

The National Energy Foundation

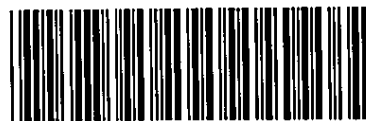
Financial Statements

31 March 2009

MACINTYRE HUDSON LLP

Chartered Accountants & Registered Auditors
Moorgate House
201 Silbury Boulevard
Milton Keynes
Buckinghamshire
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The National Energy Foundation

Financial Statements

Year ended 31 March 2009

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Trustees' Report**Year ended 31 March 2009**

The Trustees present their report for the year ended 31 March 2009.

Company Information

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 Foundation's current programme is described in detail in the Trustees' Report. The Foundation is governed by its Memorandum and Articles of Association.

President

Dr Mary Archer

Trustees

The directors of the charitable company are the Trustees for the purpose of Charity Law and throughout this report are collectively referred to as the Trustees. The Trustees of the Charity at 31 March 2009 were:

Brian White (Chair)
Godfrey Boyle
John Daggart
David Hutchinson
Dr Caroline Jackson MEP
Keith Jackson
Professor Kevin Lomas
Professor Tony Marmont
Tadeusz Oreszczyk (appointed 5 March 2009)
Andy Reed MP
Elizabeth Reason
Graham Saunders FCA
Richard Tinson
Andrew Warren

No Trustees resigned during the year.

The Trustees (but not the President) form the Board of Directors of the Company for the purposes of the Companies Act 2006 and hold office for an indefinite period of time. Members may elect up to 18 Trustees, who are formally appointed at an Annual General Meeting. No Trustee has a beneficial interest in any of the capital of the Foundation or its subsidiaries.

The Trustees have delegated the day to day management of the charity to the principal executive officers of the Foundation who are:

Dr Tim Lunel	Chief Executive
Ian Byrne	Deputy Director & Company Secretary

Registered Office and Principal Office

The National Energy Foundation
The National Energy Centre
Davy Avenue
Milton Keynes, MK5 8NG

Tel No: 01908 665555
e-mail: info@nef.org.uk
Registered Charity Number: 298951

Fax No: 01908 665577
Website: www.nef.org.uk
Registered Company Number: 2218531

Trustees' Report *(continued)*

Year ended 31 March 2009

Principal activities

The Foundation's mission is to mobilise individuals, businesses and communities to make their contribution to reducing carbon emissions through energy efficiency and use of sustainable energy sources in order to combat global climate change. By doing this it meets its principal objective to promote, through education, demonstration and research the innovative, efficient and safe use of energy to increase the public awareness of energy in all its aspects.

In order to carry out its mission, the Foundation has a general programme of education and information, and – directly and through the subsidiary companies grouped under National Energy Services Limited – undertakes specific projects to further its aims, including the provision of advice and consultancy and training services to local and regional government, corporate bodies and the general public.

The National Energy Foundation is keen that renewable energy, energy efficiency and the need to cut carbon dioxide emissions are viewed holistically, as part of the UK national strategy to limit the risks of climate change, rather than as separate issues when designing and operating its activities. The Foundation is also working to ensure that the UK is a leader within Europe in the drive towards a clean and sustainable low-energy future. It uses its 19 years of experience in both energy efficiency and renewables to provide an independent and authoritative view in helping develop energy policy and strategy and participates actively in the national debate on energy policy and by seeking to foster a broad public debate. However it also works to ensure sustainable energy policies are implemented, through its practical projects and support measures to make it simpler for the public to adopt a more sustainable energy lifestyle.

Appointment of Trustees

In order to obtain a wide spread of experience and appropriate skills the recruitment of Trustees is undertaken through two main methods: a permanent advertisement on the Foundation's website seeking contact from interested parties, and through personal contacts and introductions. Trustees are elected by the members in general meeting and normally serve for a period of three years following which they may serve for further periods of three years.

Trustee induction and training

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 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.

Information, Advice, Projects and Communities

Publicising climate change and the ways in which the public's use of energy is highly important if the UK is to meet its target of an 80% reduction in CO₂ emissions by 2050. Information about sustainable energy for a wider audience is available via the **National Energy Foundation website**. The general public can access a wide range of free information including fact sheets as well as finding out ways in which they can calculate and reduce their carbon footprint through the **Carbon Workout**.

The Foundation has always worked in partnership with other bodies on specific advice programmes, including the United Sustainable Energy Agency (USEA) - which operates the Energy Saving Trust Advice Centre Thames Valley and Solent. During 2008-9, it extended this work through collaborating with USEA and NEF's subsidiary company, National Energy Services Ltd, on the **Energy Saving Trust Home Action Plan** pilot programme, providing advice in the home based on a physical energy audit.

The Foundation continues to be the project manager for the **Old Homes Superhomes** project, working on behalf of the Sustainable Energy Academy (SEA; registered charity no. 287998). This programme aims to transform energy efficiency within existing housing stock, especially pre-1939 solid walled properties, through a demonstration programme of innovative "Superhomes" brought up to current standards of comfort. As part of the partnership with SEA, there are now four Trustees who serve on the Boards of both charities.

Trustees' Report *(continued)*

Year ended 31 March 2009

Much of the work of the Foundation is carried out through projects, often with the support of external funding agencies such as those of the Department for the Environment, Food & Rural Affairs (Defra) or the various programmes of the European Commission.

The Foundation continues to support the successfully completed **LogiCity** interactive computer game, designed to engage young adults in the issues surrounding Climate Change, and playable online at www.logicity.co.uk. This public awareness project was originally supported by Defra's Climate Challenge Fund.

The Foundation believes that many initiatives are best undertaken through collaborative projects, either domestically or with partners in the European Union. To this end it participates in a number of programmes led by third parties including **T-Zero**, which will provide a technical pathway towards refurbishment of properties so that they emit zero emissions (CO₂); **Pellets@las**, which seeks to provide an information exchange across all EU countries for the fledgling wood pellet industry; and **Enerfish**, which seeks to gain and transfer knowledge about the production of renewable energy from fish waste. Foundation staff members also sit on a number of advisory boards for other local or national projects.

Following a review of the Foundation's educational activities, it was decided to sell the Green Energy Machine (GEM), an energy bus demonstrating a range of renewable energy technologies, and to reduce the number of educational visits to local schools, but instead to concentrate on activities that would have a longer lasting or national impact; GEM was sold in Summer 2009.

Support Services

Renewable energy will only gain widespread acceptance in the UK if it is installed in a professional manner, based on a fair appraisal of the associated costs, benefits and limitations. To facilitate this aim, the Foundation provides **Support Services**, where compatible with its charitable objectives, to help develop the infrastructure around sustainable energy. These include the provision of secretariat services to two Trade Associations: the Solar Trade Association (STA) and the Ground Source Heat Pump Association (GSHPA). Foundation staff sit on various regional, national and international advisory boards and committees, including providing the lead UK representative on the CEN Task Force concerned with energy efficiency calculations and savings.

