with greater impact. We have also identified inevitable dependencies, contingencies and pinch points. Moreover our annual Delivery Plans during this business plan period will have more specific, functional targets to drive forward our strategic agenda. We will build a culture of open evaluation of success and setbacks to keep our strategy and business plan alive and relevant for staff, SMT and trustees.

Aim: We understand how effective we are in progressing our strategic aims during the strategic period, allowing us the opportunity to share successes, review and re-assess our delivery plan, and take corrective actions where required.

Key Beneficiaries

The key beneficiaries of NEA's work are low income and other vulnerable households, in particular older people, families with young children and those living with a long-term illness in poorly insulated and under-heated homes. In 2021/22 households adversely affected by the COVID-19 pandemic and at risk during the cost of living crisis were also a major priority. Additionally, agencies which support these groups benefit from NEA's work including other national charities and service providers. The Trustees have taken into consideration the Charity Commission's General Guidance on Public Benefit.

Status of these Financial Statements

These financial statements are prepared in accordance with United Kingdom Accounting Standards, comprising FRS 102 and in compliance with the Companies Act 2006, Charities Act 2011 and the Charities SORP 2019. They have been audited in accordance with section 475 of the Companies Act 2006. Accordingly, these Financial Statements are the statutory accounts of National Energy Action for the year ended 31 March 2022.

Statement of Trustees' responsibilities

The Trustees (who are also directors of National Energy Action for the purposes of Company Law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company Law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under Company Law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that 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 judgments and estimates that are reasonable and prudent;
- State whether FRS 102 "The Financial Reporting Standard applicable UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors
Deloitte LLP were confirmed as Independent Auditors to NEA for 2021/22 at the Annual General Meeting in September 2021.

Statement of disclosure to auditors

a) So far as the Trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware; and
b) They have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

The Trustees Reports, including the Strategic report, are approved and authorised for issue by order of the Board of Trustees:



Tracey Archer
Company Secretary

Date: 21 July 2022

Independent auditor's report to the members of National Energy Action

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of National Energy Action (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and

- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial activities including the income and expenditure account;
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 25.

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).

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: 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, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the industry and its control environment, and reviewed the documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Charities Act and UK Companies Act; and

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address them are described below:

- recognition of grant income in the correct accounting period and correctly classified. To address this risk we tested a sample of agreements between the charitable company and its funders to evaluate whether the income and the corresponding cash receipt or receivable have been recognised appropriately, and to assess the classification of the income as either restricted or unrestricted; and

- classification of funds between restricted and unrestricted. To address this risk we have tested a sample of income and expenditure in the year to assess whether they have been classified appropriately.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with Charity Commission.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:
- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

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

Sarah Anderson

Sarah Anderson FCCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom
~~July 2022~~
9 August 2022

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
		2021/22	2021/22	2021/22	2020/21	2020/21	2020/21
Income from:		£	£	£	£	£	£
Generated funds:							
Donations		**315,563**	-	**315,563**	26,658	-	26,658
Investment income	4	**9,040**	**6,504**	**15,544**	11,376	33,557	44,933
Charitable activities:							
Increase Strategic Action Against Fuel Poverty		**8,161**	**673,464**	**681,624**	15,612	417,246	432,858
Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households		**-**	**5,925,790**	**5,925,790**	-	4,119,676	4,119,676
Enhance Energy Efficiency and Fuel Poverty Education and Skills		**-**	**1,410,464**	**1,410,464**	-	1,361,507	1,361,507
Miscellaneous Income		**68,214**	**-**	**68,214**	59,651	-	59,651
Total Income		**400,977**	**8,016,221**	**8,417,198**	**113,297**	**5,931,986**	**6,045,283**
Expenditure on:							
Raising funds:							
Costs of generating donations	7	**4,496**	-	**4,496**	214	-	214
Charitable activities:							
Increase Strategic Action Against Fuel Poverty	6, 8, 9	**91,753**	**597,638**	**689,391**	50,981	384,874	435,855
Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	6, 8, 9	**-**	**5,946,481**	**5,946,481**	-	3,966,248	3,966,248
Enhance Energy Efficiency and Fuel Poverty Education and Skills	6, 8 ,9	**-**	**1,231,965**	**1,231,965**	-	2,053,705	2,053,705
Total Expenditure		**96,249**	**7,776,084**	**7,872,333**	**51,195**	**6,404,827**	**6,456,022**
Recognised (loss)/gain on Investment assets	19	**(453)**	**-**	**(453)**	1,219	-	1,219
Net Income/(Expenditure) Before Transfers and Taxation		**304,275**	**240,137**	**544,412**	**63,321**	**(472,841)**	**(409,520)**
Transfers between funds	19,20	**247,177**	**(247,177)**	-	(286,877)	286,877	-
Taxation		**-**	**-**	-	-	-	-
Net Movement in Funds		**551,452**	**(7,040)**	**544,412**	**(392,522)**	**(16,998)**	**(409,520)**
Fund balances brought forward at 1 April		**1,973,386**	**21,447**	**1,994,833**	2,365,908	38,445	2,404,353
Fund balances carried forward at 31 March	19, 20 21, 22	**2,524,838**	**14,407**	**2,539,245**	**1,973,386**	**21,447**	**1,994,833**

The statement of financial activities has been prepared on the basis that all income and expenditure derive from continuing activities.

There are no recognised gains and losses other than those passing through the statement of financial activities. There is no material difference between the net resources stated above and their historical cost equivalents.

BALANCE SHEET AS AT 31 MARCH 2022

	Note	2022	2021
		£	£
Fixed Assets			
Tangible assets	14a	**54,371**	76,493
Intangible assets	14b	**5,609**	11,216
Total Fixed Assets		**59,979**	**87,709**
Current Assets			
Debtors	15	**2,256,672**	741,729
Investments	16	**2,156**	1,002,608
Cash at bank and in hand		**5,351,445**	5,549,320
Total Current Assets		**7,610,273**	**7,293,657**
Creditors: Amounts falling due within one year	17	**(5,131,006)**	(5,386,533)
Net Current Assets		**2,479,266**	**1,907,124**
Net Assets - Total Assets less Current Liabilities		**2,539,245**	**1,994,833**
The Funds of the Charity			
Unrestricted income funds	19	**2,524,838**	1,973,386
Restricted income funds	20	**14,407**	21,447
Total Charity Funds		**2,539,245**	**1,994,833**

The financial statements on pages 18 to 36 were approved by the Board of Trustees on 21 July 2022 and signed on its behalf by:

Claire Durkin
Chair

Company Number: 01853927

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	2021/22 Total Funds £	2020/21 Total Funds £
Cash flows from operating activities		
Net cash used in operating activities	**(1,213,872)**	**(458,812)**
Cash flows from investing activities		
Dividends and interest from investments	**15,544**	44,933
Maturity of investments realised/(Investments made)	**1,000,000**	
Proceeds from sale of fixed assets	**-**	-
Purchase of fixed assets	**-**	(35,114)
Net cash used in investing activities	**1,015,544**	**9,819**
Change in cash and cash equivalents in the reporting period	**(198,329)**	**(448,993)**
Cash and cash equivalents at the beginning of the reporting period	5,551,928	6,000,921
Cash and cash equivalents at the end of the reporting period	**5,353,600**	**5,551,928**

RECONCILIATION OF CASH AND CASH EQUIVALENTS TO BALANCE SHEET

	2021/22 Total Funds £	2020/21 Total Funds £
Cash and cash equivalents comprise: -		
Investments	2,156	2,608
Cash at bank and in hand	5,351,445	5,549,320
	5,353,600	**5,551,928**

RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021/22 Total Funds £	2020/21 Total Funds £
Net surplus/(deficit) for the reporting period (as per the Statement of Financial Activities)	544,412	(409,520)
Adjustments for:		
Depreciation charges	27,730	28,538
Dividends and interest from investments	(15,544)	(44,933)
	-	-
(Increase)/decrease in debtors	(1,514,943)	313,506
Reduction in creditors	(255,527)	(346,403)
Net cash used in operating activities	**(1,213,872)**	**(458,812)**

1. Charitable status

NEA is registered as a Charity under the Charities Act 2011 and is a company limited by guarantee, incorporated in England. The address of its registered office is 6th Floor, West One, Forth Banks, Newcastle upon Tyne, NE1 3PA. The charity constitutes a public benefit entity as defined by FRS 102.

2. Constitution and liability of members

NEA is a company limited by guarantee and has no share capital. Clause 3 of the Articles of Association provides that every member, as defined by clause 3(b) of the Articles of Association, is liable to contribute a sum not exceeding £1 in the event of the Charity being wound up while a member, or within one year of ceasing to be a member. At the year-end there were 221 full members and 115 associate members (2020/21: 133 and 76 respectively).

3. Statement of Compliance and Accounting Policies

Statement of Compliance

These financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the inclusion of investments at market value, in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2019) preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 and the Charities Act 2011 and the Companies Act 2006.

In accordance with the SORP 2019, restricted and unrestricted income and expenditure are separately identified in the financial statements. The net change in the two types of funds is added to the balances brought forward from the previous year, so that the balance of restricted and unrestricted funds at the end of the year is identified on the balance sheet.

The company's functional and presentation currency is the pound sterling.

The trustees assess whether the use of going concern is appropriate i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. The Board and senior management have considered both the level of reserves and the ongoing impact of the COVID-19 pandemic on the charity. Following a review of cash forecasts, planned operations and financial implications; a satisfactory percentage of income has been secured for the next 12 months and there is sufficient anticipated income to cover the costs of the charity well into 2022/23. The charity has adapted well to the pandemic and is able to offer virtual access to its training courses and case work. Taking into account all potential limitations on the delivery of outcomes or the finalising of income streams, over the next 12 months, the trustees are satisfied that the charity remains in a satisfactory financial position as a going concern and have concluded that it has adequate resources to continue in operational existence for the foreseeable future and thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Critical Accounting Estimates & Judgements

Income recognition is a critical judgement in establishing NEA's annual income and expenditure and year-end financial position. Accounting Policies 3.1.d and 3.1.e and the procedures that support them are consistently applied in determining the extent to which income is recognised and deferred in NEA's financial statements.

At the time of the liquidation of NEA's wholly owned subsidiary Warm Zones (WZ), it owed NEA £1,739,001. Provision has been made in NEA's accounts up to 31 March 2022 for £1,165,181 of that debt, which is considered to be irrecoverable. The recoverable balance of £573,820 was included within NEA's trade debtors figure at 31 March 2020 and an interim sum of £260,904 was received from the liquidators during 2020/21. No further payments have been received from the liquidators during 2021/22 and the remaining recoverable balance of £312,916 is included within NEA's trade debtor figure at 31 March 2022 and it is expected that the outstanding sum will be received in full. It is still the charity's intention to seek recourse for the unrecoverable element of the WZ debt with WZ's former insurers. A claim would be made against WZ's professional indemnity insurance cover and legal advice will be sought in this regard but at this stage it is uncertain whether a claim would be successful.

3. Statement of Compliance and Accounting Policies (continued)

During 2020/21, work was carried out on behalf of Green Network Energy (GNE) in relation to the Warm Homes Discount scheme but in January 2021 GNE entered administration. At the time of the administration GNE owed NEA £413,867. Provision was included in NEA's accounts for the year ended 31 March 2021 for £307,000 of that debt, which was considered irrecoverable. The balance of £106,867, which was believed to be recoverable, was included within NEA's trade debtors figure as 31 March 2021. During 2021/22, based on an update from the administrators of GNE, a further bad debt provision of £37,729 has been processed through the charity's 2021/22 Statement of Financial Activities for the unrecoverable element of the GNE debtor. The total bad debt provision which has been processed through the charity's Statement of Financial Activities for the GNE net unrecoverable balance is £344,729. The remaining recoverable balance of £69,138 is included within NEA's trade debtor figure at 31 March 2022 and it is expected that the outstanding sum will be received in full.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed below.

Accounting Policies

The following principal accounting policies have been consistently applied:

3.1 Income

Income receivable by NEA is included in the financial statements at its gross value. All costs associated with generating, earning or collecting income are shown separately as expenditure. Where income included VAT, the VAT element was receivable by HMRC, not NEA. That VAT is, therefore, excluded from NEA's financial statements.

a. **Income from donations** is recognised in the year in which it is secured. When donations have been promised but not received, they are recognised if receipt is probable.

b. **Investment income -** dividends arising on listed investments and interest arising on bank deposits, are recognised on a receivable basis.

c. **Miscellaneous income** – relates to reimbursement of long-term ill-health costs via insurance arrangements, recharge of the costs of a seconded employee and third-party reimbursement of employees travel and subsistence costs.

d. **Income from charitable activities** is principally derived from carrying out work that helps regulated private sector organisations meet statutory obligations to alleviate fuel poverty which contributes to NEA's aims and objectives. Income is recognised to the extent that:

- Conditions relating to entitlement to the income have been met;
- The monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably; and
- It has been received or its receipt is probable.

Assessments are made regularly during the year to identify:

- Income that should rightly be included in the financial statements; and
- Any receipts, entitlement to which is dependent on successful delivery of agreed outputs or other conditions that have not yet been met.

This continuous process, supplemented by additional assessment after the year end, informs the extent to which income is recognised in the financial statements.

Charitable activities income also includes:

- Grants from Government departments, devolved administrations and other public bodies;
- Sponsorships;
- Subscriptions of members and Business Supporters Group (BSG); and
- Sales of training courses, examinations, materials and publications, event fees and consultancy.

3. Statement of Compliance and Accounting Policies (continued)

e. **Deferred income** - Income from Charitable Activities, both restricted and unrestricted, to which entitlement does not exist until earned in future accounting years is treated as deferred income (See notes 17 and 18).

3.2 Expenditure

Expenditure is included in the statement of financial activities on an accruals basis, inclusive of any VAT that cannot be recovered.

a. **Expenditure on raising funds**
Costs incurred in raising funds are separately accounted for. These include the costs of raising donations and managing investments. NEA does not undertake any trading for the specific purpose of raising funds. The Charity's principle trading activity is training, which is a charitable activity, under NEA's charitable objectives.

b. **Expenditure on charitable activities**
Expenditure on charitable activities relates to work that contributes to NEA's charitable objectives. It includes the costs of delivering the services and products that are required by funders, listed above under the policy relating to income from charitable activities. Also included are costs of any core activities that contribute to charitable objectives but are not funded by specific income sources.

