

REVISED ACCOUNTS

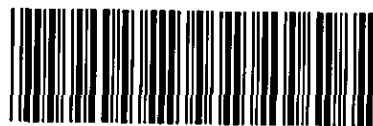
THE NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

REVISED FINANCIAL STATEMENTS

31 MARCH 2016

Charity Number 298951

THURSDAY



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**THE NATIONAL ENERGY FOUNDATION
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

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THE NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2016

The revised accounts replace the original accounts and are now the statutory accounts. They have been prepared as at the date of the original accounts and not as at the date of the revision and accordingly do not deal with events between those dates. The changes made to these amended accounts are in respect of an arithmetical error within the balance sheet, and subsequently both the cash flow statement and related notes to the accounts, now revised. The accounts now show a true and fair view of the activities.

The trustees present their report and the financial statements of the company for the year ended 31 March 2016.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	The National Energy Foundation
Charity registration number	298951
Company registration number	02218531
Registered office	The National Energy Centre Davy Avenue Knowlhill Milton Keynes MK5 8NG

The Trustees

The Trustees who served the company during the period were as follows:

John Walker (Chair)
John Daggart
Steven Fawkes
Stewart Fergusson
Christopher Gossop
Chris Hall FCA
David Harvey
Liz Male
Liz Reason
Peter Rickaby
Matthew Rhodes
Graham Saunders FCA
Andrew Warren
Fraser Winterbottom
Andrew Wordsworth

Christopher Hall was appointed on 14 August 2015. Graham Saunders and Fraser Winterbottom retired as Trustees on 30 June 2015. David Harvey retired as a Trustee on 21 September 2015 and Andrew Warren retired as a Trustee on 2 December 2015.

Secretary	Ian Byrne
Auditor	Keens Shay Keens MK LLP Chartered Accountants & Statutory Auditor Sovereign Court 230 Upper Fifth Street Central Milton Keynes MK9 2HR
Bankers	National Westminster Bank Plc Milton Keynes, MK9 3ER

THE NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

The Trustees (but not the President, Lady Mary Archer) 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 by 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 Kerry Mashford	Chief Executive
Ian Byrne	Deputy Chief Executive & Company Secretary

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

Further details of the Charity's activities during the period are set out in this Report.

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.

Volunteers

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. The Trustees are very grateful to all those willing to support the charity on a voluntary basis, including through the EU's Leonardo da Vinci programme.

THE NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

OBJECTIVES AND ACTIVITIES

The National Energy Foundation works to improve the use of energy in buildings. 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.

ACHIEVEMENTS AND PERFORMANCE: Impact Report: 2015-16

This is a text version of highlights from our impact report. Please visit our website or contact info@nef.org.uk if you would like a more graphic version

In delivering our 2015-16 impacts, we invested over £100,000 alongside partner funding in: supporting the development of policy, strategy and standards in the UK and internationally;

- inspiring and informing individuals and companies ranging from householders to energy managers of major organisations;
- supporting individual projects in and with communities;
- carrying out research and development into the many factors that contribute to improving the use of energy in buildings

Better Housing, Better Health

In January, we launched a new service to help those whose health is affected by living in cold or damp homes. Working in partnership with eleven local authorities across Oxfordshire and Buckinghamshire and with funding from the British Gas Energy Trust, Better Housing, Better Health provides advice, home energy checks and grants for practical energy efficiency improvements for those living with a cardiovascular disease or respiratory illness.

Cold homes cost the NHS in England £1.36 billion every year in hospital and primary care. In addition, during the winter of 2014-15, there were an estimated 43,900 deaths in England and Wales caused by cold weather, the highest number since 1999/00

What's more, the Government's Annual Fuel Poverty Statistics Report estimated that, in 2014, there were 2.38 million households living in fuel poverty in England – up 1.4% on 2013 figures

Better Housing, Better Health aims to:

- Help prevent avoidable excess winter deaths.
- Reduce fuel poverty.
- Reduce pressure on health services
- Improve health and wellbeing.

The scheme runs until December 2016 and covers.

- Grants of up to £2,500 for energy efficiency measures
- Free surveys to identify potential risks to health.
- Support with benefits checks, fuel debt mediation and switching energy tariff or supplier.

To access the service, referrals are made by a health or social care professional. We also offer free training to frontline health and social care staff. Training emphasises the link between cold homes and ill health, shows staff how to identify at-risk patients and explains how to make referrals to the scheme

THE NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

Better Housing, Better Health got off to a great start. By early August, 143 referrals had been received and all grants for energy efficiency improvements were allocated by mid-April – less than four months into the project. In recognition of its early success, the British Gas Energy Trust awarded the project an additional £27,600 in July.