However, a small charity cannot be everywhere; it is important that it shares its skills and knowledge. One way of meeting this charitable objective is through running a programme of **Training Courses**, mainly targeted at professionals working in areas impinged upon by the move to more sustainable energy sources, including local authority staff and building professionals.

The Foundation also provides sustainable energy **Consultancy Services** as an additional means of meeting its objectives on a remunerated basis. This allows it to assist local authorities, individuals, community groups and others on a range of matters from energy policy and strategy through to feasibility studies for small-scale renewable projects. The Foundation has also worked with major organisations including a local authority and an energy utility on the design and development of websites aimed to encourage action to be taken to counter climate change through the provision of impartial personalised advice on energy efficiency and renewables.

Granting public recognition of achievements towards sustainable energy is another important tool. Again recognising the limitations of being a relatively small independent body, the Foundation transferred its Energy Efficiency Accreditation Scheme to the Carbon Trust in 2005. In June 2008 the Trust launched an enhanced version of the scheme, with a greater focus on year on year carbon reductions called the **Carbon Trust Standard**. The Foundation continues to provide key support functions to the new standard.

The National Energy Centre

The National Energy Foundation is keen to follow its own advice, and to demonstrate that as an organisation it can use less energy than would be normal for a charity of its size. This is exemplified by the National Energy Centre, which consists of two purpose-built low-energy buildings and an area given over to demonstration plots of biomass.

Trustees' Report *(continued)*

Year ended 31 March 2009

The South Building, constructed in 1999, is occupied by its subsidiary company, National Energy Services Limited. The building design incorporates high levels of insulation and thermal mass, the optimum use of natural daylighting and passive ventilation and is heated by a high efficiency gas condensing boiler. This building is owned by the charity.

In 2003-4, the Foundation constructed the North Building on a site adjacent to the initial building, designed to demonstrate a contrasting approach to low-energy buildings. This has a low thermal mass, using more natural materials (and so a lower embodied energy) and was built to an even greater standard of energy efficiency. It incorporates more renewable energy features, including heating via a Ground Source Heat Pump, a small pellet stove, 6.5kWp of photovoltaic panels and solar water heating. Energy Monitoring data shows that this building is performing exceptionally well in practice. This building is occupied by the charity but owned by a third party.

To demonstrate best practice, the Foundation is experimenting with setting carbon budgets and has expanded its carbon footprint calculations to encompass all elements of its operation, in a manner that could be replicated by similarly sized organisations, including other charities and SMEs. The table below summarises the performance of the building (which is shared with United Sustainable Energy Agency) and the Foundation itself (including transport emissions).

National Energy Foundation Summary Energy and Carbon Use			
	2008/09	2007/08	
Building Energy Use			
Net metered building energy use	26579	26069	kWh
PV generated on site	4846	5026	kWh
Gross energy consumption	31425	31095	kWh
CO2 from building electricity	14.3	14.0	tCO2
PV output	749	777	W/kWp/annum
GSHP Output to heating circuit	17872	20219	kWh
GSHP Seasonal CoP	2.43	2.44	
Average Building Employees	32	27	incl. USEA
NEF Employees	21	19	
Net energy per square metre	61.8	60.6	kWh/m ²
Gross energy per square metre	73.1	72.3	kWh/m ²
Energy per employee	982	1152	kWh
Staff Travel (NEF only)			
Air Miles	16191	7841	miles
Private Car/Taxi miles	20169	12207	miles
Motorcycle miles	841	0	miles
Train/Bus miles	33094	29103	miles
	70295	49151	miles
GEM diesel (display vehicle)	610	683	litres
Estimated CO2 from transport	17.7	11.4	tCO2
Total CO2 attributable to NEF staff	27.1	21.2	tCO2
Total CO2 per employee	1.29	1.12	tCO2
Personal Footprints Average	6.76	n.a	tCO2
<i>Note: this is whole household plus personal travel</i>			

Trustees' Report *(continued)*

Year ended 31 March 2009

National Energy Services Limited Group

National Energy Services Limited (NES), which is approximately 56.16% owned by the Foundation (50.13% at 31 March 2008), provides a wide range of services and software that encourage the efficient use of energy in buildings. The Foundation nominates two Directors of NES, including its Chairman, but is not involved in the day-to-day management of the company.

The key activities in NES are the National Home Energy Rating Scheme, which is firmly established as the leading UK delivery system for domestic energy rating, and the training and registration of professional staff to offer Energy Performance Certificates (EPCs).

A comprehensive range of computer programs is available to NHER members to deliver both the National Home Energy Rating (NHER) and the Government's Standard Assessment Procedure (SAP). The software also calculates CO₂ emissions for the property and is an invaluable tool in identifying households likely to be in fuel poverty. Other applications include the analysis of housing stock, especially by local authorities and housing associations; helping architects and house-builders design more energy-effective homes; and the rating of individual dwellings, both at change of ownership and when advising householders of the benefits of improvement measures.

National Energy Services has also developed software and systems to enable the delivery of EPCs and Home Information Packs (HIPs) required under the Energy Performance of Buildings Directive and the Housing Act (2005). This includes the operation of an approved Certification Scheme and the training and registration of Domestic Energy Assessors, Home Inspectors and Non-dwelling Energy Assessors.

Some of this work was formerly carried out through a subsidiary of National Energy Services, Surveyors & Valuers Accreditation Ltd (SAVA). Although this transferred its activities to NES on 1 November 2006, it remained as a separate legal entity and paid a dividend to NES in the year; this has no effect on the consolidated results. NES also established a joint venture company called SAVA BX Ltd to exploit opportunities in the management of EPCs. On 5 June 2008 NES acquired the outstanding shares from its joint venture partner, and since that date SAVA BX ceased to be regarded as an associated company but has been fully consolidated into the group. The National Energy Foundation has no day to day control over SAVA BX, although Dr Tim Lunel, the Chief Executive of the Foundation, is a Director of SAVA BX Ltd.

More information about National Energy Services and its subsidiaries can be found on its websites:

www.nesltd.co.uk	General Company information
www.nher.co.uk	The National Home Energy Rating Scheme
www.sava.org.uk	Services for Domestic and Non-dwelling Energy Assessors

Volunteers

In common with most charities, the Foundation makes use of volunteers, including providing occasional opportunities for people wishing to gain work experience in a small office environment. It has also offered short-term placements to a small number of European graduates through the Leonardo da Vinci project of the EU. No financial value has been placed on the contribution of volunteers, as it would not be material in relation to the costs and numbers of paid staff. The Trustees are however very grateful to all those willing to support the charity on a voluntary basis.