Charitable expenditure includes all expenditure relating to NEA's charitable objectives, including the direct cost of supporting charitable activities and projects, depreciation and profits/losses on disposal of fixed assets used wholly or mainly for charitable activities and, where applicable, the writing off of assets as part of project expenditure. In attributing costs to expenditure headings, expenditure involving more than one heading has been apportioned based on staff time.

Governance costs include work to comply with statutory and constitutional requirements, audit, legal advice for Trustees and an element of apportioned support costs. These costs form part of expenditure on charitable activities.

c. **Support costs**
Support costs include all costs that cannot be analysed directly to expenditure on charitable activities or expenditure on raising funds. They are apportioned to activities on the basis of the staff time directly recorded against those activities.

d. **Operating leases**
Rentals payable under operating leases are accounted for on a straight-line basis over the term of the lease.

e. **Pensions**
NEA operates a defined contribution scheme for its salaried employees. Pension costs are charged as expenditure in the year to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

f. **Grants payable**
Grants paid to beneficiaries under any hardship fund arrangement are referred to NEA by various care and voluntary organisations which work directly with vulnerable families and individuals. Other grants are paid subject to the criteria of the funder. Grants are funded via sponsors of individual programmes (see note 9).

g. **Transfers between funds**
Transfers between funds primarily reflect transfers of resources from unrestricted funds to meet the additional costs of restricted fund activities not covered by restricted income, surpluses on restricted fund activities that funders allow NEA to retain and transfers to or from designated funds for specific, otherwise unrestricted, purposes.

3. Statement of Compliance and Accounting Policies (continued)

3.3 Identifying costs with activities

A large proportion of NEA's expenditure relates to employee costs. Time recording and project accounting systems are used to identify those costs with each activity.

Support costs, which are not directly identifiable with specific activities, are apportioned in proportion to time directly recorded against each activity. They include finance, human resource management, ICT, administration, premises and general office supplies and equipment.

Other costs relating directly to individual projects are identified with each activity, using the project accounting system.

3.4 Fixed assets

Tangible fixed assets are stated at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided to write off, by annual instalments, the cost of tangible fixed assets over their estimated economic lives as follows:

Leasehold properties	- Straight-line over the primary period of the lease
Furniture, fittings and equipment	- Straight-line generally over 5 years

If purchased before 1 October a full year's depreciation is charged in the year of purchase. If purchased after 30 September no depreciation is charged in the year of purchase. Tangible fixed assets costing less than £1,000 are not capitalised. Finance costs are not capitalised. Impairment reviews of tangible fixed assets are carried out on a regular basis. Impairment losses, when they arise, are treated as additional depreciation in the year that they are identified.

Intangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Website development costs are recognised as an intangible asset when all of the following criteria are demonstrated:-

- The technical feasibility of designing the website so that it will be available for use;
- The intention to complete the website and use it;
- The ability to use the website;
- How the website will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use the website; and
- The ability to measure reliably the expenditure attributable to the website design during its development.

Depreciation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives: -

- Website development costs 3 years.

If there is an indication that there has been a significant change in depreciation rate or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Intangible assets costing more than £1,000 are capitalised if their expected economic life is greater than one year. Depreciation is provided to write off, by equal annual instalments, the cost over their estimated economic lives, normally not more than 3 years. If purchased before 1 October a full year's depreciation is charged in the year of purchase. If purchased after 30 September no depreciation is charged in the year of purchase.

3. Statement of Compliance and Accounting Policies (continued)

3.5 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

3.6 Debtors

Income due from debtors at 31 March is prudently assessed in accordance with the policy relating to income from charitable activities, described above.

Provision is made in the financial statements for any specific debts which are expected to be irrecoverable. Provision is also made for debts whose recovery is assessed as being doubtful. Doubtful debts are assessed with regard to their age, the debtor, the reason for the debt, the size of the debt and viability, including any likely cost, of taking further recovery action.

The great majority of NEA's income is from public sector and large private sector organisations that are regarded as being at a lower of risk of failing financially. A prudent approach is also taken to the inclusion of income in the financial statements.

3.7 Investments

Investments are made only in basic financial instruments. Investments in listed shares are revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities. Reserves and short-term surplus funds are placed in cash deposits with major UK banks.

3.8 Liabilities

Liabilities include trade and other creditors, taxes and social security costs, including obligations to make future payments. They are recognised in the financial statements as resources expended as soon as legal and/or constructive obligations arise.

3.9 Holiday Entitlement

Provision is made for the cost of untaken holiday entitlement as at 31 March each year. A provision of £48,467 is made in 2021/22 (2020/21: £55,244) financial statements, in addition to a provision of £14,000 (2020/21: £14,000) for permanent health insurance (PHI) costs relating to accrued holiday entitlement.

3.10 Short term deposits and cash

Reserves, which are maintained to help ensure that NEA can continue to deliver its charitable objectives, and receipts that are held in the short-term before being used to meet expenditure, are deposited with COIF Charities Deposit Account. The principal aims are to ensure that such funds are secure and are available at the time they are needed. Short-term deposits also achieve a rate of return that contributes to NEA's charitable activities. A managed level of cash is held available for immediate use and very short-term cash-flow. Short-term deposits that mature in less than three months are shown as cash-equivalents in the cash flow statement.

3. Statement of Compliance and Accounting Policies (continued)

3.11 Fund Accounting

Funds held by the Charity are either:

- Restricted – which can only be used for specific purposes within the objects of the Charity. Restrictions arise when specified by the funder or when funds are raised for particular specified purposes; or
- Unrestricted – which can be used for any of the charitable objects at the discretion of the Trustees.

Within the unrestricted funds, amounts may be set aside by the Trustees to be used for particular purposes. The aims and use of designated funds are set out in notes to the financial statements.

Transfers between funds are made:

- Between unrestricted and restricted funds to meet expenditure on restricted activities that is not fully funded, and surpluses made on restricted funds projects, which funders allow NEA to retain; and
- To and from designated funds, usage of which is at Trustees' discretion, designated funds remain unrestricted.

3.12 Post Balance Sheet events

Any events that have occurred after the end of the financial year that have, or are likely to have, a material effect on the value of assets or liabilities must be noted and explained in the financial statements. Although the financial statements are prepared on a historic basis for the year up to 31 March, it is important that the users of the financial statements are also made aware of any subsequent events that may materially affect the Charity.

4. Investment Income

	2021/22	2020/21	2019/20
	£	£	£
Listed Investments	7	1	14
Bank Interest	15,537	44,932	37,695
Total	**15,544**	**44,933**	**37,709**

5. Grants Received

NEA receives grants from a range of funders. The grants are usually for specific projects with requirements to deliver specified outputs, making them performance related. Funders also generally require grants to be expended solely on projects with geographic or charitable aim limitations, making them restricted funds under charity accounting rules. As projects have discrete start and end dates, there is not necessarily continuity of funding from individual sources across financial years. The major programme, which commenced in mid 2015/16 and continued through subsequent years and ended in 2021/22 is grant funded.

Income from Charitable Activities includes grants from the following sources: –

	2021/22 Total All Restricted	2020/21 Total All Restricted
	£	£
Companies in the energy sector - Health & Innovation Programme	28,666	31,615
Companies in the energy sector - other	4,878,495	3,343,893
UK central, devolved and local government and the EU	632,721	313,291
Trusts and foundations	300,123	371,478
Housing Associations	22,941	6,501
	5,862,947	**4,066,778**
Other restricted income	2,153,274	1,865,208
Total restricted income	**8,016,221**	**5,931,986**

6. Analysis of charitable expenditure

Aim	2021/22	Direct Staff Costs £	Grant Funded £	Direct Costs £	Support Costs £	Total 2021/22 £
1	Increase Strategic Action Against Fuel Poverty	448,035	-	45,488	195,868	689,391
2	Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	1,762,043	2,761,777	634,709	787,952	5,946,481
3	Enhance Energy Efficiency and Fuel Poverty Education and Skills	583,598	122,344	243,452	282,571	1,231,965
		2,793,676	**2,884,121**	**923,649**	**1,266,391**	**7,867,837**

Aim	2020/21	Direct Staff Costs £	Grant Funded £	Direct Costs £	Support Costs £	Total 2020/21 £
1	Increase Strategic Action Against Fuel Poverty	259,982	8,822	36,868	130,183	435,855
2	Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	924,056	1,800,149	509,663	732,381	3,966,249
3	Enhance Energy Efficiency and Fuel Poverty Education and Skills	1,239,481	119,913	335,066	359,245	2,053,705
		2,423,518	**1,928,884**	**881,597**	**1,221,809**	**6,455,808**

Other direct costs include irrecoverable VAT input tax amounting to £299,140 (2020/21: £108,880).2021/22 Aim 2 and 3 direct costs include in total a £37,729 provision, £16,490 and £21,239, respectively, for the GNE irrecoverable debt. 2020/21 Aim 2 and 3 direct costs include in total a £307,000 provision, £134,179 and £172,821 respectively, for the GNE irrecoverable debt. Both provisions are detailed in note 15.

7. Cost of Raising Funds

	Staff Costs £	Support Costs £	Direct Costs £	Total £
2021/22	2,263	719	4,496	**7,479**
2020/21	2,283	788	214	**3,286**

8. Allocation of support

The Charity allocates support costs as shown in the table below then further apportions those costs between the charitable activities undertaken. Support costs are allocated on the basis of staff time.

Note 8 - Allocation of Support Costs (continued)

2021/22	Charitable Activities					
	Aim 1	Aim 2	Aim 3	Charitable Activities Total	Cost of Raising Funds	2021/22 Total
	£	£	£	£	£	£
Support staff	94,294	379,332	136,034	609,660	346	**610,006**
Staff training	1,240	4,986	1,788	8,014	5	**8,019**
Travel & Subsistence	2,400	9,656	3,463	15,519	9	**15,528**
Accommodation and insurances	41,040	165,099	59,207	265,346	150	**265,496**
IT support	10,194	41,009	14,706	65,909	37	**65,946**
Communication costs	11,464	46,117	16,538	74,119	42	**74,161**
Other general costs	16,653	66,994	24,025	107,672	61	**107,733**
Legal and professional costs	10,804	43,463	15,587	69,854	40	**69,894**
Capital grants/depreciation adjustment	4,286	17,244	6,184	27,714	16	**27,730**
General Capital Expenditure	3,493	14,052	5,039	22,584	13	**22,597**
	195,868	**787,952**	**282,571**	**1,266,391**	**719**	**1,267,110**

2020/21						
	Aim 1	Aim 2	Aim 3	Charitable Activities Total	Cost of Raising Funds	2020/21 Total
	£	£	£	£	£	£
Support staff	68,735	386,688	189,676	645,099	417	**645,516**
Staff training	965	5,428	2,663	9,056	6	**9,062**
Travel & Subsistence	155	873	428	1,456	1	**1,457**
Accommodation and insurances	28,674	161,312	79,126	269,112	174	**269,286**
IT support	8,267	46,510	22,814	77,591	50	**77,641**
Communication costs	7,299	41,064	20,143	68,506	44	**68,550**
Other general costs	5,499	30,934	15,174	51,607	33	**51,640**
Legal and professional costs	5,169	29,080	14,264	48,513	31	**48,544**
Capital grants/depreciation adjustment	3,039	17,095	8,386	28,520	18	**28,538**
General Capital Expenditure	2,381	13,397	6,571	22,349	14	**22,363**
	130,183	**732,381**	**359,245**	**1,221,809**	**788**	**1,222,597**

9. Grants Payable

Total grants paid to orgainsations and to individuals were: -	2021/22 £	2020/21 £
Grants paid to organisations	2,881,402	1,919,884
Grants paid to individuals	10,530	9,000
	2,891,932	**1,928,884**

9. Grants Payable (continued)

During the year, grants were paid out under the following programmes and schemes:

	2021/22 £
Warm Homes Discount	
342 grants were awarded to individuals to fund fuel payments with an average award of £138.71. This was administered via NEA's WASH energy advice service.	£49,973
A grant of £453,259 was awarded to Boiler Plan Limited to install new heating systems in 164 homes to people who meet WHD priority and broader group criteria.	£453,259
1,402 grants were awarded to individuals to fund fuel payments. The recipients of the grants were eligible for their energy suppliers' WHD payment but they did not receive it during 2021/22.	£200,152
Smart Energy GB	
74 grant awards ranging in value from £7,425 to £25,000 were paid to a number of organisations across the UK to fund activity to promote Smart Meters at a community level. The grant awards were targeted to help certain groups of individuals which included those on low income, over 65, carers as well as members of the community whom have no access to the internet.	£540,335
Cadent Reactive Repair	
Both Agility Eco Services Limited and Preferred Management Solutions Limited were funded to provide measures in 1,115 homes of vulnerable, low income householders in the Cadent network area. The essential work carried out included servicing of "at risk" gas appliances as well as both repairing and replacing condemned gas appliances.	£1,481,338
Student Bursaries	
2 grants of £3,000 and one of £4,530 were paid as bursaries to 3 students from low-income families who will undertake work experience with the charity or one of NEA's partners.	£10,530
Community Action Projects	
The SSE Crisis & the PHA - Belfast Crisis funds awarded 229 grants and the funds aim is to help individuals in Northern Ireland who are finding it difficult to keep their homes warm, by offering energy advice and practical support to stay warm and well, and where appropriate, the provision of heating measures and discretionary financial assistance to alleviate the negative impacts on personal health and wellbeing arising from living in cold and damp homes.	£18,826
The Great Places Crisis fund awarded 155 grants to individuals to fund fuel payments.	£6,106
Phase 2 of the Energy Saving Trust Covid-19 Crisis Relief fund awarded grants to 288 low income households to fund fuel payments.	£51,638
The SSE/EDF Assistance fund awarded 4 grants to low income individuals for measures which included a contribution to a boiler installation, a replacement mobile thermostat & cooker.	£1,929
The Melin Homes Prepayment Meter Crisis fund awarded 380 grants to individuals to fund fuel payments.	£17,065
The SGN Hardship fund awarded 13 grants to individuals to fund fuel payments.	£1,807
The Energy Saving Trust Warm Welcome fund awarded 10 grants to individuals to fund fuel payments & the purchase of energy efficient cooking appliances.	£497
The SGN Warm and Safe Homes fund awarded grants to 74 SGN customers to fund emergency fuel payments.	£9,957
The WWU fund awarded grants to 41 low income households to fund the repair or replacement of gas central heating systems, associated pipework and gas cookers.	£33,604
The EST Winter Hardship Fund awarded 150 grants to low income households who use pre-payment meters to fund fuel payments.	£14,916
Total grants paid 2021/22:	**2,891,932**
2020/21:	1,928,884

