

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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The Trustees present their Annual Report, including the Strategic Report and the audited financial statements of the Charity for the year ended 31 March 2023.

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 1 st 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 its 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 throughout 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 our 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:
 - o 17,748 Broadcast appearances and mentions.
 - o 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		<u>45,383</u>	<u>59,979</u>
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		<u>9,652,995</u>	<u>7,610,273</u>
Creditors: Amounts falling due within one year	17	(4,626,906)	(5,131,006)
Net Current Assets		<u>5,026,088</u>	<u>2,479,266</u>
Net Assets - Total Assets less Current Liabilities		<u>5,071,471</u>	<u>2,539,245</u>
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		<u>5,071,471</u>	<u>2,539,245</u>

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	<u>2,271,498</u>	<u>(1,213,872)</u>
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	<u>(9,001)</u>	<u>-</u>
Net cash used in investing activities	<u>32,135</u>	<u>1,015,544</u>
		0
Change in cash and cash equivalents in the reporting period	<u>2,303,633</u>	<u>(198,329)</u>
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	<u>7,657,233</u>	<u>5,353,600</u>

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
	<u>7,657,233</u>	<u>5,353,600</u>

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	<u>2,271,498</u>	<u>(1,213,872)</u>

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	2021/22
	Total	Total
	All	All
	Restricted	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 apports those costs between the charitable activities undertaken. Support costs are allocated on the basis of staff time.

**Note 8 - Allocation of Support Costs
(continued)**

		Charitable Activities				
2022/23				Charitable	Cost of	2022/23
	Aim 1	Aim 2	Aim 3	Activities	Raising	Total
	£	£	£	Total	Funds	£
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	Cost of	2021/22
	Aim 1	Aim 2	Aim 3	Activities	Raising	Total
	£	£	£	Total	Funds	£
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 organisations 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 SSSEN 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 individuals 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 Number	2021/22 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 Number	2021/22 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

	2022/23 £	2021/22 £
Net expenditure before transfers is arrived at after charging:		
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

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

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.

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

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).