Risk Assessment

In accordance with the recommendations of SORP 2005, Trustees have worked with senior management to produce an assessment of the risks to which the Foundation is subject. These risks may broadly be categorised into five main areas: governance, business, operational risk, financial risk, and compliance. The review took account of the relatively small number of staff working for the National Energy Foundation and identified that most of the activities carried out by it are in the nature of giving advice and information to the general public about energy efficiency and renewable energy, so have a relatively low inherent risk as they are based upon well documented and publicised facts. In carrying out the review, Trustees also noted that, in common with many other charities, the Foundation has a high dependence on projects funded through either local or national Government or agencies funded by the Government.

Trustees' Report *(continued)*

Year ended 31 March 2009

The Trustees will keep these and other more minor issues identified under continual review to ensure that the charity retains its ability to deliver high quality and cost-effective projects in support of its primary aims.

Investment policy

The Foundation possess only limited surplus funds for investment and keeps cash reserves in UK Bank deposits at market rates. Its properties are occupied by the charity and affiliated organisations working to encourage the more sustainable use or generation of energy. At the year end, the relatively large cash balances included interest earning sums in the subsidiary companies representing payments received in advance of delivery for energy training courses.

Financial performance for the group

The group reported an unrestricted surplus in the year of £285,048 before taxation, minority interests, associated companies and the write-off of certain loans made by the subsidiary companies to the associated undertaking. This reflected continuing strong demand for training and registration services in National Energy Services Ltd following the introduction of Energy Performance Certificates and Home Information Packs.

The charity reported a surplus of £49,391 in its own books. Trustees consider this to be satisfactory.

Group accounting policy is to write off development expenditure as it is incurred, even when it results in marketable intangible assets such as software.

Reserves

The Trustees believe that adequate reserves should be held to maintain the work of the Foundation in promoting energy efficiency and renewable energy. After consideration, the Trustees have determined that the free reserves equivalent to six months normal recurring expenditure will suffice, after allowing for the Foundation's investment in fixed assets and the subsidiary company.

Plans for future periods

The Foundation continues to contribute towards the major changes necessary in the UK and internationally in order to combat climate change. In doing so, it is developing its revenue-generating activities, such as consultancy and training for public authorities, as well as seeking public or EU funding for its broader-based education and information activities in energy efficiency, renewable energy and more sustainable transport. The charity is also working closely with the Carbon Trust, a non-departmental public body, in developing the Carbon Trust Standard. It has forged a strategic relationship with the Sustainable Energy Academy (another UK charity) in the development and delivery of the Old Homes Superhomes project. Finally, the National Energy Foundation is always conscious of the need to work with other third parties to avoid duplication of effort and achieve greater cost effectiveness in terms of sums expended per tonne of carbon dioxide saved.

The subsidiary companies have successfully participated in the phased launch of Home Information Packs, and are now developing services for the non-dwellings sector including the delivery of EPCs and operational rating certificates for display in public buildings. The National Home Energy Rating Scheme continues to work closely with local authorities and Housing Associations to ensure energy efficiency and low-carbon strategies are achieved.

Auditors

MacIntyre Hudson LLP are deemed to be re-appointed under section 487 (2) of the Companies Act 2006.

Trustees' Report *(continued)*

Year ended 31 March 2009

Professional advisors

Bankers National Westminster Bank plc, Milton Keynes
Bank of Scotland, Milton Keynes

The Foundation does not retain any single firm of solicitors, but draws on experts in relevant areas as necessary. The panel of solicitors used by the charity includes:

Solicitors Bates Wells and Braithwaite, London EC2
Kimbells LLP, Milton Keynes
Geoffrey Leaver, Milton Keynes

Property valuations, in connection with lease transactions, have most recently been undertaken by Lambert Smith Hampton.

The subsidiary companies are responsible for their own banking and legal arrangements, and may use firms not listed above.

Trustees' Responsibilities

Company law requires the Trustees, as the legal directors, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the period and of the surplus or deficiency for the period then ended.

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

- ❖ select suitable accounting policies, as described on pages 13 to 15 and then apply them consistently;
- ❖ make judgements and estimates that are reasonable and prudent;
- ❖ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ❖ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Trustees 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.


In so far as the Trustees are aware:

- There is no relevant audit information of which the company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

On behalf of the Board of Trustees



B White – Trustee



G Saunders – Trustee

Registered office:

The National Energy Centre, Davy Avenue, Knowlhill, Milton Keynes, MK5 8NG

Independent Auditors' Report to the Members of The National Energy Foundation

Year ended 31 March 2009

We have audited the financial statements of The National Energy Foundation for the year ended 31 March 2009 which comprise of the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Cash Flow Statement and related notes. These Financial Statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND THE AUDITORS

The Trustees' (who are also the directors of The National Energy Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Trustees' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Annual Report is consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Trustees' Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information beyond that referred to in this paragraph.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditors' Report to the Members of The National Energy Foundation (continued)

Year ended 31 March 2009

OPINION

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and charity's affairs as at 31 March 2009 and of the incoming resources and application of resources, including the income and expenditure of the group, for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- are consistent with the information given in the Trustees' annual report for that year.

Macintyre Hudson LLP

Moorgate House
201 Silbury Boulevard
Central Milton Keynes
Buckinghamshire
MK9 1LZ

MACINTYRE HUDSON LLP
Chartered Accountants
& Registered Auditors

12/10/09

Consolidated Statement of Financial Activities (including Consolidated Income and Expenditure Account)

Year ended 31 March 2009

	Note	Unrestricted £	Restricted Endowment £	Total 2009 £	Total 2008 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Activities for generating funds		8,050,224	-	8,050,224	8,217,113
Investment income	8	41,154	-	41,154	84,645
Incoming resources from charitable activities		995,320	-	995,320	851,947
Other incoming resources		11,772	-	11,772	11,772
TOTAL INCOMING RESOURCES	3	9,098,470	-	9,098,470	9,165,477
RESOURCES EXPENDED					
Costs of generating funds:					
Fundraising and trading		7,661,159	-	7,661,159	8,005,867
Charitable activities		1,069,096	25,569	1,094,665	965,556
Governance costs		83,167	-	83,167	88,316
Other resources expended		-	-	-	-
TOTAL RESOURCES EXPENDED	6	8,813,422	25,569	8,838,991	9,059,739
Net Incoming/(outgoing) Resources before Taxation and Minority Interests		285,048	(25,569)	259,479	105,738
Taxation in subsidiary	9	(79,762)	-	(79,762)	14,296
Amounts attributable to minority interests	10	(12,510)	-	(12,510)	(54,654)
Net Incoming Resources before Investment Asset Disposals		192,776	(25,569)	167,207	65,380
Realised loss on transactions in Investment Assets	11	(151,347)	-	(151,347)	(1,355)
Net interests in results of associate undertakings	14	205,035	-	205,035	(166,402)
NET MOVEMENT IN FUNDS	7	246,464	(25,569)	220,895	(102,377)
Fund balances brought forward		293,028	1,596,095	1,889,123	1,991,500
Fund balances at 31 March 2009	19	£539,492	£1,570,526	£2,110,018	£1,889,123

The charity has no recognised surpluses or deficits other than the results for the period as set out above.