In the prior year, grants were paid out under the following programmes and schemes:

	2020/21 £
Community Action Projects	
The SSE Crisis fund awarded 166 grants to individuals in Northern Ireland for a range of measures which included fuel payments, provision of oil filled radiators, boiler repairs and the funding of technical reports to complete heating system replacements	£20,525
The SSE/EDF Assistance fund awarded 59 grants to individuals for a range of measures which included fuel payments, boiler installations, new radiators, repairs to central heating systems and purchases of various household items which included white goods	£20,304
The Energy Saving Trust Covid-19 Crisis Relief fund awarded 1,723 grants to individuals to fund fuel payments	£237,546
The Great Places Crisis fund awarded 62 grants to individuals to fund fuel payments	£2,950
The Melin Homes Prepayment Meter Crisis fund awarded 54 grants to individuals to fund fuel payments	£3,579
The SGN Hardship fund awarded 124 grants to individuals to fund fuel payments	£15,675
The UK Power Networks Refugee and Asylum Seekers fund issued various small energy efficiency measures such as light bulbs, radiator reflectors, thermometer cards and slow cookers to local groups for onward distribution to refugee and asylum seekers	£987
The Energy Saving Trust Warm Welcome fund awarded 3 grants to individuals to fund fuel payments	£252
Coventry Hardship Fund and Keeping Coventry Warm Fund - funded by Donations, Coventry City Council and Coventry Primary Care Trust	
The funds awarded 8 grants to individuals in Coventry to fund fuel payments and assist with heating system repairs	£527
Forces for Warmth	
81 grants were awarded to currently serving and ex-service personnel and their families to fund fuel payments and the purchase of other essential items	£9,513
Smart Energy GB	
Grants between £4,643 and £25,000 were paid to 30 organisations across the UK to fund activity to promote Smart Meters at a community level and particularly help to address individuals whom are on low income as well as members of the community whom have no access to the internet	£454,799
Student Bursaries - funded by National Grid Affordable Warmth Solutions through the Malcolm Wicks Memorial Fund	
6 grants of £1,500 were paid as bursaries to 3 students from low-income families who will undertake work experience with the charity or one of NEA's partners.	£9,000
Warm Home Discount (WHD)	
971 grants were awarded to individuals to fund fuel payments. The recipients of the grants were eligible for their energy suppliers' WHD payment but they did not receive it during 2020/21	£148,721
A grant of £492,404 was awarded to Boiler Plan Limited to install new heating systems in 180 homes to people who meet WHD priority and broader group criteria	£492,404
58 grants were awarded to individuals to fund fuel payments which were paid direct to a number of energy suppliers	£40,693
Warm Minds Hardship Fund	
The fund awarded 2 grants to individuals to fund fuel payments and also issued various small energy efficiency measures such as light bulbs, radiator reflectors, thermometer cards and slow cookers	£355
Cadent Reactive Repair	
Agility Eco Services Limited was funded to provide measures in 605 homes of vulnerable, low income householders in the Cadent network area. The essential work carried out included both repairing and replacing condemned gas appliances	£471,054
Total grants paid 2020/21:	**1,928,884**

10. Board of Trustees and other key management personnel

In accordance with the Charity's Articles of Association, the members of the Board of Trustees received no remuneration during the year. Travel and subsistence costs were paid for 7 trustees in 2021/22 (2020/21: 5), amounting to £1,973 (2020/21: £803)

In 2021/22 employee benefits, including employers pension contribution, totalling £502,763 were paid to 6 key management personnel (2020/21: £448,624 to 5 key management personnel).

11. Employees

The average number of employees during the year was: -	2021/22 Number	2020/21 Number
Chief Executive & Deputy	2	2
Northern Ireland	5	5
Wales	0	2
Support Services	13	12
Operations - Community Engagement and Demonstration	20	16
Operations - Skills, Standards and Delivery	15	13
Policy and Research	9	7
Communications and External Relations	10	9
Special Projects	3	2
Income Maximisation	6	7
Total	**83**	**75**

Staff receiving emoluments (including taxable benefits in kind but excluding employer's pension and insurance contributions) exceeding £60,000 were as follows:

	2021/22 Number	2020/21 Number
£60,000 - £69,999	2	3
£70,000 - £79,999	1	1
£80,000 - £89,999	-	-
£90,000 - £99,999	1	1

Total pension contributions for staff members receiving emoluments of more than £60,000 during the year amounted to £35,015 (2020/21: £41,412).

12. Pension costs

The Charity operates a non-contributory, defined contribution, Group Personal Pension Scheme for its employees, administered by Aegon Scottish Equitable. Employer contributions during the year were £314,246 (202011/22: £279,428). At 31 March 2022, outstanding contributions to be paid over to the Scheme Administrator were £31,249 (31 March 2021: £510).

13. Net expenditure before transfers

Net expenditure before transfers is arrived at after charging:	2021/22 £	2020/21 £
Amounts payable to the auditor for:		
- Audit Fee	20,500	19,600
Other professional and legal fees	70,322	35,477
Depreciation	27,730	28,538
Operating Leases – Land and buildings	206,180	213,895

14a. Tangible Assets

	Leasehold properties - short £	Furniture, fixtures & equipment £	Total £
Cost			
1 April 2021	117,711	381,698	499,410
Additions	-	-	-
31 March 2022	**117,711**	**381,698**	**499,410**
Depreciation			
1 April 2021	42,863	380,053	422,916
Charge for the year	20,477	1,645	22,122
31 March 2022	**63,340**	**381,698**	**445,038**
Net book value at 31 March 2022	**54,370**	**0**	**54,371**
Net book value at 31 March 2021	74,848	1,645	76,493

14b. Intangible Assets

	Website design £
Cost	
1 April 2021	16,825
31 March 2022	**16,825**
Depreciation	
1 April 2021	5,608
Charge for the year	5,608
31 March 2022	**11,216**
Net book value at 31 March 2022	**5,609**
Net book value at 31 March 2021	11,216

15. Debtors

	2022 £	2021 £
Trade debtors	1,294,510	570,143
Other debtors	4,582	4,785
Prepayments and accrued income	957,580	166,801
Total Debtors	**2,256,672**	**741,729**

At 31 March 2022 NEA's wholly-owned subsidiary Warm Zones CIC (WZ) which entered liquidation in November 2018 is shown in the trade debtors figure as owing £312,916. This sum has been confirmed by the liquidators of WZ and it is expected to be received during the course of 2022/23.This is the same amount as was expected to be recoverable from the liquidation of WZ as at 31 March 2021. The total bad debt provision which has been processed through the charity's Statement of Financial Activities in previous financial years for the WZ net unrecoverable balance is £1,165,181.

Also at 31 March 2022 the trade debtors figure includes a provision for the potential unrecoverable balance of the Green Network Energy (GNE) debtor of £413,867. During 2020/21, work was carried out on behalf of GNE in relation to the Warm Homes Discount scheme but in January 2021 GNE entered administration. During 2021/22, based on an update from the administrators of GNE, a further bad debt provision of £37,729 has been processed through the charity's Statement of Financial Activities for the GNE debt and this is in addition to the £307,000 bad debt provision which was processed through the 2020/21 Statement of Financial Activities. The total bad debt provision which has been processed through the charity's Statement of Financial Activities for the GNE net unrecoverable balance is £344,729.

16. Investments

	2022	2021
	£	£
Listed investments at market value	**2,156**	**2,608**
Historical cost of listed investments	(130)	(130)
Revaluation Reserve	2,026	2,478
Investments have been revalued at the 31 March 2022 closing price quoted on the London Stock Exchange		
Fixed-term bond deposits		
Matured March 2022	-	1,000,000
		-
Total Fixed-term bond deposits	**-**	**1,000,000**

17. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	472,032	307,329
Taxation and social security costs	31,249	8,238
Other creditors	2,057,221	2,057,221
Holiday pay provision	62,467	69,244
Accruals	566,274	729,347
Deferred income (see note 18)	1,941,763	2,215,154
Total Creditors	**5,131,006**	**5,386,533**

18. Deferred Income

Income is recognised when legal entitlement is secured by meeting conditions agreed with funders regarding delivery of projects and other conditions have been met. Income received prior to entitlement is deferred until the income has been earned.

	2022	2021
	£	£
Balance at 1 April	2,215,154	2,981,414
Amount released to income during year	(750,850)	(1,144,319)
Amount deferred in the year	477,459	378,059
Balance at 31 March	**1,941,763**	**2,215,154**

19. Unrestricted Income Funds

2022	Balance at 1 April 2021	Income	Expenditure	Transfers Between Funds	Net Investment Losses	Balance at 31 March 2022
	£	£	£	£	£	£
General Reserve	1,566,216	400,977	(96,249)	651,869	-	**2,522,813**
Unrealised Gain on Investments	2,478	-	-	-	(453)	**2,025**
Designated Reserve - Post-HIP Transition	404,692	-	-	(404,692)	-	**-**
	1,973,386	**400,977**	**(96,249)**	**247,177**	**(453)**	**2,524,838**

During 2021//22 the Board of Trustees approved the release of the remaining balance of £404,692 of the Post-HIP Transition Designated Reserve back to the General Reserve as it was deemed to be no longer required for its stated purpose by the Charity.

2021	Balance at 1 April 2020	Income	Expenditure	Transfers Between Funds	Net Investment Gains	Balance at 31 March 2021
	£	£	£	£	£	£
General Reserve	1,959,956	113,296	(51,195)	(455,842)	-	**1,566,216**
Unrealised Gain on Investments	1,260	-	-	-	1,219	**2,478**
Designated Reserve - Post-HIP Transition	404,692	-	-	-	-	**404,692**
	2,365,908	**113,296**	**(51,195)**	**(455,842)**	**1,219**	**1,973,386**

20. Restricted Income Funds

2022	Balance at 1 April 2021	Income	Expenditure	Transfers Between Funds	Balance at 31 March 2022
	£	£	£	£	£
Increase Strategic Action Against Fuel Poverty	13,533	673,464	(597,638)	(82,867)	6,492
Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	7,914	5,932,293	(5,946,481)	14,189	7,915
Enhance Energy Efficiency and Fuel Poverty Education and Skills	-	1,410,464	(1,231,965)	(178,499)	-
	21,447	**8,016,221**	**(7,776,084)**	**(247,177)**	**14,407**

2021	Balance at 1 April 2020	Income	Expenditure	Transfers Between Funds	Balance at 31 March 2021
	£	£	£	£	£
Increase Strategic Action Against Fuel Poverty	30,000	417,246	(384,874)	(48,839)	**13,533**
Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	8,445	4,153,234	(3,966,248)	(187,517)	**7,914**
Enhance Energy Efficiency and Fuel Poverty Education and Skills	-	1,361,507	(2,053,705)	692,198	-
	38,445	**5,931,987**	**(6,404,827)**	**455,842**	**21,447**

Income and expenditure have been allocated to specific aims, within each of the Charity's main areas of activity, designed to enable the Charity to achieve the objectives contained in its Strategic Plan 2016/22.

Transfers between funds primarily reflect transfers from unrestricted funds to meet the additional cost of restricted fund activities not covered by restricted income and transfers to unrestricted funds of surpluses on restricted fund activities, which funders allow NEA to retain and transfer to the general fund. In 2021/22, £247,177 was transferred from the restricted funds to the unrestricted funds as the Charity made a surplus on its restricted activities. In 2020/21, there was the requirement to transfer £455,842 from the unrestricted funds to the restricted funds to cover the financial impact of the GNE bad debt provision of £307,000 as well as the additional WZ bad debt provision of £104,000.

There were no investment gains or losses on restricted funds in the year ended 31 March 2022 (2020/21: £Nil).

Restricted Funds held at 31 March are: -	2022	2021
	£	£
Coventry Hardship Fund	3,757	3,757
Keeping Coventry Warm Fund	4,158	4,158
Northern Ireland Donation Fund	6,492	13,533
	14,407	**21,447**

21. Analysis of Net Assets between Funds

	2022			2021		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Fixed Assets	59,979		59,979	87,709	-	87,709
Net Current Assets	2,464,859	14,407	2,479,265	1,885,677	21,447	1,907,124
Net Assets at the end of the year	**2,524,838**	**14,407**	**2,539,245**	**1,973,386**	**21,447**	**1,994,833**

22. Purposes of Funds

NEA has an annual programme of activities to help meet its strategic aims and these are funded through different sources of income. All of the Charity's activities are aligned to its strategic aims and objectives which are designed to make a positive impact on the alleviation of fuel poverty.

Coventry Hardship Fund and the Keeping Coventry Warm Fund are grant-making funds, the balances of which are Restricted Funds. The balances on these funds at 31 March are shown in note 20 above.

Donations are made on the understanding that they contribute to the overall work of NEA within its charitable aims and are generally treated as Unrestricted Funds. In August 2019 a donation of £75,000 was received from SSE, which is restricted to be used in Northern Ireland. At 31 March 2022 £6,492 remained to be spent in 2021/22.

Key information about activities and public benefit is given in the Strategic Report of the Trustees for the year ended 31 March 2022, on pages 3 to 14 of this document.

23. Financial Commitments – Operating Lease Commitments

The total future minimum lease payments under non-cancellable operating leases.

	2022		2021	
	Land & Buildings	Other	Land & Buildings	Other
	£	£	£	£
Payable within one year	183,952	18,181	196,509	16,400
Payable between one and five years	383,576	35,252	554,779	56,718
Payable after five years	-	-	-	-
	567,528	**53,433**	**751,288**	**73,118**

The total value of lease payments recognised as an expense in 2021/22 was £206,180 (2020/21: £213,895).

24. Related Party Disclosures

FRS 102 requires NEA to include in its financial statements the disclosures necessary to draw attention to the possibility that its financial position and profit or loss have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

NEA does not have any related party transactions with Trustees or their connected persons, other than the expenses disclosed in note 10.

25. Capital Commitments

At 31 March 2022 capital commitments were £Nil (31 March 2021: £Nil).

