
THE NATIONAL ENERGY FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

THE NATIONAL ENERGY FOUNDATION
(A Company Limited by Guarantee)

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THE NATIONAL ENERGY FOUNDATION
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023

Trustees	N H Chaudry (resigned 21 November 2023) L C Forbes (resigned 17 October 2022) J Lewis (appointed 6 September 2022) M E Male C A Robertson M Chitty (appointed 21 February 2023) M P S Lomas (appointed 21 February 2023)
Company registered number	02218531
Charity registered number	298951
Company secretary	S M Hayes (resigned 8 September 2022) C K Ruddle (appointed 8 September 2022)
Chief executive officer	D Evans
Independent auditors	Streets Audit LLP Potton House Wyboston Lakes Great North Road Wyboston Bedford MK44 3BZ

THE NATIONAL ENERGY FOUNDATION
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report together with the audited financial statements of the Charity for the 1 April 2022 to 31 March 2023. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

NEF's articles of association remain as per those updated on 27 June 2018 by the Foundation. A copy of the full articles of association can be viewed and obtained from the Companies House website.

In summarising the articles of association, we believe that the primary objectives of the charity are:

- To promote through education, advice, demonstration, and research the innovative, efficient, and safe use of energy in homes, thereby increasing public awareness of energy efficiency in all its aspects.
- To promote the relief of fuel poverty and the improvement of the conditions of life in socially and economically disadvantaged communities.

In short, NEF exists to end fuel poverty and enable the low carbon retrofit of UK homes.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)' and taken advice from their legal advisors Bates, Wells and Braithwaite.

b. Main activities undertaken to further the Charity's purposes for the public benefit

The Trustees consider that the activities of the charity are carried out for the public benefit and in particular adhere to the following charitable purposes as set out by the Charity Commission in its general guidance on public benefit:

- The advancement of environmental protection or improvement
- The prevention or relief of poverty

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

The Foundation has undertaken a significant transformation in the last few years, and is now the largest it has ever been. NEF has a growing number of core projects and activities in furtherance of its charitable objectives, including:

- Better Housing, Better Health (BHBH) – a major one-stop-shop advice service improving the warmth and wellbeing of the UK's most vulnerable homes, reducing the health impacts of cold and damp housing and improving residents' health outcomes. We work closely with key partners such as local authorities, community groups and healthcare professionals who act as referrers into the service, ensuring we're able to work with those who need our help the most.
- Warmth & Wellbeing services – closely linked to BHBH, often commissioned by local authorities, and providing energy efficiency advice, home visits, warmth and wellbeing assessments, insulation and heating measures, fuel poverty and income support measures, grants, fuel vouchers and other targeted activities to local residents.
- NEF Supplier Network and HELP (Home Energy Link Programme) – a scheme to administer ECO Flex grants on behalf of a large number of local authorities, helping vulnerable households who may not be receiving qualifying state benefits or tax credits but who still urgently need assistance and grants for improved heating.
- SuperHomes – a network for sharing best practice in domestic energy reduction and home comfort. We facilitate the exchange of ideas, knowledge and provide support and advice for anyone proceeding with domestic retrofit in the 'able to pay' part of the market.

Established in 1988, NEF has helped tens of thousands of households with fuel poverty intervention services, supported by our comprehensive case management approach. We also have decades of experience in driving effective retrofit solutions. We have a team of knowledgeable staff who work directly with householders to help them with their retrofit journey.