Helping vulnerable householders to identify energy efficiency improvements

We advised 3,000 people at 80 outreach events and training sessions, and a further 1,650 via our Affordable Warmth helpline. We also secured around £400,000 of external funding for energy efficiency measures installed through ECO and our new Better Housing, Better Health project.

Helping householders to make energy efficiency improvements to their homes

Working with 14 local authorities across 24 areas, we managed a £2.5 million DECC-funded Green Deal Communities project, which facilitated the installation of solid wall insulation in a mixture of 400 privately owned and rented homes plus 177 energy efficiency measures in fuel poor households across eight districts.

Boundary Way transformed with DECC-funded external wall insulation

Boundary Way is an estate that lies across the boundary of Watford Borough Council and Three Rivers District Council. Using DECC Green Deal Communities funding and contributions from householders, the two councils concerned and Thrive Homes, we managed the payment of grants for the external wall insulation of 154 homes.

The estate was built in the 1960s and 1970s. Approximately half the estate had already benefited from external wall insulation. Our project aimed to increase energy efficiency, reduce energy bills and improve the appearance and thermal comfort of the properties by rolling out external wall insulation to the remaining properties on the estate, both privately and publicly owned.

What we did included

- Customer liaison.
- Coordinating the production of explanatory leaflets.
- Negotiating with DECC to make payment of top-up grants to residents who had missed out on taking up a Green Deal loan.
- Liaising regularly with both councils and Thrive Homes regarding the administration of the grant.
- Paying the grant to the contractor.
- Providing monthly reports to the project funders.

As a result of our project, the Boundary Way estate underwent a dramatic transformation and a lot of the positive comments received from residents related to the aesthetic improvements. Furthermore, residents quickly noticed the reduction in energy use, more rapid increase in internal temperatures, and better heat retention after they turned the heating off. These improvements led to better thermal comfort for residents and improved health and wellbeing.

A high degree of flexibility was required to manage this project, due to changes in Government policy around the Green Deal and ECO. From project inception to delivery, the value of ECO dropped by a quarter and the availability of Green Deal Finance came to an end with no prior notice. The original six-month timescale for signups and installs proved very tight, even in an area where there were plenty of examples of external wall insulation already available for everyone to see.

THE NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

In total, 154 out of a potential 173 homes benefited from external wall insulation. Together with the 118 properties completed in the first phase, the result was a complete regeneration and visual transformation of the estate

Energy Envoys: DofE volunteers helping to save the planet

In September, we launched our Energy Envoys volunteering opportunity to 300,000 young people as part of the world-famous Duke of Edinburgh's Award (DofE).

The scheme, which is supported and endorsed by the UK's leading professional engineering institutions and the National Union of Students, is a major new environmental volunteering scheme for young people to help schools and communities use energy more wisely, save money and reduce carbon emissions. Young people across the UK who are working towards their Bronze, Silver or Gold DofE now have the opportunity to volunteer as Energy Envoys. Since the Energy Envoys programme was launched, it has attracted youngsters from all over the UK and from as far afield as Brighton, Angus, Leicestershire and Wigan

As part of the scheme, Energy Envoys from Ousedale School in Newport Pagnell visited the Mayor of Milton Keynes to help make his home more energy efficient and reduce his fuel bills. The youngsters interviewed the Mayor and carried out an energy audit, which included an inspection of the lighting, heating system and electrical appliances, as well as a look at how his family uses energy

The Mayor was presented with some recommendations, in particular to replace the energy guzzling halogen downlighters in his kitchen/diner with LED light bulbs, which are far more energy efficient.

The Ousedale Energy Envoys had a great time advising Milton Keynes' 'first citizen' how he can help save the planet by using energy more wisely, with one commenting: "I will use what I learnt to save energy at home and to tell my friends and family Volunteering with Energy Envoys has been a memorable experience, which has changed the way I look at the world around us "

Since the visit, an electrician has made changes to the former Mayor's lighting system and he is already seeing the benefit in financial savings and lower energy use.

Inspiring individuals and communities

3,000 people took part in the 2015 SuperHomes Open Homes programme by visiting 62 of the 207 accredited SuperHomes, which provided practical advice and inspiration for energy efficient home improvements. We also supported six community groups to undertake thermal imaging of almost 200 residential properties

Supporting consumers with free online advice and information

During 2015-16, we helped 915,000 users make decisions on improving energy use in buildings.

This was done through 1.1 million visitor sessions on our sites, 1.8 million page views and 60,000 video views. In addition, hundreds of questions from members of the public have been answered by SuperHomers and our new online resource makes these answers freely available. Also during the year, we published 154 YouGen blogs providing inspiration and in some cases detailed information to readers on renewable energy and energy efficiency topics. These were supported by monthly newsletters, each sent to 7,500 subscribers.