NATIONAL ENERGY ACTION

England & Wales - Charity number 290511

Accounts

Company No: 01853927

Charity Reg No: 290511

National Energy Action

Operating as NEA

(A Charitable Company Limited by Guarantee)

Report of the Board of Trustees

and

Financial Statements

- for the year ended -

31 March 2021

NATIONAL ENERGY ACTION
(Operating as NEA)

Report of the Board of Trustees and Financial Statements

for the Year ended 31 March 2021

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Reference and administrative details

Company No:	01853927
Charity Reg. No:	290511
Business Address:	6th Floor, West One, Forth Banks, Newcastle upon Tyne, NE1 3PA
Independent Auditors:	Deloitte LLP, 1 City Square, Leeds, LS1 2AL
Principal Bankers:	HSBC Bank plc, 110 Grey Street, Newcastle upon Tyne NE1 6JG
Solicitors:	Womble Bond Dickinson, St Ann's Wharf, 112 Quayside, Newcastle upon Tyne NE1 3DX
President:	Baroness McIntosh of Pickering
Vice Presidents:	Lord Best David Green OBE Baroness Hilton of Eggardon David Porter OBE (to April 2021) Lord Shipley of Gosforth Lord Whitty
Chief Executive:	Adam Scorer
Company Secretary:	Tracey Archer
Directors and Trustees:	The Directors of the charitable company (the Charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and up to the date of signing the financial statements were as follows:

Chair:	Derek Lickorish MBE (to 22 July 2020 as both Chair and Trustee) Claire Durkin (from 22 July 2020 as Chair)
Trustees:	Syed Ahmed Andrew Brown (to 22 July 2020) Judith Damerell (from 14 May 2020) Claire Durkin Jacqueline Gardner David Hall Robert Howard Norman Kerr (to 29 May 2020) Noel Rice Fraser Scott (from 29 May 2020) Professor Philip Taylor (from 14 May 2020) Professor Christopher Underwood Helen Walker Maria Wardrobe (from 14 May 2020)

Structure, Governance and Management

Governing Document

National Energy Action (NEA), a registered Charity, is a company limited by guarantee and not having a share capital and is governed in accordance with the provisions contained in its Articles of Association. The Articles of the charity were refreshed during 2014/15.

Clause 3 of the Articles of Association provides that every member, as defined by paragraph 3(b) of the Articles of Association, is liable to contribute a sum not exceeding £1 in the event of the Charity being wound up while a member, or within one year of ceasing to be a member. As at 31 March 2021 there were 133 full members and 76 associate members (2020: 90 and 69, respectively).

Operating Name

The Charity operates under the name of NEA.

Operational Management

The Charity Senior Management Team comprises:

Chief Executive	Adam Scorer
Group Programme Director and Deputy Chief Executive	Audra Peacock
Director of Operations Community Engagement and Demonstration	Peter Sumby
Director of Policy and Research UK	Peter Smith
Director of Operations Skills, Standards and Delivery	Danni Crosland
Director of Operations Skills, Standards and Delivery (from 1 April 2021 – temporary cover)	Lorraine Donaldson

Appointment of Trustees

Trustees are appointed in accordance with the Articles of Association and are approved each year at the Annual General Meeting (AGM) of the Charity. Four new Trustees were appointed during the year, but three stood down having served two three-year terms.

Trustees are recruited via a number of methods including advertising with specialist agencies and websites, using recruitment services provided by the National Council for Voluntary Organisations and the Association of Chief Executives of Voluntary Organisations and via direct approaches through known contacts and from recommendations which could be through business contacts or personal contacts of trustees, staff, vice-presidents group members and other wide-ranging networks. Our vacancies are also advertised on our own website, Charity Job and through NEA's pages on LinkedIn and other social media platforms.

The NEA Board of Trustees comprises individuals who can bring a particular set of skills and expertise to the Board. As part of the process to identify which skills the Board and charity needs, a Trustee skills survey is carried out on a three-yearly basis. The results of the survey are analysed and discussed by the Board in the light of external and internal environment and the strategic direction of the charity. When there is a need to appoint new Trustees, a discussion of the survey results and any existing or anticipated skills gaps on the Board help to ensure that any new appointment to the Board not only complements the knowledge, understanding and diversity of the existing Trustees; but ensures an appropriate range of knowledge, skills and expertise exists to support the charity's work.

Trustee Induction and Training

Trustees meet with the Charity's Chair and Chief Executive to discuss the role and responsibilities of the Charity's Trustees, and induction sessions for new Trustees take place with members of the Senior Management Team and Company Secretary. Trustees are provided with a support pack comprising a comprehensive collection of information about the Charity and updates to the pack are notified to all Trustees as changes occur.

As part of on-going training and development, Trustees are provided with opportunities to attend events throughout the year and to attend the Charity's Annual Conference and AGM, where major issues concerning the work of the Charity are discussed with representatives from providers of energy efficiency services to low-income households, the fuel utilities, health professionals, voluntary organisations, consumer groups, regulatory bodies and national and local government. The annual conference took place online in September 2020 and the AGM took place during the Conference proceedings. The timing and venue for the 2021 Conference and AGM will depend on guidance released by the UK Government however it is anticipated that the AGM will take place online during our Warm Homes Week activities at the end of September 2021.

Trustees are also provided with opportunities, as they arise, to attend training courses in areas such as Charity governance and financial matters. Five Trustees attended charity finance training and one has undertaken additional

training in safeguarding. Four have also undertaken a refresher course in charity governance. It is intended that all remaining Trustees will complete refresher courses in charity governance, finance and safeguarding during the coming year.

NEA will review its compliance with the Charity Code during the year as it strives to ensure it employs best practice in its trustees and governance structures as well as in its operations.

A series of strategic planning discussions has been held in person and more latterly by email and by teleconference as NEA works to produce its Strategic Plan for the next 5 years. Consultation with stakeholders and partners will take place over the coming months with the intention to launch the new plan in April 2022.

Trustees are prohibited by NEA's governing document of receiving payment for their role in governance other than out of pocket expenses. Conflicts of interest are declared at the start of each meeting. There are therefore no declarations to be made regarding any monies paid to any serving Trustee.

Organisation

NEA is administered by a Board of Trustees which meets 4 times each year. A Chief Executive is appointed by the Trustees to lead on the management of day-to-day operations.

Risk management

The Trustees have a risk management strategy that comprises:

- A quarterly review of the strategic risks at each Board meeting;
- Monthly management review of the operational and strategic risks the Charity may face, the controls in place and any actions required, and exception reporting on operational issues to Trustees;
- Systems and procedures to mitigate, transfer or insure those risks identified in the plan; and
- Procedures designed to minimise any potential impact on the Charity should those risks materialise.

A NEA Committee for Audit, Risk and Finance ensures, among other things, that formal processes for risk management are in place and effectively working across the organisation. The Committee met 4 times in 2020/21.

In a review of risks following the administration and subsequent liquidation of NEA's subsidiary, Warm Zones, the Trustees have recognised the 3 highest risks facing the Charity and the actions to be taken in mitigating them as:

(1) Global Pandemic/Severe Epidemic – the risk materialised and it has been incumbent on the charity to mitigate the impact of this. In mitigation of the impact on both employees and beneficiaries, the charity enacted its comprehensive Business Continuity Plan, engaged with funders and regulatory bodies to reprofile delivery objectives to target audiences and facilitated safe working from home practices for all staff.
(2) Changes to Warm Home Discount Scheme – due to conclude March 21, the charity worked with the relevant regulatory body and government department to extend the current arrangements for a further year, due to the pandemic, but then also to inform criteria of any revisions to the scheme superseding this one.
(3) Economic Downturn – COVID-19 and the subsequent lockdown had a severe short-term impact on economy. The adverse impact on fuel poverty levels was expected to be high and the longer-term, post-lockdown impact very uncertain. This resulted in an upturn in demand for NEA services. To mitigate this the charity grew its delivery capacity and diversified its services. Through effective engagement with funders and regulatory bodies, the charity was able to continue to assist beneficiaries through alternative, COVID-19 safe means.

A People and Cultures Committee (formerly Remuneration Committee) is also in place. The Committee sets the pay and remuneration of the Charity's key management personnel and any benchmarks, parameters or criteria used in setting their pay. It also reviews the NEA terms and conditions of employment and provide guidance and support for staff welfare and organisational cultural matters. The Committee met twice in 2020/21 and concluded other business via email correspondence which is permitted under NEA's constitution.

The Committee has also set up a number of working groups to provide assistance on formulating NEA's long-term funding strategy. The Trustees and staff members will work together to identify new and innovative funding streams for the charity in an effort to further diversify and challenge the organisation's traditional funding base. In the world where the policy horizon is changing quickly, a working group on policy and practice has also been set up to help NEA determine and prioritise its advocacy and policy work. The group, working with NEA's policy team will also provide strategic guidance on extrapolating and disseminating the lessons learned from our operational activities to provide front-line evidence on what works and what doesn't at a grass roots level for those who are vulnerable and living in a cold, damp home, but also as lessons learned for other practitioners.

Objectives, strategies and activities

The charitable objectives of NEA are to:

(a) Relieve poverty and preserve and protect health by promoting the efficient use of energy for low-income and other vulnerable households;
(b) Advance public education about all aspects of energy conservation and the efficient use of energy; and
(c) Promote, or assist in promoting, vocational training for those employed in the delivery of energy efficiency services.

Key Beneficiaries

The key beneficiaries of NEA's work are low income and other vulnerable households, in particular older people, families with young children and those living with a long-term illness in poorly insulated and under-heated homes. In 2020/21 households adversely affected by the COVID - 19 pandemic were also a major priority. Additionally, agencies which support these groups benefit from NEA's work including other national charities and service providers. The Trustees have taken into consideration The Charity Commission's General Guidance on Public Benefit.

Key objectives for the year and principal activities undertaken

Three strategic aims of the Charity formed the framework for all activities in 2020/21, with associated outcomes and principal activities (set out on pages 6 to 7), to deliver these aims and outcomes. These aims were agreed as part of the charity's strategic plan for 2016/21 and were confirmed during the development of the 3-year business plan 2019/21.

AIM 1: To increase strategic action against fuel poverty

Informing policy decisions. NEA exists to bring about the eradication of fuel poverty. To that end we engaged policy makers, urging action and responding to numerous consultations by the UK Government, Welsh Government and Northern Ireland Executive and their agencies to shape strategic action on fuel poverty. NEA is an evidence-based body with our advocacy based on NEA's own research findings, insight from our operational projects, policy analysis of publicly available data sources and through consultations with NEA members and partners.

With the least disruption to our activities as a result of COVID - 19, we achieved well against our performance indicators.

- Fuel poverty strategies in England and Wales were produced and the development of an Energy Strategy in Northern Ireland progressed albeit in the absence of a sitting devolved government
- The UK Government commitment to significant new funding directed to fuel poor households in England was reaffirmed and the Green Homes Grant voucher and local authority schemes represented a significant increase in available resources for fuel poverty alleviation
- NEA introduced a new membership category at the end of the financial year which will expand numbers and types supporter to help drive NEA aims
- Our Water Poverty work competed its planned cycle of reports and helped drive the development of a government commission water affordability review

In 2020/21 NEA advocacy achieved impact across our four key policy priorities.

Consistently supporting the most vulnerable households

NEA advocated the needs of fuel poor households during the COVID - 19 pandemic including through the publication of our Fuel Poverty Monitor and the insight of our frontline advisors. We pushed Ofgem to accelerate action for prepayment meter users and on embedding an Ability to Pay principle in the supply licence. We mobilised support for an extension and expansion of the Warm Home Discount scheme. We worked with several companies to help develop better support packages. Our work on water poverty created a positive debate on how action from energy and water firms can work better to support the most vulnerable households.

Deliver a 'fair' transition to net zero

NEA was a leading voice in the development of new energy efficiency programmes to deliver on government manifesto commitments and fuel poverty targets. We brought policy makers, community organisations and the supply chain together to understand and maximise the opportunities from the Green Homes Grant programme. We engaged HM Treasury and others in the numerous studies and debates on the distribution of the costs and benefits of the net zero ambition and how

to ensure that those in the worst conditions should be promoted to the front of domestic decarbonisation of heat programmes.

Public health and fuel poverty

Despite the inevitable focus of health professionals on the immediate challenge of the COVID – 19 pandemic, NEA maintained the cross departmental working group and made sure that the impact of cold homes related respiratory conditions and the lessons from the COVID - 19 pandemic were understood and provided a crucial element of any COVID - 19 public health recovery programme. We pushed for a greater focus on winter resilience action plans to build on the insight gained regarding vulnerability to cold weather illness and risk.

Co-operation between Nations

As all the nations of the UK reviewed their fuel poverty and related energy strategies, NEA led and worked with coalitions of organisations to get the most ambitious and appropriate fuel poverty strategies in England, Wales and Northern Ireland. We exposed the national differences between targets, measures and success of fuel poverty programmes. We worked with officials, parliamentarians, campaign groups and delivery bodies in England, Wales and Northern Ireland to take advantage of the opportunities in each nation to mobilise the greatest consensus for fuel poverty.

AIM 2 – To develop and progress solutions to improve access to energy efficiency products, advice and fuel poverty related services in UK households

In 2020/21 the COVID - 19 pandemic fundamentally altered how NEA delivered services to households, community groups and others. Delivering support over the telephone became the dominant form of direct service delivery during the pandemic and our other projects had to adapt to the unprecedented challenges of successive lockdowns as access to households in their communities or face to face became impossible. Demand for direct support across all delivery bodies has been unprecedented and NEA had to completely reorganise itself to play a full part in meeting that demand. The lessons from that process of reorganisation will be understood and applied in future years to strengthen our support for fuel poor households with the most urgent need.

In spite of the challenging circumstances we delivered well against our key performance indicators, in particular by increasing our direct delivery of support to fuel poor households.

Supporting households and communities. NEA works with many industry and other partners to deliver vital support and advice services to fuel poor households and to the communities that work with them. In 2020/21 NEA worked with partners through a variety of funding arrangements including significant activity under the Warm Homes Discount Industry Initiative Scheme and other schemes. We set up a national telephone service that led to a significant increase in the reach and impact of our work with households in serious hardship.

- At the height of demand our **WASH Advice team** took 1700 calls from across England and Wales in a three-week period alone
- **Energy advice** 4,669 clients were given direct energy advice in 2020/21
- **Benefit Entitlement checks** for 637 clients led to £1,830,182 of additional financial gain secured through claim support
- **Fuel debt interventions** saw £82,366 written off by energy suppliers
- £385,897 worth of crisis pre-pay top up grants were awarded
- £876,402 worth of **energy efficiency measures** were installed into people's homes.

Warm and safe homes in Fishwick. This is NEA's major project to bring relief to households afflicted by a failed CES (Community Energy Saving) programme. While the pandemic prevented any significant work on properties in Fishwick, NEA was able to secure additional funds, establish a strong delivery partnership with experienced delivery partners and understand more about the impact on properties and the people who live in them through survey and other research methods.