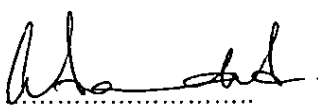
All of the activities of the charity are classed as continuing.


Consolidated and Charity Balance Sheet

Year ended 31 March 2009

	Note	GROUP		CHARITY	
		2009 £	2008 £	2009 £	2008 £
FIXED ASSETS					
Intangible assets	13	215,911	168,799	-	-
Tangible fixed assets	12	1,667,562	1,673,489	1,414,325	1,436,390
Investments	14	-	(222,849)	109,424	109,424
		<u>1,883,473</u>	<u>1,619,439</u>	<u>1,523,749</u>	<u>1,545,814</u>
CURRENT ASSETS					
Stock		22,000	24,648	-	-
Debtors	15	1,081,627	975,984	350,529	224,170
Cash at bank and in hand		1,013,509	1,078,519	355,348	236,765
		<u>2,117,136</u>	<u>2,079,151</u>	<u>705,877</u>	<u>460,935</u>
Creditors:					
Amounts falling due within one year	16	1,674,708	1,491,668	292,727	119,241
		<u>442,428</u>	<u>587,483</u>	<u>413,150</u>	<u>341,694</u>
Net Current assets					
		<u>2,325,901</u>	<u>2,206,922</u>	<u>1,936,899</u>	<u>1,887,508</u>
Net Assets					
		<u>2,325,901</u>	<u>2,206,922</u>	<u>1,936,899</u>	<u>1,887,508</u>
FUNDS					
Restricted endowment fund	19	1,570,526	1,596,095	1,570,526	1,596,095
Minority interest	21	215,883	317,799	-	-
Unrestricted funds	19	539,492	293,028	366,373	291,413
		<u>£2,325,901</u>	<u>£2,206,922</u>	<u>£1,936,899</u>	<u>£1,887,508</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies. They were approved by the Trustees on 07/10/09, and are signed on their behalf by:


G Saunders
Trustee


B White
Trustee

Consolidated Cash Flow Statement

Year ended 31 March 2009

	Note	£	2009 £	£	2008 £	£
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	22			339,256		(939,316)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE						
Interest received		41,154			84,645	
Dividends paid to minority interests		(88,622)			-	
Net Cash (Outflow)/Inflow From Returns On Investments And Servicing Of Finance				(47,468)		84,645
TAXATION				(15,190)		-
CAPITAL EXPENDITURE						
Payments to acquire tangible fixed assets			(181,448)		(167,156)	
Receipt from sale of fixed asset investment			-		8,000	
Payment to acquire fixed asset investments			(1)		-	
Share buy back			(195,160)		-	
Net Cash Outflow From Capital Expenditure				(376,609)		(159,156)
ACQUISITIONS AND DISPOSALS						
Net cash acquired with business				35,001		-
DECREASE IN CASH	23			(65,010)		(1,013,827)

Notes to the Financial Statements

Year ended 31 March 2009

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards, the Companies Act 1985 and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005, on a going concern basis.

Incoming resources

The income shown in the Statement of Financial Activities represents grants received and amounts invoiced during the period, exclusive of Value Added Tax.

- Performance related grants received are recognised as an incoming resource to the extent that they are expended during the year. Unspent grants are carried forward as deferred income in the Balance Sheet to be matched against future costs.
- Income from consultancy in connection with specific projects of the company and the group is recognised at the time that the work is invoiced.
- Income from other sources is recognised at the time that the service is supplied.

Donations and gift aid

There is an option for the public to make donations to the charity on the website, but this is not actively pursued by the charity.

Expenditure

Expenditure is recognised when a liability is incurred.

- Costs of generating funds are those costs incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the tasks to satisfy the objectives and include both the direct costs and support costs relating to these activities.
- Governance costs include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Administration and support costs of the subsidiaries are allocated to the fundraising and trading expenditure. Support costs in relation to the charity itself are disclosed under charitable activities.

Financial statements of the group

The consolidated financial statements include the financial statements of the charity and its material subsidiary undertakings, National Energy Services Limited and Surveyors & Valuers Accreditation Limited, in accordance with the provisions of the applicable SORP. All significant inter-company transactions and balances have been eliminated on consolidation. In the opinion of the Trustees, the charity and its subsidiaries comprise a medium sized group. The results of the trading activities of the subsidiaries are summarised in note 5 to the financial statements.

On 1 December 2006 National Energy Services Limited acquired a joint venture. This was being consolidated using the net equity method in 2008, as the entity being an associated company of The National Energy Foundation. From 5 June 2008 it was longer a joint venture but a wholly owned subsidiary of National Energy Services. Therefore the results from this date have been included in the same way as the other material subsidiary undertakings.

A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemption afforded by section 230 of the Companies Act 1985 and paragraph 397 of the SORP. A summary of the financial activities undertaken by the charity are shown in note 4.

Notes to the Financial Statements

Year ended 31 March 2009

1. ACCOUNTING POLICIES *(continued)*

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired.

National Energy Services Limited

Amortisation has not been provided on the acquired goodwill during the year since the Trustees consider there to have been no diminution of value since acquisition. This contravenes Schedule 4 to the Companies Act 1985, although the effect is not considered to be material as had the goodwill been amortised over a 20 year period, the annual charge would be £295.

Surveyors and Valuers Accreditation Limited

Amortisation has been provided on this acquisition over its estimated life of 20 years.

SAVA BX Limited

Amortisation has been provided on this acquisition over its estimated life of 5 years.

Fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost.

Fixed assets investments

Investments in subsidiaries and joint ventures are included in the financial statements at cost. Obligations in respect of the liabilities relating to investments are recognised in the period in which they arise.

Depreciation and amortisation

Depreciation and amortisation are provided by the charity and the group to write off the cost less the estimated residual value of tangible fixed assets and intangible assets by equal instalments over their estimated useful economic life as follows:

Freehold buildings	50 years straight line
Freehold improvements	5 years straight line
Computer equipment	2 to 3 years straight line
Office equipment/furniture	4 to 8 years straight line
Intellectual property rights	2 years straight line
Goodwill on acquisition	
Surveyors and Valuers Accreditation Limited	20 years straight line
SAVA BX Limited	5 years straight line

Provision is made for any impairment.