THE NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

Developing sector professionals

People from many backgrounds and with a wide range of skills have volunteered with us over the years, finding the experience enjoyable, enriching and satisfying. Volunteering opens up lots of opportunities for learning, generating ideas and networking, while providing valuable experience in a professional environment.

During the year, we helped develop the careers of 15 volunteers and interns, including UK and international doctoral and postdoctoral interns. Collectively, they spent 5,400 hours with us over a combined 174 weeks, expanding their experience while benefiting our work.

Assured Performance Process

During the year, we developed a number of tools for building owners and occupiers. In particular, we launched our Assured Performance Process (APP) – a whole-system approach that identifies potential energy 'performance gap' risks at each stage from concept through to handover, removes them where possible or ensures that they are mitigated and managed through subsequent stages of delivery.

All too often the actual energy performance of new homes fails to meet their design standards. However much effort planners, developers and building designers put into achieving efficient energy use, occupied homes typically use at least twice as much energy as predicted.

The causes of the energy performance gap occur at every stage of development from concept to handover and beyond. Our APP is a process-oriented, risk mitigation approach identifying performance gap 'contributors' and eliminating or reducing their negative impact on the performance of the completed building at every stage.

APP maps to RIBA's Plan of Work and has 5 stages of expert, impartial review and assessment

- Inception and strategy
- Planning and early design.
- Detailed design.
- Construction.
- Verification and assessment.

The APP process means that energy and low-carbon aspirations in the brief and planning stages translate into executable designs that deliver as they were intended. It also ensures that the designs are implemented faithfully on site.

Benefits of our Assured Performance Process.

- Lower energy demand and lower carbon emissions from every home
- More confidence that homes will meet their predicted design standards.
- Improved comfort and satisfaction of residents
- Certainty of delivering high quality homes without spending lots of time policing each stage.
- More sustainable buildings without the box ticking of the old Code for Sustainable Homes.
- Reassurance for stakeholders that action is being taken without firm policy from central government

Helping local authorities and registered providers to improve their dwellings

We worked with over 30 local councils and housing providers to identify and implement energy efficiency opportunities.

THE NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

Data is king when targeting domestic energy efficiency programmes

Suffolk County Council has an ambition to reduce its carbon emissions by 60% by 2025, and recognises that investment in the region's housing stock will be vital to hitting this target. As an essential first step, NEF was appointed to develop a housing stock database to provide a detailed understanding of both the physical characteristics of the region's housing as well as the socioeconomic circumstances of its residents information that is crucial in designing and targeting domestic energy efficiency programmes and campaigns

With Ordnance Survey Address Base data and 140,000 EPC records at its core, the Suffolk Housing Stock Database identifies the built characteristics and energy performance of 310,000 properties. This data is cross referenced with Mosaic householder data from Experian to provide detailed insight into not only the stock and its energy efficiency performance and upgrade potential, but also an appreciation of each household's tenure and socioeconomic status.

Also included are improvement upgrade packages modelled for all the properties, thereby indicating the potential energy and CO₂ savings as well as resident fuel bill savings and *required investment estimates*. All this is accessed via a user interface that allows all the data to be searched, filtered and reported upon by, for example, town, postcode, ward or region.

The database offers the council comprehensive insight to a level far beyond traditional sample-based stock condition surveys. It also helps tackle fuel poverty, as well as ensure that investment in existing housing is appropriately directed to help meet carbon emission goals.

Wider uses and benefits include.

- Application for, and targeting of, funding to support investment in energy efficiency measures
- Support for Housing and Public Health teams to reduce the health effects associated with cold and poor quality housing
- Identification of vulnerable and fuel poor households, and the potential energy efficiency measures that will benefit them.
- Targeting of other services and behaviour change campaigns – for example; recycling and composting.

Since the handover of the database, Suffolk County Council has successfully used it to secure a grant to help support residents off the gas network, and also as a tool to run mailing campaigns. The project case study has also been presented widely and we are currently discussing with the government and other councils about scaling the service.

Energiesprong: Making net-zero energy housing a reality

In July 2015, we were one of a group of leading social housing providers, construction companies, trade bodies and expert organisations that came together to form Energiesprong UK with the intention of creating a 'game-changing' refurbishment sector in the UK, inspired by the Dutch Energiesprong approach, and using the social housing sector as the catalyst.