Innovation and low carbon technology. NEA has been involved in major partnerships to understand how low carbon heating technologies and other innovative heating solutions can work most effectively in the homes of people on the lowest incomes and in the least efficient homes. Working with housing associations, local authorities, energy firms, as part of national demonstrator projects and supporting NEA's own project in Fishwick, we have supported and challenged innovation programmes to focus on those households and properties where the need is greatest but where access and engagement is not straightforward.

AIM 3 – To enhance energy efficiency and fuel poverty education and skills

NEA prides itself on its excellence as a training, information and education provider. Over the years our courses have resulted in thousands of skilled and knowledgeable people supporting fuel poor households in a range of technical settings.

Training. During 2020/21 NEA had to redesign and restructure all its courses to deliver high quality training and education programme over virtual platforms. NEA developed and delivered e-learning, webinar, e-examinations and restructured courses to meet the needs of remote learners.

- 3,890 delegates received NEA training through e-learning and webinars
- Delegates anticipate that they will go on to support over 930,000 consumers with their knowledge.
- Development began on new modules to provide structured content on decarbonisation and households in vulnerable circumstances

Online events. Over the year, NEA launched a comprehensive online event series to ensure that its role in providing excellent education and awareness-raising continued despite COVID-19 restrictions. As well as a four-day annual conference that drew record numbers of participants and delegates, NEA also ran online regional forums, specialist policy briefings, member events and other virtual activities.

- NEA delivered 74 events involving almost 5,000 stakeholders.
- Our online annual conference alone had 2500 registrations from a more diverse group than previous years and comprising 23 hours of live content

Supporting members

By the end of March 2021 NEA had 209 ordinary members of which 133 were full members who carry voting rights within the charity's constitution. NEA also has 31 members of its Business Supporters Group (BSG). NEA held 4 online BSG member meetings in 2020/21 sharing insight and helping to shape NEA policy developments and campaigns.

Key performance indicators

KPIs for 2020/21 were set to ensure the financial position of the Charity remains strong, that internal systems are robust and that the Charity continues to deliver the three strategic aims.

In 2020/21:

Financial Management
NEA had budgeted for a small surplus of £12 but has produced an operating deficit on activities of £409,520 or 7% of turnover for the year. The reason for the deficit is primarily that during 2020/21, NEA carried out work on behalf of Green Networks Energy (GNE) in relation to the Warm Homes Discount scheme but in January 2021 GNE entered administration. As a consequence, a provision through the 2020/21 Statement of Financial Activities for the potential net unrecoverable balance of £307,000 which is owed by GNE has been made.

In accordance with the Reserves Policy, the Board also re-confirmed the designation of £404,692 from the Charity's reserves to support the charity through transition at the end of the Health and Innovation Programme (HIP) and other major funded programmes.

Delivery
92% of the work programme was successfully delivered on time with 8% of the programme carried forward into 2020/21 due to agreed changes to delivery schedules and the impact of COVID-19. (2019/20: 93% of the work programme delivered with 7% of work programme carried forward).

Management
During the year 2020/21, NEA faced unprecedented challenges as a result of the COVID-19 pandemic. As a result we introduced a number of management interventions to ensure the sustainability of the charity and our ability to meet our charitable objectives. These included:

- The engagement of our Business Continuity plans to ensure that the charity was able to continue operating
- The renegotiation of funded delivery outputs to maximise the limitations of service delivery, under the government's recommended safeguards

Campaigns
NEA continued to work with partners to demonstrate that an ambitious energy efficiency programme would capture major economic benefits, that central funding for domestic energy efficiency should be a spending priority for UK Government and that to be regarded as an important infrastructure priority.

Charity Development
Following Warm Zones CIC entering administration and being placed into liquidation at the end of 2018/19, NEA added an Income Maximisation team which has extended the charity's ability to provide direct support to low income, fuel poor households.

Warm Zones CIC

Warm Zones CIC (WZ) was a wholly owned subsidiary of NEA. During 2018/19 Warm Zones Directors placed the company into administration and by the end of the 2018/19 Warm Zones had been placed into liquidation.

At the time of liquidation WZ owed NEA £1,739,001. Provision was included in NEA's accounts for the year ended 31 March 2020 for £1,061,181 of that debt, which was considered to be irrecoverable. The balance of £677,820, which was believed to be recoverable, was included within NEA's trade debtors figure at 31 March 2020. This balance was expected to be received during the course of 2020/21 but the recoverable amount has since been reassessed as £573,820. An interim sum of £260,904 was received from the liquidators during 2020/21. The remaining recoverable balance of £312,916 is included within NEA's trade debtor figure at 31 March 2021 and it is expected that the outstanding sum will be received in full. It is still the charity's intention to seek recourse for the unrecoverable element of the WZ debt with WZ's former insurers. A claim would be made against WZ's professional indemnity insurance cover and legal advice will be sought in this regard but at this stage it is uncertain whether a claim would be successful. The balance sheet at 31 March 2021 includes a corresponding creditor relating to the gross value owed by WZ (£2.054 million), which may have to be repaid to Ofgem.

At the time of signing, discussions and processes to bring these outstanding matters to conclusion are ongoing. The significant level of provision which has been made has reduced NEA reserves but the Board is confident that NEA's reserves and financial arrangements are adequate to ensure that the charity remains a going concern.

Financial Review

Statement of Financial Activities (SOFA) - 2020/21

The Statement of Financial Activities shows that total income increased by £430,550 from a total of £5,614,733 in 2019/20 to £6,045,283 in 2020/21, a 8% increase. The increase is principally a result of the combination of the impact of the Fishwick - Preston project, with the planning phase commencing during the latter part of 2020/21 which earned income of £141,998 together with an increase in sponsorship income of £274,355. Sponsorship income increased from £1,275,576 in 2019/20 to £1,549,931 in 2020/21 mainly as a result of our involvement in delivering the reactive response programme on behalf of Cadent Gas Limited and the Charities Trust.

The Statement of Financial Activities (SOFA) shows a net income on unrestricted activities of £63,320 (2019/20: £151,180). After making the appropriations detailed below the balance of the Charity's General Reserve decreased by £393,740 from £1,959,956 at 31 March 2020 to £1,566,216 (2019/20 £1,214,877 decrease). The main reason for the transfer of £455,842 from the General Reserve to the Restricted Reserve is to cover the financial impact of both the GNE bad debt provision of £307,000 and the additional bad debt provision of £104,000 for the WZ debt : -

	£
SOFA Net Income - Unrestricted Funds	63,320
Transfer to Restricted Funds	(455,842)
Unrealised Gain on Listed investments	(1,219)
Decrease in General Reserve	(393,740)

Principal Income Sources and Fundraising
NEA's income is derived principally from delivery of services for a wide range of organisations. In 2020/21 £4.093 million (68%) was earned from grant-funded programmes (2019/20: £3.723 million (67%)), details of which are shown in Note 5 to the accounts on page 25. Governmental agencies in Northern Ireland provided grant income totalling £126,904. A further £1.550 million (26%) was received as sponsorship (2019/20: £1.276 million (23%)), the largest single source being Smart Energy GB (£0.616 million) for managing the delivery targeted dissemination of information about smart meters.

A small amount of income is made from donations, usually from organisations rather than individuals (2020/21 0.4%; 2019/20 2%). A small amount of fundraising activity is undertaken with the public by NEA or anyone acting on its behalf.

Investment powers and policy

Under the Articles of Association, the Charity has the power to invest in any way the Trustees deem appropriate. The Trustees, having regard to the liquidity requirements of operating the Charity, its Reserves Policy and risks inherent in different vehicles for investment, continue to operate a policy of keeping available funds in interest deposit accounts with its bankers HSBC and Santander and with the CCLA Deposit Fund, prioritising security and liquidity ahead of yield.

Grant Making Policy

NEA makes grants to institutions to further each of the three charitable aims. Grants are funded by NEA's funders and the volume and value of grants made are agreed with the funders. Grants are paid subject to the criteria set out by the funder. Further detail of grants awarded to institutions in the year can be found in note 9. In addition, NEA makes grants to individuals under hardship fund arrangements. These cases are referred to NEA by various care and voluntary organisations which work directly with vulnerable families and individuals.

Reserves Policy

The General Reserve, which represents an accumulation of surpluses from earned income, is available to enable the Charity to continue to fulfil its objectives, to meet existing commitments and to provide funds for tangible asset replacement and project development. The policy, agreed by the Board of Trustees in May 2020, is reviewed annually and aims to provide sufficient reserves to meet contractual commitments and a risk-assessed level of funds to ensure the charity remains a going-concern over the medium term. The Policy also aims to ensure that reserves are not excessive. The range agreed as appropriate for 2020/21 is £3.2 million to £3.7 million. The Trustees regularly monitor the risks facing the Charity allowing them to test the adequacy of the reserves policy in the light of the prevailing economic situation and the current funding climate. The General Reserve as at 31 March 2021 was £1,566,216 (2019/20: £1,959,956).

In May 2020, the Board re-affirmed designation of the remaining balance of £404,692 of the Post-HIP Transition Designated Reserve for the purpose of supporting the charity through the transition at the end of the Health and Innovation Programme and other funded programmes from 2021 onwards.

Taking into account the approved designated reserves and their planned use, the level of reserves at 31 March 2021 and the projected level of reserves to 31 March 2024, it is clear that the reserve levels are not within the proposed preferred range. The plan to restore NEA reserves to within the preferred range has been approved by the Board in May 2021.

Going concern consideration

The Board and senior management have considered both the level of reserves and the ongoing impact of the COVID-19 pandemic on the charity. Following a review of cash forecasts, planned operations and financial implications; a high percentage of income has been secured for the next 12 months and there is sufficient anticipated income to cover the costs of the charity well into 2022/23. The charity has adapted well to the pandemic and is able to offer virtual access to its training courses and case work. Taking into account all potential limitations on the delivery of outcomes or the finalising of income streams, over the next 12 months, the charity is satisfied that it remains in a strong financial position as a going concern.

Plans for the future and new opportunities

The current three-year Business Plan

2020/21 was the second year of the existing three-year business plan adopted by the NEA Board alongside the strategic plan 2016/21. The plan aims to take NEA forward, building on success, responding to emerging challenges and ensuring the charity retains a strong focus on the most effective ways to achieve its charitable objectives.

The 2019/22 business plan identified five core challenges. These are:

1. A number of multi-year projects funded by large donations have ended. Such future donations are less likely. Competition for funding source is increasing.
2. Warm Zones CIC has closed, and NEA no longer has a unique partner through which to deliver significant 'measures' projects.
3. Resources to meet fuel poverty milestones and longer-term targets are insufficient. Fewer insulation, boiler and heating system measures seriously limit progress to end fuel poverty.
4. Energy market policy priorities have shifted to low carbon transition, innovation and consumer vulnerability, risking less focus on affordability and fuel poverty.
5. The scale of our core challenge remains undiminished. The numbers, experiences and prospects for those in fuel poverty remain dire and largely unchanged.

The strategic aims for the new Business Plan remain unchanged:

Aims:

- AIM 1 - To increase strategic action against fuel poverty;
- AIM 2 – To develop and progress solutions to improve access to energy efficiency products, advice and fuel poverty related services in UK households; and
- AIM 3 – To enhance energy efficiency and fuel poverty education and skills.

Activities

NEA has identified its core activities through which it will achieve its strategic aims and against which Key Performance Indicators are set. These are:

AIM 1: To increase strategic action against fuel poverty

- UK, devolved and local governments develop and deliver effective fuel poverty strategies.
- Comprehensive resources are available to facilitate fuel poverty solutions and prevention.
- Partners, stakeholders and individuals are engaged with NEA priorities and objectives.
- A strong membership base is committed to delivering NEA's aims and objectives.
- Credible research data, evidence and insight supports NEA influence and advocacy.
- Our policy priorities provide clear focus and purpose for our advocacy and campaigns.
  - Most vulnerable first – fair distributional impact of energy policy and regulation.
  - Fuel poverty objectives and National Institute for Health and Care Excellence (NICE) guidelines adopted by health bodies/professionals.
  - Fuel poverty objectives drive public policy/market innovation on low carbon transition.
- Increase awareness and impact of NEA activity and interventions.
- Develop common approaches to alleviating fuel and water poverty.

AIM 2: To develop and progress solutions to improve access to energy efficiency products, advice and related services in UK households

- Cost effective, energy efficient solutions available for different property and households.
- Innovative products and services available, as fuel poverty solutions.
- Commitment exists across all local authority areas to providing fuel poverty solutions.
- Income maximisation services to fuel poor households.
- NEA provides support/measures directly or indirectly to fuel poor households.

AIM 3: To enhance energy efficiency and fuel poverty education and skills

- Structured professional development of individuals working within the sector.
- Nationally accredited and bespoke training opportunities.
- Organisations working with vulnerable households offer comprehensive fuel poverty advice.

Sound management and governance will support NEA to achieve its strategic aims

- Sound financial and project management provides a stable platform for delivery.
- Income generation targets are known, pursued and achieved.
- Sound governance ensures oversight, challenge and direction.
- People development means NEA is a healthy, productive and motivated place to work.

To support NEA planning, two new informal working groups of the board have been set up to support the development of NEA thinking regarding Policy and Programme Delivery and Strategic Fundraising. While they are not delegated committees of the board, they are led by Trustees and supported by management.

A new strategy

The current NEA Strategy and Business Plan remain in place for 2021/22. During 2020/21 NEA began the process of producing a new five-year strategy for the charity to ensure that its vision and priorities matched the opportunities to drive toward the eradication of fuel poverty. NEA held a number of workshops with staff and a day long strategy session with its board to set out the foundations and broad parameters for the strategy and the business planning process needed to implement the strategy.

It is intended that the strategy will:

1. Be wholly focused on the needs of fuel poor households and the positive solutions to fuel poverty
2. Focus on NEA's core strengths of service delivery, advocacy and partnership working
3. Put the needs of most vulnerable households at the centre of the drive toward a net zero carbon society and economy
4. Aim for appropriate, guaranteed packages of support for all low-income households
5. Make a reality of the promise of joined-up government responses to fuel poverty

To deliver the new strategy, NEA will replace the three-yearly business planning cycle with an annual business plan. This will allow more effective objective setting and oversight of progress toward its strategic priorities. The new strategy and business plan are due to be in place by the Annual General Meeting in September 2021.