Funds

Restricted Endowment Funds relate to the contribution from the Commission for the New Towns (CNT) for the construction of the National Energy Centre in 1998-9 (see also note 19). All other funds controlled by the charity are for general purposes and may be used in furtherance of any of the company's charitable objects.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The charity and group contribute to defined contribution personal pension plans of certain employees. The contributions are charged to the statement of financial activities as they fall due.

Notes to the Financial Statements

Year ended 31 March 2009

1. ACCOUNTING POLICIES *(continued)*

Taxation

The company is exempt from any corporation tax liability due to its charitable status. The results of the subsidiaries include a provision for Corporation Tax at 28% (2007: 30%).

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Volunteers

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the Trustees' annual report.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. This is done on a first in first out basis.

Notes to the Financial Statements

Year ended 31 March 2009

2. COMPANY LIMITED BY GUARANTEE

The National Energy Foundation is a company limited by guarantee, and without share capital. In the event of the company being wound up every member, while he or she is a member or within one year after he or she ceases to be a member, undertakes to contribute to the assets of the company such amount as may be required, not exceeding one pound.

3. INCOMING RESOURCES

	Unrestricted £	Restricted Endowment £	Total 2009 £	Total 2008 £
Activities for generating funds				
Commercial trading operations	8,050,224	-	8,050,224	8,217,113
Investment income				
Income receivable	41,154	-	41,154	84,645
Incoming resources from charitable activities				
Project income	291,133	-	291,133	494,223
Accreditation	228,828	-	228,828	143,806
Consultancy	475,359	-	475,359	213,918
	995,320		995,320	851,947
Other incoming resources				
Rental income	11,772	-	11,772	11,772
	11,772	-	11,772	11,772
TOTAL INCOMING RESOURCES	9,098,470	-	9,098,470	9,165,477

4. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the consolidated statement include those of the charity's subsidiaries. A summary of the financial activities undertaken by the charity alone is set out below:

	Unrestricted £	Restricted £	Total 2009 £	Total 2008 £
Gross incoming resources	1,206,961	-	1,206,961	987,563
Total expenditure on charitable activities	(1,105,016)	(25,569)	(1,130,585)	(967,092)
Governance costs	(26,985)	-	(26,985)	(13,115)
Net incoming/outgoing resources	74,960	(25,569)	49,391	7,356
Total funds brought forward	291,413	1,596,095	1,887,508	1,880,152
Total funds carried forward	366,373	1,570,526	1,936,899	1,887,508

Notes to the Financial Statements

Year ended 31 March 2009

5. NET INCOME FROM TRADING SUBSIDIARIES

The charity owns the majority shareholding in two trading subsidiaries which are incorporated in England and Wales. National Energy Services Limited operates as a company with principal activities of the design and provision of energy rating services and the licensing of other parties to carry out energy ratings, the design and provision of computer software, energy surveying services, and energy consultancy.

Surveyors & Valuers Accreditation Limited was acquired on 5 November 2003 by National Energy Services Limited. Surveyors and Valuers Accreditation Limited operates as a company with principal activities of accreditation of chartered surveyors undertaking surveys on residential properties. On 1 December 2006 the company transferred its trade and assets to National Energy Services Limited and became a dormant subsidiary.

Summaries of their trading results are shown below. This information includes transactions with the National Energy Foundation. Audited financial statements have been filed with the Registrar of Companies for both subsidiaries in respect of periods up to their period end date of 31 March 2009. As during the year the subsidiaries changed their year end to match that of their parent company (previously the year end was 30 November).

Profit and Loss account	National Energy Services Limited		Surveyors & Valuers Accreditation Limited	
	Year ended 31 March 2009 £	Year ended 31 March 2008 £	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Turnover	7,548,038	8,100,087	-	-
Cost of sales	(5,749,087)	(5,823,188)	-	-
<i>Gross profit</i>	<u>1,798,951</u>	<u>2,276,899</u>	-	-
Administrative expenses	(1,485,690)	(2,365,299)	-	(5,600)
Management charge	-	125,918	-	-
Interest receivable	35,878	71,025	-	6,933
Dividend received/(paid)	103,452	-	(103,452)	-
Write off of SAVA investment	(96,303)	252,239	-	-
Operating profit/(loss) before taxation	<u>356,288</u>	<u>360,782</u>	<u>(103,452)</u>	<u>1,333</u>
Tax on profit/(loss)	(96,788)	14,296	-	-
Net profit/(loss)	<u>259,500</u>	<u>375,078</u>	<u>(103,452)</u>	<u>1,333</u>
Less: Minority interest	60,737	(59,607)	48,265	(639)
Less: Dividends paid to minority interest	(88,622)	-	-	-
Net income/(expenses) of trading subsidiary	<u>231,615</u>	<u>315,471</u>	<u>(55,187)</u>	<u>694</u>
Minority interest retained	(60,737)	59,607	(48,265)	639
Write off of investment on consolidation	96,303	(252,239)	-	-
Amount covenanted to the National Energy Foundation	(101,333)	-	-	-
Retained profit/(loss) in subsidiary for the year	<u>£165,848</u>	<u>£122,839</u>	<u>£(103,452)</u>	<u>£1,333</u>

Notes to the Financial Statements

Year ended 31 March 2009

6. ANALYSIS OF RESOURCES EXPENDED

	Unrestricted £	Restricted Endowment £	Total 2009 £	Total 2008 £
Fundraising and trading				
Fundraising costs	6,835	-	6,835	-
Commercial trading operations				
Direct costs	6,189,511	-	6,189,511	5,823,188
Support costs	1,285,925	-	1,285,925	2,023,054
Depreciation and amortisation	178,888	-	178,888	159,625
	<u>7,661,159</u>	<u>-</u>	<u>7,661,159</u>	<u>8,005,867</u>
Charitable activities				
Energy advice and education	167,966	-	167,966	251,597
Energy accreditation	-	-	-	15,725
Support costs	894,996	-	894,996	664,915
Depreciation	6,134	25,569	31,703	33,319
	<u>1,069,096</u>	<u>25,569</u>	<u>1,094,665</u>	<u>965,556</u>
Governance costs				
Legal and professional	40,361	-	40,361	46,032
Audit and accountancy	42,222	-	42,222	41,685
Trustee expenses	584	-	584	599
	<u>83,167</u>	<u>-</u>	<u>83,167</u>	<u>88,316</u>
Other resources expended	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL RESOURCES EXPENDED	<u>8,813,422</u>	<u>25,569</u>	<u>8,838,991</u>	<u>9,059,739</u>