Achievements and performance

a. Main achievements of the Charity

Key achievements this year included:

- A significant expansion of our Better Housing, Better Health services across North, South East and Eastern counties of England, thanks to major new funding from National Grid and other funders, which expanded ten-fold our capacity to deliver warmth and wellbeing interventions. We assisted more than 5,000 households in fuel poverty in 2022/23, a number which is expected to more than quadruple again in the next few years.
- Extensive work with vulnerable people, via food banks, to help them reduce their energy use and provide fuel vouchers to help them in specific times of need, also promoting tariff switching and the use of smart meters.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

- Management of Energy Saving Trust redress funding to ensure vulnerable households in the Eastern counties of England benefit from crisis fuel poverty support and targeted small measures to further improve the energy efficiency of their homes. This includes managing a network of installers to undertake quality installations at customers' homes and providing an aftercare service to ensure customers are content with their home improvements.
- Continued work as managing agents for the third phase of the Local Authority Delivered (LAD3) scheme across Oxfordshire.
- Heat Pump readiness project with Oxfordshire.
- Development of the SuperHomes Rating Scheme, an assessment encouraging the take up of whole house retrofit. It can be applied to all UK homes and accommodates all retrofit approaches. 200 households were assisted through the SuperHomes programme in 2022/23.
- Continued piloting of a whole house retrofit service (based on the SuperHomes model with additional retrofit coordinator support) with two community groups in Hampshire, plus delivering a range of Whole Home Retrofit Plans to householders in the UK to enable them to undertake low carbon, energy saving home improvements.
- Continued work with school students undertaking the Duke of Edinburgh's Award Scheme through the Foundation's Energy Envoys programme.
- Successful implementation of a major new CRM and contact management system, plus more advanced reporting and monitoring add-ons to our Voice Over Internet Protocols system, overseen by the appointment of a new Company Secretary.
- Our infrastructure has been reinforced throughout this year to allow rapid expansion to deliver more services to those who need it most, and NEF continues to hold healthy reserves which it will use to achieve greater impact in the future.

Financial review

a. Overview

The charity reported a Profit in the accounts of £396,000 in year to end March 2023. Activities during the year were focused very much on supporting growth from previous investments, expanding the underlying business infrastructure and the physical team to better equip our charity for ongoing expansion. NEF has significant reserves (circa £1.6m) so is very much a going concern.

b. Reserves policy

It is the policy of the Foundation to ensure that unrestricted funds (which have not been designated for a specific purpose) should be maintained at a level equivalent to at least £600,000 of operating costs, including employee benefits.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

c. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

d. Financial risk management objectives and policies

The Management and Trustees review risks and mitigation activities on a regular basis, with an updated risk register provided by the Chief Executive at each board meeting. All current risks have clear plans for mitigation and management.

Structure, governance and management

a. Constitution

The National Energy Foundation is a registered charity (no. 298951), incorporated as a company limited by guarantee, (company registration number 2218531) and has no share capital, and was established to increase public awareness of the efficient and safe use of energy.

The National Energy Foundation is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association. The Foundation's current programme is described in detail in the Trustees' Report. The Foundation is governed by its Memorandum and Articles of Association, which were updated in 2018.

b. Methods of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum of Association.

The Trustees (but not the President, John Walker, or Patron, Lady Mary Archer) form the Board of Directors of the Company for the purposes of the Companies Act 2006 and hold office for maximum of nine concurrent years.

Members may now elect up to 12 Trustees, who are formally appointed at the Annual General Meeting.

No Trustee has a beneficial interest in any of the capital of the Foundation or its subsidiaries.

c. Organisational structure and decision-making policies

The Board of Trustees administers the charity.

Trustees have adopted a new policy on term lengths, which states that each trustee shall retire from office at the third Annual retirement Meeting following the commencement of his or her term of office. Whilst retiring trustees may be reappointed, a trustee who has served for three consecutive terms of office should take a break from office.

The Board normally meets every quarter.

The interim Chief Executive was appointed into a permanent role in September 2020 by the Trustees with delegated authority for all operational matters including finance and the day-to-day management of the charity.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

There have been changes to the Trustee Board during the course of this year.