2021 will see an extensive engagement programme with staff, trustees and NEA's partners to ensure that NEA's charitable objectives, its strategic goals, its delivery priorities, its performance metrics and its internals skills and process are fit for purpose in what could the most challenging and rewarding decade for NEA in its 40-year history.

Status of these Financial Statements

These financial statements are prepared in accordance with United Kingdom Accounting Standards, comprising FRS 102 and in compliance with the Companies Act 2006, Charities Act 2011 and the Charities SORP 2019. They have been audited in accordance with section 475 of the Companies Act 2006. Accordingly, these Financial Statements are the statutory accounts of National Energy Action for the year ended 31 March 2021.

Statement of Trustees' responsibilities

The Trustees (who are also directors of National Energy Action for the purposes of Company Law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.
Company Law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under Company Law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that 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 judgments and estimates that are reasonable and prudent;
- State whether FRS 102 "The Financial Reporting Standard applicable UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors

Deloitte LLP were confirmed as Independent Auditors to NEA for 2020/21 at the Annual General Meeting in September 2020.

Statement of disclosure to auditors

a) So far as the Trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware; and
b) They have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

The Trustees Reports, including the Strategic report, are approved and authorised for issue by order of the Board of Trustees:



Tracey Archer
Company Secretary

Date: 22 July 2021

Independent auditor's report to the members of National Energy Action

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of National Energy Action (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial activities including the income and expenditure account;
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 25.

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).

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: 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, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the industry and its control environment, and reviewed the documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Charities Act and UK Companies Act; and

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address them are described below:

- recognition of grant income in the correct accounting period and correctly classified. To address this risk we tested a sample of agreements between the charitable company and its funders to evaluate whether the income and the corresponding cash receipt or receivable have been recognised appropriately, and to assess the classification of the income as either restricted or unrestricted; and

- classification of funds between restricted and unrestricted. To address this risk we have tested a sample of income and expenditure in the year to assess whether they have been classified appropriately.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with Charity Commission.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:
- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

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

Sarah Anderson

Sarah Anderson FCCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom
~~July~~ 2021
9 August 2021

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted Funds 2020/21	Restricted Funds 2020/21	Total Funds 2020/21	Unrestricted Funds 2019/20	Restricted Funds 2019/20	Total Funds 2019/20
Income from:		£	£	£	£	£	£
Generated funds:							
Donations		**26,658**	-	**26,658**	88,369	-	88,369
Investment income	4	**11,376**	**33,557**	**44,933**	28,887	8,822	37,709
Charitable activities:							
Increase Strategic Action Against Fuel Poverty		**15,612**	**417,246**	**432,858**	65,196	1,316,769	1,381,965
Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households		-	**4,119,677**	**4,119,677**	-	1,512,794	1,512,794
Enhance Energy Efficiency and Fuel Poverty Education and Skills		-	**1,361,507**	**1,361,507**	-	2,531,510	2,531,510
Miscellaneous Income		**59,650**	-	**59,650**	61,031	1,355	62,386
Total Income		**113,296**	**5,931,987**	**6,045,283**	**243,483**	**5,371,250**	**5,614,733**
Expenditure on:							
Raising funds:							
Costs of generating donations	7	**214**	-	**214**	6,317	-	6,317
Charitable activities:							
Increase Strategic Action Against Fuel Poverty		**50,981**	**384,874**	**435,855**	84,283	1,332,441	1,416,724
Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	6, 8, 9	-	**3,966,248**	**3,966,248**	26	2,908,756	2,908,782
Enhance Energy Efficiency and Fuel Poverty Education and Skills		-	**2,053,705**	**2,053,705**	749	2,596,910	2,597,659
Total Expenditure		**51,195**	**6,404,827**	**6,456,022**	**91,375**	**6,838,107**	**6,929,482**
Recognised gain/(loss) on Investment assets	19	**1,219**	-	**1,219**	(927)	-	(927)
Net Income/(Expenditure) Before Transfers		**63,320**	**(472,840)**	**(409,520)**	**151,181**	**(1,466,857)**	**(1,315,676)**
Transfers between funds	19,20	**(455,842)**	**455,842**	-	(1,462,293)	1,462,293	-
Net Movement in Funds		**(392,522)**	**(16,998)**	**(409,520)**	**(1,311,112)**	**(4,564)**	**(1,315,676)**
Fund balances brought forward at 1 April as previously reported		**2,365,908**	**38,445**	**2,404,353**	3,677,020	43,009	3,720,029
Fund balances carried forward at 31 March	19, 20 21, 22	**1,973,386**	**21,447**	**1,994,833**	**2,365,908**	**38,445**	**2,404,353**

The statement of financial activities has been prepared on the basis that all income and expenditure derive from continuing activities.

There are no recognised gains and losses other than those passing through the statement of financial activities. There is no material difference between the net resources stated above and their historical cost equivalents.

BALANCE SHEET AS AT 31 MARCH 2021

	Note	2021	2020
		£	£
Fixed Assets			
Tangible assets	14a	**76,493**	64,309
Intangible assets	14b	**11,216**	16,825
Total Fixed Assets		**87,709**	**81,134**
Current Assets			
Debtors	15	**741,729**	1,055,235
Investments	16	**1,002,608**	1,001,390
Cash at bank and in hand		**5,549,320**	5,999,531
Total Current Assets		**7,293,657**	**8,056,156**
Creditors: Amounts falling due within one year	17	**(5,386,533)**	(5,732,936)
Net Current Assets		**1,907,124**	**2,323,220**
Total Assets less Current Liabilities		**1,994,833**	**2,404,353**
The Funds of the Charity			
Unrestricted income funds	19	**1,973,386**	2,365,908
Restricted income funds	20	**21,447**	38,445
Total Charity Funds		**1,994,833**	**2,404,353**

The financial statements on pages 17 to 35 were approved by the Board of Trustees on 22 July 2021 and signed on its behalf by:

Claire Durkin Chair
Company Number: 01853927

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	2020/21 Total Funds £	2019/20 Total Funds £
Cash flows from operating activities		
Net cash used in operating activities	**(458,812)**	**(290,764)**
Cash flows from investing activities		
Dividends and interest from investments	**44,933**	37,709
Maturity of investments realised/(Investments made)		1,000,000
Proceeds from sale of fixed assets	-	3,400
Purchase of fixed assets	**(35,114)**	(67,004)
Net cash used in investing activities	**9,819**	**974,105**
		0
Change in cash and cash equivalents in the reporting period	**(448,993)**	**683,341**
Cash and cash equivalents at the beginning of the reporting period	6,000,921	5,317,580
Cash and cash equivalents at the end of the reporting period	**5,551,928**	**6,000,921**

RECONCILIATION OF CASH AND CASH EQUIVALENTS TO BALANCE SHEET

	2020/21 Total Funds £	2019/20 Total Funds £
Cash and cash equivalents comprise: -		
Investments	**2,608**	1,390
Cash at bank and in hand	**5,549,320**	5,999,531
	5,551,928	**6,000,921**

RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020/21 Total Funds £	2019/20 Total Funds £
Net deficit for the reporting period (as per the Statement of Financial Activities)	(409,520)	(1,315,676)
Adjustments for:		
Depreciation charges	28,538	24,786
Dividends and interest from investments	(44,933)	(37,709)
Profit on sale of tangible fixed assets	-	(1,716)
Decrease/(Increase) in debtors	313,506	1,050,253
Reduction in creditors	(346,403)	(10,703)
Net cash used in operating activities	**(458,812)**	**(290,764)**

1. Charitable status

NEA is registered as a Charity under the Charities Act 2011 and is a company limited by guarantee, incorporated in England. The address of its registered office is 6th Floor, West One, Forth Banks, Newcastle upon Tyne, NE1 3PA.

2. Constitution and liability of members

NEA is a company limited by guarantee and has no share capital. Clause 3 of the Articles of Association provides that every member, as defined by clause 3(b) of the Articles of Association, is liable to contribute a sum not exceeding £1 in the event of the Charity being wound up while a member, or within one year of ceasing to be a member. At the year-end there were 133 full members and 76 associate members (2019: 90 and 69 respectively).

3. Statement of Compliance and Accounting Policies

Statement of Compliance

These financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the inclusion of investments at market value, in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2019) preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 and the Charities Act 2011 and the Companies Act 2006.

In accordance with the SORP 2019, restricted and unrestricted income and expenditure are separately identified in the financial statements. The net change in the two types of funds is added to the balances brought forward from the previous year, so that the balance of restricted and unrestricted funds at the end of the year is identified on the balance sheet.

The charity constitutes a public benefit entity as defined by FRS 102.

The company's functional and presentation currency is the pound sterling.

The trustees assess whether the use of going concern is appropriate i.e., whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. The Board and senior management have considered both the level of reserves and the ongoing impact of the COVID - 19 pandemic on the charity. Following a review of cash forecasts, planned operations and financial implications; a high percentage of income has been secured for the next 12 months and there is sufficient anticipated income to cover the costs of the charity well into 2022/23. The charity has adapted well to the pandemic and is able to offer virtual access to its training courses and case work. Taking into account all potential limitations on the delivery of outcomes or the finalising of income streams, over the next 12 months, the trustees are satisfied that the charity remains in a strong financial position as a going concern and have concluded that it has adequate resources to continue in operational existence for the foreseeable future and thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Critical Accounting Judgements

Income recognition is a critical judgement in establishing NEA's annual income and expenditure and year-end financial position. Accounting Policies 3.1.d and 3.1.e and the procedures that support them are consistently applied in determining the extent to which income is recognised and deferred in NEA's financial statements.

At 31 March 2020 the recoverable WZ debt of £677,820 was included within NEA's trade debtors figure. This balance was expected to be received during the course of 2020/21 but the amount which was received from the liquidators of WZ during 2020/21 was £260,904. The remaining recoverable balance of £312,916 is included within NEA's trade debtor figure at 31 March 2021 (see note 15) and it is expected that the outstanding sum will be received in full. The original WZ net debt was £1,739,001 and due to the uncertainty which surrounded the level of the charity's financial exposure to the WZ liability it was considered prudent to make a provision in the 2019/20 Statement of Financial Activities for the remaining net unrecoverable balance of £1,165,181 which is owed by WZ. It is still the charity's intention to seek recourse for the unrecoverable element of the WZ debt with WZ's former insurers. A claim would be made against WZ's professional indemnity insurance cover and legal advice will be sought in this regard but at this stage it is uncertain whether a claim would be successful.

3. Statement of Compliance and Accounting Policies (continued)

Also at 31 March 2021 the trade debtors figure includes a provision for the potential unrecoverable balance of the Green Network Energy (GNE) debtor of £413,867. During 2020/21, work was carried out on behalf of GNE in relation to the Warm Homes Discount scheme but in January 2021 GNE entered administration. It is considered prudent to make a provision through the 2020/21 Statement of Financial Activities for the potential net unrecoverable balance of £307,000 which is owed by GNE.

Accounting Policies

The following principal accounting policies have been consistently applied:

3.1 Income

Income receivable by NEA is included in the financial statements at its gross value. All costs associated with generating, earning or collecting income are shown separately as expenditure. Where income included VAT, the VAT element was receivable by HMRC, not NEA. That VAT is, therefore, excluded from NEA's financial statements.

a. **Income from donations** is recognised in the year in which it is secured. When donations have been promised but not received, they are recognised if receipt is probable.

b. **Investment income** - dividends arising on listed investments and interest arising on bank deposits, are recognised on a receivable basis.

c. **Miscellaneous income** – relates to reimbursement of long-term ill-health costs via insurance arrangements, recharge of the costs of a seconded employee and third-party reimbursement of employees travel and subsistence costs.

d. **Income from charitable activities** is derived from carrying out work that contributes to NEA's aims and objectives to the extent that:

- Conditions relating to entitlement to the income have been met;
- The monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably; and
- It has been received or its receipt is probable.

Assessments are made regularly during the year to identify:

- Income that should rightly be included in the financial statements; and
- Any receipts, entitlement to which is dependent on successful delivery of agreed outputs or other conditions that have not yet been met.

This continuous process, supplemented by additional assessment after the year end, informs the extent to which income is recognised in the financial statements.

Charitable activities income includes:

- Grants from Government departments, devolved administrations and other public bodies;
- Sponsorships;
- Subscriptions of members and Business Supporters Group (BSG); and
- Sales of training courses, examinations, materials and publications, event fees and consultancy.

e. **Deferred income** - Income from Charitable Activities, both restricted and unrestricted, to which entitlement does not exist until earned in future accounting years is treated as deferred income (See notes 17 and 18).

3.2 Expenditure

Expenditure is included in the statement of financial activities on an accruals basis, inclusive of any VAT that cannot be recovered.

a. **Expenditure on raising funds**
Costs incurred in raising funds are separately accounted for. These include the costs of raising donations and managing investments. NEA does not undertake any trading for the

3. Statement of Compliance and Accounting Policies (continued)

a. Expenditure on raising funds (continued)

specific purpose of raising funds. The Charity's principle trading activity is training, which is a charitable activity, under NEA's charitable objectives.

b. Expenditure on charitable activities

Expenditure on charitable activities relates to work that contributes to NEA's charitable objectives. It includes the costs of delivering the services and products that are required by funders, listed above under the policy relating to income from charitable activities. Also included are costs of any core activities that contribute to charitable objectives but are not funded by specific income sources.

Charitable expenditure includes all expenditure relating to NEA's charitable objectives, including the direct cost of supporting charitable activities and projects, depreciation and profits/losses on disposal of fixed assets used wholly or mainly for charitable activities and, where applicable, the writing off of assets as part of project expenditure. In attributing costs to expenditure headings, expenditure involving more than one heading has been apportioned based on staff time.

Governance costs include work to comply with statutory and constitutional requirements, audit, legal advice for Trustees and an element of apportioned support costs. These costs form part of expenditure on charitable activities.

c. Support costs

Support costs include all costs that cannot be analysed directly to expenditure on charitable activities or expenditure on raising funds. They are apportioned to activities on the basis of the staff time directly recorded against those activities.

d. Operating leases

Rentals payable under operating leases are accounted for on a straight-line basis over the term of the lease.

e. Pensions

NEA operates a defined contribution scheme for its salaried employees. Pension costs are charged as expenditure in the year to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

f. Grants payable

Grants paid to beneficiaries under any hardship fund arrangement are referred to NEA by various care and voluntary organisations which work directly with vulnerable families and individuals. Other grants are paid subject to the criteria of the funder. Grants are funded via sponsors of individual programmes (see note 9).

g. Transfers between funds

Transfers between funds primarily reflect transfers of resources from unrestricted funds to meet the additional costs of restricted fund activities not covered by restricted income, surpluses on restricted fund activities that funders allow NEA to retain and transfers to or from designated funds for specific, otherwise unrestricted, purposes.