Staff costs include:	2009		2008	
	Group £	Charity £	Group £	Charity £
Wages and salaries	3,336,164	611,939	2,981,666	470,019
Social security costs	305,078	57,398	273,508	44,547
Pension costs	226,326	11,177	171,398	6,284
	<u>3,867,568</u>	<u>680,514</u>	<u>3,426,572</u>	<u>520,850</u>

Number of staff whose emoluments fell within the following bands:

	2009		2008	
	Group	Charity	Group	Charity
£60,001 - £70,000	1	-	2	1
£70,001 - £80,000	1	1	1	-
£80,001 - £90,000	2	-	1	-
£100,001 - £110,000	1	-	1	-
	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>

Notes to the Financial Statements

Year ended 31 March 2009

6. ANALYSIS OF RESOURCES EXPENDED (continued)

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

	2009		2008	
	Group	Charity	Group	Charity
Management and administration	16	3	14	2
Projects, sales and technical	101	24	93	21
	<u>117</u>	<u>27</u>	<u>107</u>	<u>23</u>

No trustees of the charity received emoluments during the year.

The following trustees claimed amounts as reimbursements for direct expenses incurred while undertaking their duties as a Trustee of the Foundation:

Ms E Reason - £41.00
 Mr J Doggart - £71.00
 Mr D Hutchinson - £241.00
 Mr G Saunders - £54.00

During the year the group paid the auditors £27,479 as audit fees and £14,743 for other services. The charity paid £5,942 as audit fees and £6,293 for other services.

Support costs	2009		2008	
	Subsidiaries £	Charity £	Subsidiaries £	Charity £
Property costs	110,757	88,901	87,507	81,477
Postage and telephone	163,981	21,267	118,693	16,812
Other support costs	151,652	36,737	189,768	15,427
Personnel costs	764,059	721,313	779,733	549,985
Insurance	31,404	11,689	34,290	9,153
Bad debt	(16,906)	13,862	748,153	(8,947)
Bank interest and charges	80,978	1,227	64,910	1,008
	<u>1,285,925</u>	<u>894,996</u>	<u>2,023,054</u>	<u>664,915</u>

During 2008 the National Energy Services Limited, a subsidiary of the charity, wrote off the loan to its joint venture company, which can be seen within the bad debt expense above.

7. NET MOVEMENTS IN FUNDS

Net movement in funds is stated after charging:

	Group Year to 31 March 2009 £	Group Year to 31 March 2008 £
Depreciation	187,375	181,450
Amortisation	23,217	11,494
Auditors' remuneration	<u>27,479</u>	<u>26,984</u>

Notes to the Financial Statements

Year ended 31 March 2009

8. INVESTMENT INCOME

	2009		2008	
	Group £	Charity £	Group £	Charity £
Interest receivable	<u>41,154</u>	<u>2,800</u>	<u>84,645</u>	<u>6,687</u>

9. TAXATION IN SUBSIDIARY

	2009 £	2008 £
In respect of the year:		
Corporation tax based on the results for the year at 28% (2008: 30%)	73,876	32,132
Over provision in prior year	(1,138)	-
Decrease in deferred tax provision:		
Capital allowances	17,798	(57,293)
(Increase)/decrease in tax losses available	<u>(10,774)</u>	<u>10,865</u>
	<u>79,762</u>	<u>(14,296)</u>

10. AMOUNTS ATTRIBUTABLE TO MINORITY INTERESTS

The following amounts are attributable to the minority interests of the trading subsidiaries

	2009 £	2008 £
Retained (losses)/profits for National Energy Services Ltd	(60,737)	59,607
Retained (losses)/profits for Surveyors & Valuers Accreditation Ltd	(48,736)	639
Consolidation adjustment	32,193	(5,592)
Retained profits for SAVA BX Ltd	1,168	-
Dividends paid by National Energy Services Ltd	<u>88,622</u>	<u>-</u>
	<u>12,510</u>	<u>54,654</u>

11. REALISED LOSS ON TRANSACTIONS IN INVESTMENT ASSETS

	2009 £	2008 £
Share buy back payments	195,160	-
Deemed (gain)/disposal on share movement	(25,999)	9,355
Profit on disposal of associate	(17,814)	-
Issue of share capital	-	(8,000)
	<u>£151,347</u>	<u>£1,355</u>

Notes to the Financial Statements

Year ended 31 March 2009

12. TANGIBLE FIXED ASSETS

GROUP	Freehold improvements £	Office and computer equipment £	Land and freehold buildings £	Total £
Cost				
At 1 April 2008	10,949	918,043	1,630,988	2,559,980
Additions	5,960	175,488	-	181,448
Cost at 31 March 2009	16,909	1,093,531	1,630,988	2,741,428
Depreciation				
At 1 April 2008	10,949	673,084	202,458	886,491
Charge for the year	99	161,707	25,569	187,375
Depreciation at 31 March 2009	11,048	834,791	228,027	1,073,866
Net Book Value				
At 31 March 2009	5,861	258,740	1,402,961	1,667,562
At 31 March 2008	-	244,959	1,428,330	1,673,489

The group's net book value at 31 March 2009 represents fixed assets used for:

	Freehold improvements £	Plant and machinery £	Land and freehold buildings £	Total £
Direct Charitable Purposes	5,861	5,503	1,402,961	1,414,325
Other Purposes	-	253,237	-	253,237
Total	5,861	258,740	1,402,961	1,667,562

Notes to the Financial Statements

Year ended 31 March 2009

12. TANGIBLE FIXED ASSETS *(continued)*
CHARITY

Cost	Freehold improvements £	Plant and machinery £	Land and freehold buildings £	Total £
At 1 April 2008	10,949	36,600	1,630,988	1,678,537
Additions	5,960	3,678	-	9,638
Cost at 31 March 2009	16,909	40,278	1,630,988	1,688,175
Depreciation				
At 1 April 2008	10,949	28,740	202,458	242,147
Charge for the year	99	6,035	25,569	31,703
Depreciation at 31 March 2009	11,048	34,775	228,027	273,850
Net Book Value				
At 31 March 2009	5,861	5,503	1,402,961	1,414,325
At 31 March 2008	-	7,860	1,428,530	1,436,390

The cost figures for land and buildings in the company and the group include a sum of £352,500 (2008: £352,500) at valuation for the land on which the National Energy Centre building is situated. This land was granted to the Foundation by the Commission for the New Towns (see also note 19 below).