- Liz Male remains Chair of the Board of Trustees (extended to April 2024 by approval of the Board)
- Naveed Choudry remains as a Trustee (appointed 5 October 2020)
- Archie Roberson remains as a Trustee (appointed 5 October 2020)

Leavers:

- Linda Forbes (appointed 10 March 2021) (Termination of appointment 17 October 2022)

New appointments:

- Jade Lewis (appointed 5 October 2022)
- Martin Chitty (appointed 21 February 2023)
- Martin Paul Smith Lomas (appointed 21 February 2023)

d. Policies adopted for the induction and training of Trustees

In order to obtain a wide spread of experience and appropriate skills the recruitment of Trustees is undertaken through three main methods: a permanent advertisement on the Foundation's website seeking contact from interested parties, advertising in sector related media and through personal contacts and introductions. We anticipate recruitment of more Trustees during the course of the next year, along with recruiting a new Chair.

New Trustees are provided with an induction which features a meeting with the Chair of the Board and/or another member, then with the Chief Executive (and Company Secretary) to familiarise themselves with their responsibilities and legal obligations to the company and their role as a Trustee. Background information on the Company, including a briefing on the role of Trustees and responsibilities of Charitable Trustees and other relevant documents, is provided by way of a written induction pack.

e. Pay policy for key management personnel

The Trustees considered 'the Board' and the senior management team collectively comprise the key management personnel of the charity. All Trustees give of their time freely and no Trustee received any remuneration in the year.

The pay of the senior staff is reviewed annually taking into account performance and, where available, market rates for equivalent roles in similar organisations.

f. Related party relationships

None of our Trustees receive remuneration or other benefit from their work with the charity. Any connection between a Trustee (or senior manager of the charity) with a relevant third party must be disclosed to the full Board of Trustees.

As a charity we actively seek to cooperate with other organisations working to improve the use of energy in buildings including other charities, community interest companies, public authorities, building stock owners and energy suppliers.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

g. Quality Management

In 2016, BSI awarded the Foundation ISO 9001:2008 certification for its Quality Management System; this was renewed and transitioned to ISO 9001:2015 during 2018 and was reaccredited in 2019, 2020, 2021 and again in June 2022.

h. Volunteers / Interns

In common with most charities, the Foundation makes use of volunteers, including providing occasional opportunities for people wishing to gain work experience in the environmental sector.

As far as possible volunteers are offered the chance to work on discrete activities that would not be achieved by core staff, to provide defined outcomes that benefit both the charity and the volunteer. NEF also runs a successful internship programme where undergraduates, and occasionally postgraduates, can work on some of NEF's consumer facing projects.

The Foundation is delighted that so many of its staff are appointed from volunteer or internship positions. The Trustees continue to be very grateful to all those willing to support the charity on this basis.

Funds held as custodian

The Foundation does not hold funds as a custodian trustee, although it does hold some grant funds on behalf of public bodies, principally local authorities in England, that are then paid to householders seeking to improve their use of energy, on terms agreed between the charity and the authority. Such funds are held in specified client accounts, as they do not beneficially belong to the charity, and are not shown in the Statement of Financial Position.

THE NATIONAL ENERGY FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Streets Audit LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



M E Male
Chair of Trustees
Date: 20/12/2023

THE NATIONAL ENERGY FOUNDATION
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL ENERGY FOUNDATION

Opinion

We have audited the financial statements of The National Energy Foundation (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

THE NATIONAL ENERGY FOUNDATION
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL ENERGY FOUNDATION
(CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

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 purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

THE NATIONAL ENERGY FOUNDATION
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL ENERGY FOUNDATION
(CONTINUED)

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.