3.3 Identifying costs with activities

A large proportion of NEA's expenditure relates to employee costs. Time recording and project accounting systems are used to identify those costs with each activity.

Support costs, which are not directly identifiable with specific activities, are apportioned in proportion to time directly recorded against each activity. They include finance, human resource management, ICT, administration, premises and general office supplies and equipment.

Other costs relating directly to individual projects are identified with each activity, using the project accounting system.

3. Statement of Compliance and Accounting Policies (continued)

3.4 Fixed assets

Tangible fixed assets are stated at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided to write off, by annual instalments, the cost of tangible fixed assets over their estimated economic lives as follows:

Leasehold properties	- Straight-line over the primary period of the lease
Furniture, fittings and equipment	- Straight-line generally over 5 years

If purchased before 1 October a full year's depreciation is charged in the year of purchase. If purchased after 30 September no depreciation is charged in the year of purchase. Tangible fixed assets costing less than £1,000 are not capitalised. Finance costs are not capitalised. Impairment reviews of tangible fixed assets are carried out on a regular basis. Impairment losses, when they arise, are treated as additional depreciation in the year that they are identified.

Intangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Website development costs are recognised as an intangible asset when all of the following criteria are demonstrated:-

- The technical feasibility of designing the website so that it will be available for use;
- The intention to complete the website and use it;
- The ability to use the website;
- How the website will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use the website; and
- The ability to measure reliably the expenditure attributable to the website design during its development.

Depreciation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives: -

- Website development costs 3 years

If there is an indication that there has been a significant change in depreciation rate or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Intangible assets costing more than £1,000 are capitalised if their expected economic life is greater than one year. Depreciation is provided to write off, by equal annual instalments, the cost over their estimated economic lives, normally not more than 3 years. If purchased before 1 October a full year's depreciation is charged in the year of purchase. If purchased after 30 September no depreciation is charged in the year of purchase.

3.5 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation

3. Statement of Compliance and Accounting Policies (continued)

3.5 Financial Instruments (continued)

can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

3.6 Debtors

Income due from debtors at 31 March is prudently assessed in accordance with the policy relating to income from charitable activities, described above.

Provision is made in the financial statements for any specific debts which are expected to be irrecoverable. Provision is also made for debts whose recovery is assessed as being doubtful. Doubtful debts are assessed with regard to their age, the debtor, the reason for the debt, the size of the debt and viability, including any likely cost, of taking further recovery action.

The great majority of NEA's income is from public sector and large private sector organisations that are regarded as being unlikely to fail financially. A prudent approach is also taken to the inclusion of income in the financial statements.

3.7 Investments

Investments are made only in basic financial instruments. Investments in listed shares are revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities. Reserves and short-term surplus funds are placed in cash deposits with major UK banks.

3.8 Liabilities

Liabilities include trade and other creditors, taxes and social security costs, including obligations to make future payments. They are recognised in the financial statements as resources expended as soon as legal and/or constructive obligations arise.

3.9 Holiday Entitlement

Provision is made for the cost of untaken holiday entitlement as at 31 March each year. A provision of £55,244 is made in 2020/21 (2019/20: £33,873) financial statements, in addition to a provision of £14,000 (2019/20: £14,000) for permanent health insurance (PHI) costs relating to accrued holiday entitlement.

3.10 Short term deposits and cash

Reserves, which are maintained to help ensure that NEA can continue to deliver its charitable objectives, and receipts that are held in the short-term before being used to meet expenditure, are deposited with COIF Charities Deposit Account. The principal aims are to ensure that such funds are secure and are available at the time they are needed. Short-term deposits also achieve a rate of return that contributes to NEA's charitable activities. A managed level of cash is held available for immediate use and very short-term cash-flow. Short-term deposits that mature in less than three months are shown as cash-equivalents in the cash flow statement.

3.11 Fund Accounting

Funds held by the Charity are either:

- Restricted – which can only be used for specific purposes within the objects of the Charity. Restrictions arise when specified by the funder or when funds are raised for particular specified purposes; or
- Unrestricted – which can be used for any of the charitable objects at the discretion of the Trustees.

Within the unrestricted funds, amounts may be set aside by the Trustees to be used for particular purposes. The aims and use of designated funds are set out in notes to the financial statements.

Transfers between funds are made:

- Between unrestricted and restricted funds to meet expenditure on restricted activities that is not fully funded, and surpluses made on restricted funds projects, which funders allow NEA to retain; and

- To and from designated funds, usage of which is at Trustees' discretion, designated funds remain unrestricted.

3.12 Post Balance Sheet events

Any events that have occurred after the end of the financial year that have, or are likely to have, a material effect on the value of assets or liabilities must be noted and explained in the financial statements. Although the financial statements are prepared on a historic basis for the year up to 31 March, it is important that the users of the financial statements are also made aware of any subsequent events that may materially affect the Charity. Covid-19 has not materially affected the charity's financial standing and there are no further events to be reported in the 2020/21 financial statements.

4. Investment Income

	2020/21	2019/20
	£	£
Listed Investments	1	14
Bank Interest	44,932	37,695
Total	**44,933**	**37,709**

5. Grants Received

NEA receives grants from a range of funders. The grants are usually for specific projects with requirements to deliver specified outputs, making them performance related. Funders also generally require grants to be expended solely on projects with geographic or charitable aim limitations, making them restricted funds under charity accounting rules. As projects have discrete start and end dates, there is not necessarily continuity of funding from individual sources across financial years. The major programme, which commenced in mid 2015/16 and continued through subsequent years and ended in 2020/21 is grant funded.

Income from Charitable Activities includes grants from the following sources: –

	2020/21 Total All Restricted	2019/20 Total All Restricted
	£	£
Companies in the energy sector - Health & Innovation Programme	31,615	25,173
Companies in the energy sector - other	3,343,893	3,385,766
UK central, devolved and local government and the EU	313,291	119,601
Trusts and foundations	371,478	122,711
Housing Associations	6,501	-
	4,066,778	**3,653,251**

6. Analysis of charitable expenditure

	2020/21	Direct Staff Costs	Grant Funded	Direct Costs	Support Costs	Total 2020/21
Aim		£	£	£	£	£
1	Increase Strategic Action Against Fuel Poverty	259,982	8,822	36,868	130,183	435,855
2	Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	924,056	1,800,149	509,663	732,381	3,966,249
3	Enhance Energy Efficiency and Fuel Poverty Education and Skills	1,239,481	119,913	335,066	359,245	2,053,705
		2,423,518	**1,928,884**	**881,597**	**1,221,809**	**6,455,808**

	2019/20	Direct Staff Costs	Grant Funded	Direct Costs	Support Costs	Total 2019/20
Aim		£	£	£	£	£
1	Increase Strategic Action Against Fuel Poverty	557,384	390,002	191,932	277,406	**1,416,724**
2	Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	1,132,907	43,356	1,186,698	545,821	**2,908,782**
3	Enhance Energy Efficiency and Fuel Poverty Education and Skills	797,944	988,201	377,941	433,573	**2,597,659**
		2,488,235	**1,421,559**	**1,756,571**	**1,256,800**	**6,923,165**

Other direct costs include irrecoverable VAT input tax amounting to £108,880 (2019/20: £48,030). 2020/21 Aim 2 and 3 direct costs include in total a £307,000 provision, £134,179 and £172,821 respectively, for the GNE irrecoverable debt. 2019/20 Aim 2 direct costs include the £1,165,181 provision for the WZ irrecoverable debt. Both provisions are detailed on pages 9 and 10.

7. Cost of Raising Funds

	Staff Costs	Support Costs	Direct Costs	Total
	£	£	£	£
2020/21	2,283	745	214	**3,242**
2019/20	1,470	515	6,317	**8,302**

8. Allocation of support

The Charity allocates support costs as shown in the table below then further apportions those costs between the charitable activities undertaken (see note 8). Support costs are allocated on the basis of staff time.

Note 8 - Allocation of Support Costs (continued)

2020/21	Charitable Activities					
	Aim 1	Aim 2	Aim 3	Charitable Activities Total	Cost of Raising Funds	2020/21 Total
	£	£	£	£	£	£
Support staff	68,735	386,688	189,676	645,099	417	**645,516**
Staff training	965	5,428	2,663	9,056	6	**9,062**
Travel & Subsistence	155	873	428	1,456	1	**1,457**
Accommodation and insurances	28,674	161,312	79,126	269,112	174	**269,286**
IT support	8,267	46,510	22,814	77,591	50	**77,641**
Communication costs	7,299	41,064	20,143	68,506	44	**68,550**
Other general costs	5,499	30,934	15,174	51,607	33	**51,640**
Legal and professional costs	5,169	29,080	14,264	48,513	31	**48,544**
Capital grants/depreciation adjustment	3,039	17,095	8,386	28,520	18	**28,538**
General Capital Expenditure	2,381	13,397	6,571	22,349	14	**22,363**
	130,183	**732,381**	**359,245**	**1,221,809**	**788**	**1,222,597**

2019/20	Aim 1	Aim 2	Aim 3	Charitable Activities Total	Cost of Raising Funds	2019/20 Total
	£	£	£	£	£	£
Support staff	139,013	268,178	217,271	624,462	258	**624,720**
Staff training	3,162	6,100	4,942	14,204	6	**14,210**
Travel & Subsistence	14,976	28,891	23,407	67,274	28	**67,302**
Accommodation and insurances	54,845	105,804	85,719	246,368	102	**246,470**
IT support	17,420	33,606	27,227	78,253	32	**78,285**
Communication costs	12,416	23,953	19,406	55,775	23	**55,798**
Other general costs	15,786	41,116	24,673	81,575	29	**81,604**
Legal and professional costs	9,783	18,873	15,291	43,947	18	**43,965**
Capital grants/depreciation adjustment	5,134	9,903	8,024	23,061	10	**23,071**
General Capital Expenditure	4,871	9,397	7,613	21,881	9	**21,890**
	277,406	**545,821**	**433,573**	**1,256,800**	**515**	**1,257,315**

9. Grants Payable

	2020/21	2019/20
Total grants paid to orgainsations and to individuals were: -	£	£
Grants paid to organisations	1,919,884	1,410,401
Grants paid to individuals	9,000	11,158
	1,928,884	**1,421,559**

Health and Innovation Programme (HIP)

2020/21
£

During 2020/21 there were no grants awarded under this major programme of work. The programme was funded by grants received from Coryton Energy Company Limited, Drax Power Limited, Rocksavage Power Company Limited and Spalding Energy Company Limited. Grants will be payable under this programme during 2021/22. -

Health and Innovation Programme (HIP)

2019/20
£

During 2020/21 there were no grants awarded under this major programme of work. The programme was funded by grants received from Coryton Energy Company Limited, Drax Power Limited, Rocksavage Power Company Limited and Spalding Energy Company Limited. Grants will be payable under this programme during 2019/20. -

9. Grants Payable (continued)

During the year, grants were paid out under the following programmes and schemes:

	2020/21 £
Community Action Projects	
The SSE Crisis fund awarded 166 grants to individuals in Northern Ireland for a range of measures which included fuel payments, provision of oil filled radiators, boiler repairs and the funding of technical reports to complete heating system replacements	£20,525
The SSE/EDF Assistance fund awarded 59 grants to individuals for a range of measures which included fuel payments, boiler installations, new radiators, repairs to central heating systems and purchases of various household items which included white goods	£20,304
The Energy Saving Trust Covid-19 Crisis Relief fund awarded 1,723 grants to individuals to fund fuel payments	£237,546
The Great Places Crisis fund awarded 62 grants to individuals to fund fuel payments	£2,950
The Melin Homes Prepayment Meter Crisis fund awarded 54 grants to individuals to fund fuel payments	£3,579
The SGN Hardship fund awarded 124 grants to individuals to fund fuel payments	£15,675
The UK Power Networks Refugee and Asylum Seekers fund issued various small energy efficiency measures such as light bulbs, radiator reflectors, thermometer cards and slow cookers to local groups for onward distribution to refugee and asylum seekers	£987
The Energy Saving Trust Warm Welcome fund awarded 3 grants to individuals to fund fuel payments	£252
Coventry Hardship Fund and Keeping Coventry Warm Fund - funded by Donations, Coventry City Council and Coventry Primary Care Trust	
The funds awarded 8 grants to individuals in Coventry to fund fuel payments and assist with heating system repairs	£527
Forces for Warmth	
81 grants were awarded to currently serving and ex-service personnel and their families to fund fuel payments and the purchase of other essential items	£9,513
Smart Energy GB	
Grants between £4,643 and £25,000 were paid to 30 organisations across the UK to fund activity to promote Smart Meters at a community level and particularly help to address individuals whom are on low income as well as members of the community whom have no access to the internet	£454,799
Student Bursaries - funded by National Grid Affordable Warmth Solutions through the Malcolm	
6 grants of £1,500 were paid as bursaries to 3 students from low-income families who will undertake work experience with the charity or one of NEA's partners.	£9,000
Warm Home Discount (WHD)	
971 grants were awarded to individuals to fund fuel payments. The recipients of the grants were eligible for their energy suppliers' WHD payment but they did not receive it during 2020/21	£148,721
A grant of £492,404 was awarded to Boiler Plan Limited to install new heating systems in 180 homes to people who meet WHD priority and broader group criteria	£492,404
58 grants were awarded to individuals to fund fuel payments which were paid direct to a number of energy suppliers	£40,693
Warm Minds Hardship Fund	
The fund awarded 2 grants to individuals to fund fuel payments and also issued various small energy efficiency measures such as light bulbs, radiator reflectors, thermometer cards and slow cookers	£355
Cadent Reactive Repair	
Agility Eco Services Limited was funded to provide measures in 605 homes of vulnerable, low income householders in the Cadent network area. The essential work carried out included both repairing and replacing condemned gas appliances	£471,054
Total grants paid 2020/21:	**1,928,884**
2019/20:	1,421,559

During the year, grants were paid out under the following programmes and schemes:

	2019/20 £
Better at Home 15 grants of £500, 1 grant of £320, 1 grant of £150 were paid to organisations to enable them to hold events during NEA's Warm and Safe Homes Campaign. As a result almost 2,000 people received advice and support on how to manage their energy.	7,970
Community Action Projects In Northern Ireland 20 grants between £49 and £283 were paid to individuals struggling to keep warm. The interventions included fuel payments and both heating systems repairs and improvements. Total £2,158. 17 grants of between £49 and £98 were paid to individuals (total £749) and 1 grant of £10,048 to Baby Lifeline whom provided energy advice and support to expectant mothers and families with young children, made emergency fuel payments and also delivered training in fuel poverty and health to frontline workers working in the maternity/early years 17 grants between £30 to £643 (total £3,313) were paid to assist individuals after new gas connections were installed.	16,268
Coventry Hardship Fund and Keeping Coventry Warm Fund - funded by Donations, Coventry City Council and Coventry Primary Care Trust Grants of between £31 and £348 were paid to individuals in Coventry to fund fuel payments and assist with energy efficiency and heating system improvements.	783
Forces for Warmth Grants were paid to 105 currently serving and ex-service personnel and their families to ensure they are able to stay warm in their homes and alleviate the impact of fuel poverty. Grants ranged from £39 to £4,048.	31,693
Smart Energy GB in Communities - funded by Smart Energy GB Grants between £12,594 and £24,857 were paid to 17 organisations across the UK to fund activity to promote Smart Meters at a community level and particularly help to address concerns amongst individuals whom are aged over 65.	348,815
Student Bursaries - funded by National Grid Affordable Warmth Solutions through the Malcolm Wicks Memorial Fund 1 grant of £1,000, 2 grants of £2,000, 1 grant of £3,059 and 1 grant of £3,099, were paid as bursaries to 5 students from low-income families who will undertake work experience with the charity or one of NEA's partners.	11,158
Warm Home Discount 53 individuals in the North East, Yorkshire and Humber areas were helped to clear their fuel debts via the payment of grants of between £53 and £3,809 to 16 different energy suppliers. Total paid £46,320. 1 grant of £477,317 was awarded to Boiler Plan Limited to install first-time heating systems in 146 homes to people who meet WHD priority and broader group criteria in the North East and Yorkshire and Humber areas. 1 grant of £428,975 was awarded to Yorkshire Energy Services Limited to install gas central heating systems in 85 properties with occupants whom had health issues and had 30 people received grants of £144 for emergency fuel payments. 140 fuel poor and vulnerable households on prepayment meters received grants of between £47 and £94 (total £7,893) for emergency fuel payments.	964,828
Warm Minds Hardship Fund 8 Grants of £56 each were awarded to fund fuel payments to people whom suffered with mental health issues and were considered at risk of fuel poverty. 39 grants of between £39 and £450 were paid to individuals to fund energy efficiency and other related interventions in England and Wales. Total £1,890.	2,336
WASH Reactive Repair 1 organisation was funded to provide measures to individuals who had boilers condemned by gas engineers.	37,708
Total grants paid 2019/20:	**1,421,559**
2018/19:	2,404,774

10. Board of Trustees and other key management personnel

In accordance with the Charity's Articles of Association, the members of the Board of Trustees received no remuneration during the year. Travel and subsistence costs were paid for 5 trustees in 2020/21 (2019/20:14), amounting to £803 (2019/20: £5,184).

In 2020/21 employee benefits, including employers pension contribution, totalling £448,624 were paid to 5 key management personnel (2019/20: £568,038 to 7 key management personnel).

11. Employees

Staff costs:	2020/21 £	2019/20 £
Wages and salaries	2,464,717	2,417,512
Social Security Costs	232,622	234,806
Other pension costs	279,428	274,864
Redundancy payments	-	129,498
Other payments	9,717	5,652
	2,986,484	**3,062,332**

It should be noted that during 2020/21 the charity received funds of £19,081 under the Coronavirus Job Retention Scheme. These funds have been credited to staff costs and reduced the 2020/21 wages and salaries figure detailed above. No redundancy payments were made in 2020/21. During 2019/20 redundancy payments were made of £129,498 in respect of five employees.

The average number of employees during the year was: -	2020/21 Number	2019/20 Number
Chief Executive & Deputy	2	2
Northern Ireland	5	5
Wales	2	3
Support Services	12	12
Operations - Community Engagement and Demonstration	16	13
Operations - Skills, Standards and Delivery	13	16
Policy and Research	7	6
Communications and External Relations	9	10
Special Projects	2	2
Income Maximisation	7	6
Total	**75**	**75**

Staff receiving emoluments (including taxable benefits in kind but excluding employer's pension and insurance contributions) exceeding £60,000 were as follows:

	2020/21 Number	2019/20 Number
£60,000 - £69,999	3	2
£70,000 - £79,999	1	1
£80,000 - £89,999	-	1
£90,000 - £99,999	1	1

Total pension contributions for staff members receiving emoluments of more than £60,000 during the year amounted to £41,412 (2019/20: £37,381).

12. Pension costs

The Charity operates a non-contributory, defined contribution, Group Personal Pension Scheme for its employees, administered by Aegon Scottish Equitable. Employer contributions during the year were £279,428

(2019/20: £274,864). At 31 March 2021, outstanding contributions to be paid over to the Scheme Administrator were £510 (31 March 2020: £24,586).

13. Net expenditure before transfers

Net expenditure before transfers is arrived at after charging:	2020/21 £	2019/20 £
Amounts payable to the auditor for:		
- Audit Fee	19,600	19,600
- Tax advisory services	-	2,000
Other professional and legal fees	35,477	55,107
Depreciation	28,538	24,786
Operating Leases – Land and buildings	213,895	185,884

14a. Tangible Assets

Tangible Assets	Leasehold properties - short £	Furniture, fixtures & equipment £	Total £
Cost			
1 April 2020	82,598	381,698	464,296
Additions	35,114	-	35,114
31 March 2021	**117,711**	**381,698**	**499,410**
Depreciation			
1 April 2020	28,388	371,599	399,987
Charge for the year	14,475	8,455	22,930
31 March 2021	**42,863**	**380,054**	**422,917**
Net book value at 31 March 2021	**74,848**	**1,644**	**76,493**
Net book value at 31 March 2020	54,210	10,099	64,309

14b. Intangible Assets

	Website design £
Cost	
1 April 2020	16,825
31 March 2021	**16,825**
Depreciation	
1 April 2020	-
Charge for the year	5,609
31 March 2021	**5,609**
Net book value at 31 March 2021	**11,216**
Net book value at 31 March 2020	16,825

15. Debtors

	2021 £	2020 £
Trade debtors	570,143	852,945
Other debtors	4,785	16,141
Prepayments and accrued income	166,801	186,149
Total Debtors	**741,729**	**1,055,235**

At 31 March 2021 NEA's wholly-owned subsidiary Warm Zones CIC (WZ) which entered liquidation in November 2018 is shown in the trade debtors figure as owing £312,916. This sum has been confirmed by the liquidators of WZ and it is expected to be received during the course of 2021/22.The amount which was expected to be recoverable from the liquidation of WZ at 31 March 2020 was £677,820 and during 2020/21 £260,904 was received from the liquidators of WZ and the remaining actual amount which will be recoverable at 31 March 2021 is £312,916. The total bad debt provision which has been processed through the charity's Statement of Financial Activities for the WZ net unrecoverable balance is £1,165,181.

Also at 31 March 2021 the trade debtors figure includes a provision for the potential unrecoverable balance of the Green Network Energy (GNE) debtor of £413,867. During 2020/21, work was carried out on behalf of GNE in relation to the Warm Homes Discount scheme but in January 2021 GNE entered administration. It is considered prudent to make a provision through the 2020/21 Statement of Financial Activities for the potential net unrecoverable balance of £307,000 which is owed by GNE.

16. Investments

	2021	2020
	£	£
Listed investments at market value	**2,608**	**1,390**
Historical cost of listed investments	(130)	(130)
Revaluation Reserve	2,478	1,260
Investments have been revalued at the 31 March 2021 closing price quoted on the London Stock Exchange		
Fixed-term bond deposits		
Maturing August 2020	-	1,000,000
Maturing February 2022	1,000,000	-
Total Fixed-term bond deposits	**1,000,000**	**1,000,000**

17. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	307,329	504,457
Taxation and social security costs	8,238	85,278
Other creditors	2,057,221	2,054,445
Holiday pay provision	69,244	47,873
Accruals	729,347	59,469
Deferred income (see note 18)	2,215,154	2,981,414
Total Creditors	**5,386,533**	**5,732,936**

18. Deferred Income

Income is recognised when legal entitlement is secured by meeting conditions agreed with funders regarding delivery of projects and other conditions have been met. Income received prior to entitlement is deferred until the income has been earned.

	2021	2020
	£	£
Balance at 1 April	2,981,414	3,143,459
Amount released to income during year	(1,144,319)	(1,036,533)
Amount deferred in the year	378,059	874,488
Balance at 31 March	**2,215,154**	**2,981,414**

19. Unrestricted Income Funds

2021	Balance at 1 April 2020	Income	Expenditure	Transfers Between Funds	Net Investment Gains	Balance at 31 March 2021
	£	£	£	£	£	£
General Reserve	1,959,956	113,296	(51,195)	(455,842)	-	**1,566,216**
Unrealised Gain on Investments	1,260	-	-	-	1,219	**2,478**
Designated Reserve - Post-HIP Transition	404,692	-	-	-	-	**404,692**
	2,365,908	**113,296**	**(51,195)**	**(455,842)**	**1,219**	**1,973,386**

In May 2021 the Board of Trustees re-affirmed designation of the remaining £404,692 of the Post-HIP Transition Designated Reserve to help manage expected future reductions in funding when current major funding streams end.

2020	Balance at 1 April 2019	Income	Expenditure	Transfers Between Funds	Net Investment Losses	Balance at 31 March 2020
	£	£	£	£	£	£
General Reserve	3,174,833	243,483	(91,375)	(1,366,985)	-	**1,959,956**
Unrealised Gain on Investments	2,187	-	-	-	(927)	**1,260**
Designated Reserve - Post-HIP Transition	500,000	-		(95,308)	-	**404,692**
	3,677,020	**243,483**	**(91,375)**	**(1,462,293)**	**(927)**	**2,365,908**

20. Restricted Income Funds

2021	Balance at 1 April £	Income £	Expenditure £	Transfers Between Funds £	Balance at 31 March 2021 £
Increase Strategic Action Against Fuel Poverty	30,000	417,246	(384,874)	(48,839)	13,533
Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	8,445	4,153,234	(3,966,248)	(187,517)	7,914
Enhance Energy Efficiency and Fuel Poverty Education and Skills	-	1,361,507	(2,053,705)	692,198	-
	38,445	**5,931,987**	**(6,404,827)**	**455,842**	**21,447**

2020	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers Between Funds £	Balance at 31 March 2020 £
Increase Strategic Action Against Fuel Poverty	30,500	1,316,769	(1,332,441)	15,172	**30,000**
Develop and Progress Solutions to Improve Access to Energy Efficiency Products, Advice and Fuel Poverty Related Services in UK Households	12,509	1,521,616	(2,908,756)	1,383,076	**8,445**
Enhance Energy Efficiency and Fuel Poverty Education and Skills	-	2,532,865	(2,596,910)	64,045	-
	43,009	**5,371,250**	**(6,838,107)**	**1,462,293**	**38,445**

Income and expenditure have been allocated to specific aims, within each of the Charity's main areas of activity, designed to enable the Charity to achieve the objectives contained in its Strategic Plan 2016/21.

Transfers between funds primarily reflect transfers from unrestricted funds to meet the additional cost of restricted fund activities not covered by restricted income and transfers to unrestricted funds of surpluses on restricted fund activities, which funders allow NEA to retain. However, in 2020/21 there was the requirement to transfer £455,842 from the General Reserve to the Restricted Reserve to cover the financial impact of the GNE bad debt provision of £307,000 as well as the additional WZ bad debt provision of £104,000.

There were no investment gains or losses on restricted funds in the year ended 31 March 2021 (2019/20: nil).

Restricted Funds held at 31 March are: -	2021 £	2020 £
Coventry Hardship Fund	3,757	3,860
Keeping Coventry Warm Fund	4,158	4,585
Northern Ireland Donation Fund	13,533	30,000
	21,447	**38,445**

21. Analysis of Net Assets between Funds

	2021			2020		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Fixed Assets	87,709		87,709	81,134	-	81,134
Net Current Assets	1,885,677	21,447	1,907,124	2,284,774	38,445	2,323,219
Net Assets at the end of the year	**1,973,386**	**21,447**	**1,994,833**	**2,365,908**	**38,445**	**2,404,353**

22. Purposes of Funds

NEA has an annual programme of activities to help meet its strategic aims and these are funded through different sources of income. All of the Charity's activities are aligned to its strategic aims and objectives which are designed to make a positive impact on the alleviation of fuel poverty.

Coventry Hardship Fund and the Keeping Coventry Warm Fund are grant-making funds, the balances of which are Restricted Funds. The balances on these funds at 31 March are shown in note 20 above.

Donations are made on the understanding that they contribute to the overall work of NEA within its charitable aims and are generally treated as Unrestricted Funds. In August 2019 a donation of £75,000 was received from SSE, which is restricted to be used in Northern Ireland. At 31 March 2021 £13,533 remained to be spent in 2020/21.

Key information about activities and public benefit is given in the Strategic Report of the Trustees for the year ended 31 March 2021, on pages 4 to 12 of this document.

23. Commitments – Operating Leases

The amounts payable in the next year and over the remaining term in respect of operating leases are shown below analysed according to the expiry date of the leases.

	2021		2020	
	Payable in the Next Year	**Payable in Total**	**Payable in the Next Year**	**Payable in Total**
Expiry Date:	**£**	**£**	**£**	**£**
Less than one year	3,361	3,361	59,324	59,324
Between one and five years	209,548	821,045	20,376	66,083
Over five years	-	-	119,736	877,496
	212,909	**824,406**	**199,436**	**1,002,903**

The total payable analysed between Land and Buildings and other is: -

	2021	**2020**
	£	**£**
Land and buildings	751,288	898,964
Other	73,118	103,939
	824,406	**1,002,903**

The total value of lease payments recognised as an expense in 2020/21 was £213,895 (2019/20: £185,884).

24. Related Party Disclosures

FRS 102 requires NEA to include in its financial statements the disclosures necessary to draw attention to the possibility that its financial position and profit or loss have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

NEA does not have any related party transactions with Trustees or their connected persons, other than the expenses disclosed in note 10.

25. Capital Commitments

At 31 March 2021 capital commitments were £0 (31 March 2020: £28,315).