13. INTANGIBLE FIXED ASSETS

GROUP	Goodwill £
Cost at 1 April 2008	235,785
Additions	70,329
Cost at 31 March 2009	306,114
Amortisation	
At 1 April 2008	66,986
Charge for the year	23,217
Amortisation at 31 March 2009	90,203
Net Book Value	
At 31 March 2009	215,911
At 31 March 2008	168,799

Goodwill arose on the consolidation of an additional 1,333 ordinary £1 'A' shares acquired in National Energy Services Limited during 2002, and by the acquisition of Surveyors and Valuers Accreditation Limited on 5 November 2003 by National Energy Services Limited.

Notes to the Financial Statements

Year ended 31 March 2009

13. INTANGIBLE FIXED ASSETS *(continued)*

Goodwill arose on the acquisition of the additional 50 shares in SAVA BX Limited on 5th June 2008.

Effective date of acquisition	05.06.08
	£
Debtors	342,891
Cash	35,001
Creditors	(448,170)
Net liabilities acquired	(70,278)
Goodwill generated	70,329
Total consideration for all shares	£51

A fair value review was carried out on the assets and liabilities of the business, and they were the same as the carrying value. The consideration for the additional 50 shares was £1.

14. FIXED ASSET INVESTMENTS

	Group £	Charity £
Cost		
At 1 April 2008	(222,849)	109,424
SAVA BX – group's share of net profits of joint venture	205,035	-
Realised gain on disposal of Investment assets	17,814	-
Cost at 31 March 2009	-	109,424
Net Book Value		
At 31 March 2009	-	109,424
At 31 March 2008	(222,849)	109,424

The principal companies in which the group's interest is more than 20% are as follows:

Direct Holdings	Principal Activities	Percentage & Class of shares held
Energy Advisory Services Limited	Dormant	100% ordinary
The National Energy Centre Limited	Dormant	100% ordinary
The Home Energy Rating Scheme Limited	Dormant	100% ordinary
National Energy Services Limited (NES)	Energy rating & consultancy	100% (A ordinary)
Investments held via National Energy Services Limited	Principal Activities	Effective holding by the National Energy Foundation
Optima Energy Limited	Dormant	56.16% ordinary
Surveyors and Valuers Accreditation Limited	Formerly accreditation of chartered surveyors, now dormant	56.16% ordinary
SAVA BX Limited	Preparing home information packs	56.16% ordinary

Notes to the Financial Statements

Year ended 31 March 2009

14. FIXED ASSET INVESTMENTS *(continued)*

The ordinary 'A' shares of National Energy Services Limited represented approximately 56.16% of the total issued shares and voting rights of that company at 31 March 2009 (2008: 50.8%). This company is treated as a subsidiary of the Foundation and consolidated into these accounts, along with Surveyors and Valuers Accreditation Limited.

The Trustees are applying S.229(2) of the Companies Act 1985 in respect of the subsidiary investment in Optima Energy Limited. Accordingly the financial statements of Optima Energy Limited have been excluded from consolidation on the grounds that it did not trade in the year, and it is not material.

The ordinary shares of Energy Advisory Services Limited, The National Energy Centre Limited and The Home Energy Rating Scheme Limited represent 100% of the total issued shares of those companies; one share in each company is held by the Foundation and a second share in each by a fellow subsidiary.

All of these companies are incorporated in England & Wales.

SAVA BX Limited was a joint venture which entered into during 2007 between National Energy Services Limited (NES) and another party and is included as an associated undertaking in the accounts until it became a wholly owned subsidiary of NES on 5 June 2008. The National Energy Foundation effectively controls 25.43% (2008: 25.43%) of the shares up to the date of transfer and then 50.8%, which then increased to 56.16% as at 31 March 2009. £205,035 (2008: (£166,402)) is the group's share of the profits for this period to 5 June 2008. The group's share of the net liabilities of this entity at the year end is £nil (2008: £222,849).

The Profit and Loss Account and Balance Sheet of SAVA BX Limited as at 5 June 2008:

	Period up to 5 June 2008 £
Income	388,429
Cost of sales	(307,473)
Administrative expenses	(56,371)
Exceptional items	782,642
Trading Profit	<u>£807,227</u>
Current assets	377,892
Current liabilities	(448,170)
Net liabilities	<u>£(70,278)</u>

The trading subsidiary undertakings had the following results for the year ended 31 March 2009:

	Turnover £	Profit for the year £	Capital and reserves £
National Energy Services Limited	7,548,038	259,500	608,569
Surveyors and Valuers Accreditation Limited	-	(103,452)	6,436
SAVA BX Limited	<u>955,522</u>	<u>809,750</u>	<u>(67,607)</u>

Notes to the Financial Statements

Year ended 31 March 2009

15. DEBTORS

	GROUP		CHARITY	
	2009	2008	2009	2008
	£	£	£	£
Trade debtors	906,495	585,595	272,951	165,363
Amounts owed by group undertakings	-	-	18,799	2,660
Amounts owed by participating interests	-	112,172	-	-
Other debtors	7,798	84,737	4,979	3,507
Prepayments and accrued income	85,062	104,184	53,800	52,640
Deferred taxation (see note 18)	82,272	89,296	-	-
	<u>1,081,627</u>	<u>975,984</u>	<u>350,529</u>	<u>224,170</u>

In debtors the deferred taxation amount of £82,272 (2008: £89,296) is due after more than one year.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CHARITY	
	2009	2008	2009	2008
	£	£	£	£
Trade creditors	176,407	270,256	47,466	42,199
Amounts due to group undertakings	-	-	49,521	-
Corporation tax	89,680	32,132	-	-
Other taxes and social security	333,001	138,748	54,891	31,997
Other creditors	90,608	22,288	901	1,788
Accruals	615,535	713,810	72,431	42,673
Deferred income (note 17)	369,477	314,434	67,517	584
	<u>1,674,708</u>	<u>1,491,668</u>	<u>292,727</u>	<u>119,241</u>

17. DEFERRED INCOME

Deferred income is comprised of:

	GROUP		CHARITY	
	2009	2008	2009	2008
	£	£	£	£
Event hire / projects	37,517	584	37,517	584
Consultancy	43,500	-	30,000	-
Training and membership	288,460	313,850	-	-
	<u>369,477</u>	<u>314,434</u>	<u>67,517</u>	<u>584</u>

Notes to the Financial Statements

Year ended 31 March 2009

18. DEFERRED TAXATION

The deferred tax included in the balance sheet is as follows:

	GROUP		CHARITY	
	2009	2008	2009	2008
	£	£	£	£
Included in debtors (note 15)	82,272	89,296	-	-
	<u>82,272</u>	<u>89,296</u>	<u>-</u>	<u>-</u>

The movement in the deferred taxation account during the year was:

	2009	2008
	£	£
Balance brought forward	89,296	42,868
Profit and loss account movement arising during the year	(7,024)	46,428
Balance carried forward	<u>82,272</u>	<u>89,296</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2009	2008
	£	£
Excess of depreciation over taxation allowances on fixed assets	55,432	73,230
Tax losses available	26,840	16,066
	<u>82,272</u>	<u>89,296</u>