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulation
- we identified the laws and regulations applicable to the company through discussions with trustees and other management
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities Act 2011, safeguarding of vulnerable adults, data protection, employment, taxation, environmental and health and safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

THE NATIONAL ENERGY FOUNDATION
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL ENERGY FOUNDATION
(CONTINUED)

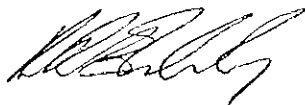
In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statements and disclosures to underlying supporting documentation;
- reading the minutes of governor meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

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

Use of our report

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



Alan Endersby (Senior Statutory Auditor)

for and on behalf of

Streets Audit LLP

Potton House

Wyboston Lakes

Great North Road

Wyboston

Bedford

MK44 3BZ

Date: 20/12/2023

THE NATIONAL ENERGY FOUNDATION
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Donations and legacies	4	660,807	660,807	300
Charitable activities	5	1,151,684	1,151,684	965,893
Investments	6	12,251	12,251	758
Total income		1,824,742	1,824,742	966,951
Expenditure on:				
Charitable activities	7	1,429,028	1,429,028	1,029,380
Net movement in funds		395,714	395,714	(62,429)
Reconciliation of funds:				
Total funds brought forward		1,192,406	1,192,406	1,254,835
Net movement in funds		395,714	395,714	(62,429)
Total funds carried forward		1,588,120	1,588,120	1,192,406

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 16 to 30 form part of these financial statements.

THE NATIONAL ENERGY FOUNDATION
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REGISTERED NUMBER: 02218531

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	12	40,352	54,802
Tangible assets	13	14,630	6,544
		<u>54,982</u>	<u>61,346</u>
Current assets			
Debtors	14	461,511	548,631
Cash at bank and in hand		1,510,634	1,038,024
		<u>1,972,145</u>	<u>1,586,655</u>
Creditors: amounts falling due within one year	15	(439,007)	(455,595)
Net current assets		<u>1,533,138</u>	<u>1,131,060</u>
Total assets less current liabilities		<u>1,588,120</u>	<u>1,192,406</u>
Total net assets		<u>1,588,120</u>	<u>1,192,406</u>
Charity funds			
Restricted funds	18	-	-
Unrestricted funds	16	1,588,120	1,192,406
Total funds		<u>1,588,120</u>	<u>1,192,406</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



M E Male

Chair of Trustees

Date: 20/12/2023

The notes on pages 16 to 30 form part of these financial statements.

THE NATIONAL ENERGY FOUNDATION
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	477,102	(322,081)
Cash flows from investing activities		
Dividends, interests and rents from investments	12,251	758
Purchase of intangible assets	(16,743)	(57,000)
Purchase of tangible fixed assets	-	(6,143)
Net cash used in investing activities	(4,492)	(62,385)
Change in cash and cash equivalents in the year	472,610	(384,466)
Cash and cash equivalents at the beginning of the year	1,038,024	1,422,490
Cash and cash equivalents at the end of the year	1,510,634	1,038,024

The notes on pages 16 to 30 form part of these financial statements

THE NATIONAL ENERGY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. General information

The National Energy Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is Suite 2.15 Challenge House, Sherwood Drive, Bletchley, Milton Keynes, MK3 6DP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

2.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from grants are recognised in accordance with the terms of each individual grant. Typically, this will be when the foundation has delivered outcomes expected by the agency making the grant although on a longer term grant, such as these from the European Union, it may be based on staff time, including an allowance for overheads, or other expenditure made.

Income from contract for the supply of services is recognised with the delivery of the contracted service.

All income is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case the income may be regarded as restricted.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

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

2. Accounting policies (continued)

2.3 Expenditure (continued)

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.5 Intangible assets and amortisation

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Website costs	- 25 % Straight line basis
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2.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 50% per annum
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2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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

2. Accounting policies (continued)

2.8 Cash at bank and in hand

Cash at bank and 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.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.10 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.

2.11 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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FOR THE YEAR ENDED 31 MARCH 2023

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

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

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

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Entitlement to income from grant funded projects and contracts is judged on the basis of the delivery of project outcomes and assessment of performance against key performance indicators.

4. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations			
National Grid	500,000	500,000	-
Milton Keynes Council	159,000	159,000	-
Other donations	1,807	1,807	300
Subtotal	<u>1,807</u>	<u>1,807</u>	<u>300</u>
	<u>660,807</u>	<u>660,807</u>	<u>300</u>

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NOTES TO THE FINANCIAL STATEMENTS
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5. Income from charitable activities

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Project income	-	1,151,684	1,151,684	965,893
<i>Total 2022</i>	<i>5,500</i>	<i>960,393</i>	<i>965,893</i>	

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Interest received	12,251	12,251	758

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total 2023 £	Total 2022 £
Project work	-	1,429,028	1,429,028	1,029,380
<i>Total 2022</i>	<i>5,500</i>	<i>1,023,880</i>	<i>1,029,380</i>	

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NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Project work	1,354,417	74,611	1,429,028	1,029,380
<i>Total 2022</i>	<i>959,341</i>	<i>70,039</i>	<i>1,029,380</i>	

Analysis of direct costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	925,124	686,782
Depreciation	23,108	7,985
Consultancy services	7,870	-
Staff travel and subsistence	18,546	8,846
Recruitment and training	18,717	3,397
Other staff costs	8,945	9,841
Project costs	313,118	205,692
Rent and rates	38,989	36,798
	1,354,417	959,341

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Telephone and communications	42,772	26,538
Office costs	1,135	2,693
Insurance	5,700	5,758
Marketing	7,630	13,257
Legal and Professional costs	3,879	3,782
Trustee meeting expenses	862	5,505
Subscriptions	1,952	1,879
Entertaining	1,163	2,929
Bank charges	715	739
Gain or loss on foreign exchange	(1,100)	458
Governance costs	9,903	6,501
	<u>74,611</u>	<u>70,039</u>

9. Auditors' remuneration

	2023 £	<i>2022 £</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>8,150</u>	<u>6,900</u>

10. Staff costs

	2023 £	<i>2022 £</i>
Wages and salaries	811,466	603,548
Social security costs	76,613	54,296
Contribution to defined contribution pension schemes	37,045	28,938
	<u>925,124</u>	<u>686,782</u>

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10. Staff costs (continued)

The average number of persons employed by the Charity during the year was as follows:

	2023 No.	2022 No.
Management and administration	6	6
Project, sales and technical staff	33	15
	<u>39</u>	<u>21</u>

The average headcount expressed as full-time equivalents was:

	2023 No.	2022 No.
Management and administration	6	6
Project, sales and technical staff	32	13
	<u>38</u>	<u>19</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023 No.	2022 No.
In the band £80,001 - £90,000	1	1

Key management personnel includes all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. Key management personnel are considered to be the trustees and the senior management team. No trustees are paid for their services, and the total amount paid to key management personnel was £386,127 (2022 £299,849).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, expenses totalling £33 were reimbursed or paid directly to 1 Trustee (2022 - £35 to 1 Trustee). The expenses reimbursed related to travel costs for attending trustee board meeting.

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

12. Intangible assets

	Website costs £
Cost	
At 1 April 2022	57,000
At 31 March 2023	57,000
Amortisation	
At 1 April 2022	2,198
Charge for the year	14,450
At 31 March 2023	16,648
Net book value	
At 31 March 2023	40,352
At 31 March 2022	54,802

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FOR THE YEAR ENDED 31 MARCH 2023

13. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 April 2022	13,080
Additions	16,743
At 31 March 2023	<u>29,823</u>
Depreciation	
At 1 April 2022	6,536
Charge for the year	8,657
At 31 March 2023	<u>15,193</u>
Net book value	
At 31 March 2023	<u>14,630</u>
At 31 March 2022	<u>6,544</u>

14. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	218,922	463,657
Prepayments and accrued income	242,589	84,974
	<u>461,511</u>	<u>548,631</u>

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15. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	39,494	102,806
Other taxation and social security	39,571	35,327
Other creditors	178,469	285,878
Accruals and deferred income	181,473	31,584
	<u>439,007</u>	<u>455,595</u>

The charity receives some income in advance, which is conditional on being able to meet performance related criteria. In addition, membership income is charged on an annual basis. At the reporting date, the charity had deferred income totalling £108,117 (2022 £12,124).