Notes to the Financial Statements

Year ended 31 March 2009

19. FUNDS

Group	Unrestricted Funds £	Restricted Endowment Funds £	Total 2009 £	Total 2008 £
At 1 April 2008	293,028	1,596,095	1,889,123	1,991,500
Net incoming/(outgoing) resources	246,464	(25,569)	220,895	(102,377)
At 31 March 2009	539,492	1,570,526	2,110,018	1,889,123

Charity	Unrestricted Funds £	Restricted Endowment Funds £	Total 2009 £	Total 2008 £
At 1 April 2008	291,413	1,596,095	1,887,508	1,880,152
Net incoming/(outgoing) resources	74,960	(25,569)	49,391	7,356
At 31 March 2009	366,373	1,570,526	1,936,899	1,887,508

Under the terms of a Deed of Covenant with the Commission for the New Towns, the Foundation would be required to refund up to £1,670,000 of the original Restricted Capital Funds in the event that it disposes of its entire interest in the National Energy Centre prior to 17 August 2015 and fails to meet certain conditions concerning the disposal.

Due to the depreciation policy, the restricted endowment fund is below the maximum sum refundable under the Deed of Covenant. In the opinion of the Trustees the market value is in excess of this maximum sum refundable.

20. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Group	Unrestricted Funds £	Restricted Endowment Funds £	Total 2008 £	Total 2007 £
Intangible fixed assets	215,911	-	215,911	168,799
Tangible fixed assets	97,036	1,570,526	1,667,562	1,673,489
Investments	-	-	-	(222,849)
Current assets	2,117,136	-	2,117,136	2,079,151
Less: Current liabilities	(1,674,708)	-	(1,674,708)	(1,491,668)
Total Net Assets	755,375	1,570,526	2,325,901	2,206,922

Notes to the Financial Statements

Year ended 31 March 2009

21. MINORITY INTEREST IN EQUITY SHARES OF SUBSIDIARY

Minority interest included in the balance sheet is represented by:

	2009 £	2008 £
Intangible fixed assets	92,066	80,218
Tangible fixed assets	111,018	116,653
Current assets	648,642	801,371
Less: Current liabilities	(635,843)	(680,443)
Total Net Assets	215,883	317,799

22. RECONCILIATION OF NET MOVEMENTS IN FUNDS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Year to 31 Mar 2009 £	Year to 31 Mar 2008 £
Statement of Financial Activities:		
Net movement in funds	259,479	105,738
Investment income	(41,154)	(84,645)
Amortisation	23,217	11,494
Depreciation	187,375	181,450
Decrease in debtors	228,696	37,611
Decrease in creditors	(321,005)	(1,190,964)
Decrease in stock	2,648	-
Net cash inflow/(outflow) from operating activities	339,256	(939,316)

23. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2009 £	2008 £
Decrease in cash in the year	(65,010)	(1,013,827)
Movement in net funds in the year	(65,010)	(1,013,827)
Net funds as at 1 April 2008	1,078,519	2,092,346
Net funds as at 31 March 2009	1,013,509	1,078,519

Notes to the Financial Statements

Year ended 31 March 2009

24. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2008 £	Cash flows £	At 31 Mar 2009 £
Net cash:			
Cash in hand and at bank	1,078,519	(65,010)	1,013,509
Net Cash	1,078,519	(65,010)	1,013,509

25. COMMITMENTS UNDER OPERATING LEASES

At 31 March each year the group and the charity had annual commitments under non-cancellable leases as follows:

	2009		2008	
	Land & Buildings £	Other £	Land & Buildings £	Other £
Group				
Operating leases which expire:				
Within one year	-	2,180	-	-
In the second to fifth years	32,000	142,889	-	75,420
More than five years	56,500	300	56,500	-
	<u>88,500</u>	<u>145,369</u>	<u>56,500</u>	<u>75,420</u>
Charity				
Operating leases which expire:				
In the second to fifth years	-	2,140	-	2,140
More than five years	56,500	-	56,500	-
	<u>56,500</u>	<u>2,140</u>	<u>56,500</u>	<u>2,140</u>

26. RELATED PARTY TRANSACTIONS

The National Energy Foundation is a company limited by guarantee and the Trustees consider that there is no controlling party.

The group's surplus includes £24,678 (2008: £28,996) of income and £4,830 (2008: £5,675) of expenditure from/to United Sustainable Energy Agency (formerly Milton Keynes Energy Agency), a non-profit company limited by guarantee established to carry out energy efficiency and renewable energy projects in the Milton Keynes region, and of which one of the Foundation's principal officers, Ian Byrne, is a Director. Brian White is also the Chair for both organisations. At the year end United Sustainable Energy Agency (formerly Milton Keynes Energy Agency) owed the National Energy Foundation £18,781 including applicable VAT.

The charity received £125,108 (2008: £169,621) from National Energy Services Limited in respect of rental income, directors fees, recharges and contributions towards repairs and maintenance for its offices in the National Energy Centre, and paid National Energy Services Limited £32,560 (2008: £10,448) in respect of contributions to a group life cover scheme, energy use, a jointly funded research report and enhanced natural ventilation in the National Energy Centre Phase 1 building. The charity also received £101,333 (2008: £nil) from National Energy Services Limited in respect of a donation.

Notes to the Financial Statements

Year ended 31 March 2009

26. RELATED PARTY TRANSACTIONS *(continued)*

During the year National Energy Services Limited invoiced SAVA BX Limited £293,704 (2008: £1,022,791) for costs incurred on their behalf and were invoiced £38,207 (2008: £3,646) by SAVA BX Limited. Additionally, National Energy Services Limited wrote off balances totalling £737,642 owing from SAVA BX Limited. As at 31 March 2009, SAVA BX Limited was owed £18,799 from National Energy Services Limited (2008: £99,865 due to National Energy Services Limited from SAVA BX Limited).

During the year the charity purchased services for £50,546 (2008: £nil) from SAVA BX Limited for Energy performance certificates. The balance due to them at the year end is £49,521.

During the year the charity invoiced the Sustainable Energy Academy for £34,197 (2008: £12,148) in respect of project management services, principally in respect of the Old Homes Superhomes project. At the year end there was a balance of £2,566 (2008: £5,646) outstanding, including VAT. Four of the trustees of the Foundation are serving on both boards and Ian Byrne is Company Secretary of both entities.

During the year the charity provided working capital for the Biodiesel club. As at 31 March 2009 £3,869 (2008: £2,708) was due from the club. The majority of the members of the club are employees of the National Energy Foundation Group.