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Unrestricted funds					
General Fund	1,093,835	636,737	(565,713)	(16,743)	1,148,116
EST projects	31,445	550,904	(511,719)	-	70,630
Other LA projects	5,780	637,101	(328,489)	-	314,392
Fixed asset reserve	61,346	-	(23,107)	16,743	54,982
	<u>1,192,406</u>	<u>1,824,742</u>	<u>(1,429,028)</u>	<u>-</u>	<u>1,588,120</u>

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

16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2022 £</i>
Unrestricted funds					
Designated funds					
Website development	57,000	-	-	(57,000)	-
General funds					
General Fund	1,191,647	149,343	(241,012)	(6,143)	1,093,835
EST projects	-	347,628	(316,183)	-	31,445
LAD Green Homes project	-	361,137	(361,137)	-	-
Other LA projects	-	103,343	(97,563)	-	5,780
Fixed asset reserve	6,188	-	(7,985)	63,143	61,346
	<u>1,197,835</u>	<u>961,451</u>	<u>(1,023,880)</u>	<u>57,000</u>	<u>1,192,406</u>
Total Unrestricted funds	<u>1,254,835</u>	<u>961,451</u>	<u>(1,023,880)</u>	<u>-</u>	<u>1,192,406</u>
Restricted funds					
Better Homes Better Health grant	-	5,500	(5,500)	-	-
Total of funds	<u>1,254,835</u>	<u>966,951</u>	<u>(1,029,380)</u>	<u>-</u>	<u>1,192,406</u>

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

16. Statement of funds (continued)

During the year the charity has continued to work on projects funded by the Energy Saving Trust (EST) and various Local Authorities. All activities have been undertaken in accordance with the charity's unrestricted, charitable objectives.

In 2021/22, one local authority grant of £5,500 was required to be accounted for as a restricted fund and this was fully utilised in the prior year.

At the reporting date, the charity had received a number of unrestricted grants, where the expenditure will be incurred in the forthcoming year. Whilst these funds are not required to be reported as restricted funds with the charity's accounts, the grants have been reported separately to demonstrate the funds held for specific purposes at the year end:

- Energy Saving Trust (EST) Winter Hardship Fund £70,630 (2022 £31,445)
- Advisory services for local authorities £314,392 (2022 £5,780)

The charity also invested in website development in the prior year and a separate, general reserve was established to represent the charity's investment in both tangible and intangible assets.

The charity's general fund is a free reserve, available to be used at the discretion of the trustees for any charitable purpose.

17. Summary of funds

Summary of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
General funds	1,192,406	1,824,742	(1,429,028)	-	1,588,120

Summary of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Designated funds	57,000	-	-	(57,000)	-
General funds	1,197,835	961,451	(1,023,880)	57,000	1,192,406
Restricted funds	-	5,500	(5,500)	-	-
	1,254,835	966,951	(1,029,380)	-	1,192,406

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

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	14,630	14,630
Intangible fixed assets	40,352	40,352
Current assets	1,972,145	1,972,145
Creditors due within one year	(439,007)	(439,007)
Total	1,588,120	1,588,120

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	6,544	6,544
Intangible fixed assets	54,802	54,802
Current assets	1,586,655	1,586,655
Creditors due within one year	(455,595)	(455,595)
Total	1,192,406	1,192,406

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

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	395,714	(62,429)
Adjustments for:		
Depreciation charges	8,657	5,787
Amortisation charges	14,450	2,198
Dividends, interests and rents from investments	(12,251)	(758)
Decrease/(increase) in debtors	87,120	(516,379)
Increase/(decrease) in creditors	(16,588)	249,500
Net cash provided by/(used in) operating activities	477,102	(322,081)

20. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	1,510,634	1,038,024
Total cash and cash equivalents	1,510,634	1,038,024

21. Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	1,038,024	472,610	1,510,634
	1,038,024	472,610	1,510,634

22. Related party transactions

The Charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 March 2023.