Energiesprong is a Dutch Government supported approach to delivering attractive whole-house refurbishments guaranteed to achieve ambitious energy improvements. Several manufacturers now offer Energiesprong solutions in the Netherlands using customised, off-site manufactured walls and roofs, pre-fitted with windows and doors

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TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

This improved building envelope is complemented by a services module where renewable energy, grid connection and intelligent management provide heat and power. The envelope and services modules are then delivered to the site to refurbish the existing house, thereby not only insulating the building but providing it with a modern, updated look

Each refurbishment is completed within a week with no need for the occupants to move out and the cost is covered in the long term by the guaranteed energy savings and reduced maintenance costs. Energiesprong retrofits help tackle fuel poverty, and the refurbishment of whole terraces, streets or blocks dramatically improves and regenerates neighbourhoods

Mirroring the Dutch experience, Energiesprong UK aims for:

- Quality and assured performance – by ensuring that refurbishment solutions provide guaranteed performance over 20 or 30 years.
- Affordability – assured performance, together with mass customised industrialisation and delivery, reduce costs and allow for the financing of the upfront investment, making it financial viable for both landlords and tenants.
- Desirability – low disruption, fast process, improved aesthetics and comfort levels, increase asset value, stimulate neighbourhood renewal and produce a positive social impact

Transition Zero and funding achievements

In April 2016, The European Commission confirmed our application for €3.6 million grant funding to roll out Energiesprong (the innovative Dutch refurbishment process) in a number of European countries, including the UK. We led on this successful multinational 'Transition Zero' bid, which was made to Horizon 2020 (the largest research and innovation programme of the European Commission). The aim of the project is to kick-start the mass uptake of Energiesprong net-zero energy refurbishments of domestic properties, starting with the social housing sector.

Informing standards, government policy and regulation

During the year, we drew on our experience and expertise to provide contributions to the development of the sector and policy changes. For example, our Deputy Chief Executive, led on a new standard (ISO 50047: Determination of Energy Savings in Organizations) which entered its Final Draft International Standard stage and will provide a standardised and internationally recognised method for measuring energy savings.

We also acted as an expert witness in the potential mis-selling of a number of PV systems and provided information and advice to the government and official bodies through responses to the Bonfield Review, consultation on feed-in tariffs; the Energy and Climate Change Committee inquiry into home energy efficiency and demand reduction, the Hansford inquiry into solid wall insulation (both written and verbal evidence).

Helping organisations to save energy and reduce their fuel bills

Our Technical Team worked with thirteen groups on ESOS compliance and identified hundreds of potential energy saving opportunities.

ESOS: the proof of the audit is in the saving

If anyone needs convincing of the value of ESOS, we have the evidence. We worked with a number of organisations and used half hourly energy data, utility bills, finance records and mileage claims to identify energy savings totalling 30,000 MWh per year, the equivalent of £2.9 million off fuel and utility bills.

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YEAR ENDED 31 MARCH 2016

Notably, we came across a commercial site where they had a combined heat and power plant. Although they were using the power, they were dumping the heat into the atmosphere, only to use lots of energy heating hot water for their industrial washing facility. On top of that, there was no space heating in their centre during winter. The solution was to re-engineer the systems to produce space heating and deliver low-carbon pre-heating for the industrial washing facility. Together, these two solutions are set to save £40,000 and 1.7 GWh per year.

Our experience and top insights:

1. There was positive engagement from all the organisations we audited.
2. The ESOS process improved energy-use record keeping.
3. ESOS also improved energy awareness. Improving the visibility of energy consumption helped organisations identify energy-saving opportunities.
4. Major opportunities were identified through behaviour change initiatives in both buildings and transport.
5. Major improvements were achieved through modernising the technology used to monitor and control energy, especially in areas of high demand.
6. There was scope for energy management behaviour to be improved in all the buildings we audited.
7. Likewise, there was room for all organisations to improve the staff support they provided through awareness and training.
8. Lighting upgrades and boiler replacements reduced lighting and heating demand by 25-50%.
9. Fuel card systems made it easier to provide energy consumption data and undertake behaviour change programmes.
10. The true benefit and power of ESOS will be in the number and value of opportunities that are actually implemented.
11. We continue to work with a number of our clients and have revisited our original audits and worked on strategies for implementing the savings identified.
12. We are now working with forward-thinking clients to prepare for the next ESOS cycle.

Sharing our expertise

We disseminated our expertise and helped improve building energy knowledge through:

- Presenting at nearly 30 sector conferences and exhibitions across the country.
- Wide coverage of nearly 40 articles, blogs and press releases – both online and in print – the latter reaching a potential readership of over 800,000.

Also, one of our staff sat on the editorial panel for the National Housing Maintenance Forum Energy Efficiency Guide.

Supporting research, development and innovation

We participated in six Innovate UK-supported projects, with a total value of nearly £1.9 million. In addition, some of our staff undertook monitoring and evaluator roles for Innovate UK projects.

PULSE: Improved system for measuring building air permeability

Uncontrolled air leakage in buildings can account for as much as 30% of the total heat loss; an energy penalty that increases even further in premises that are cooled or continuously conditioned. What's more, buildings that are airtight but not adequately ventilated can present risks to the health of both the building structure and the occupants. However, despite its importance, techniques for both measuring and modelling air permeability are inaccurate and unreliable.

THE NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

As building designers strive to achieve higher energy efficiency in a bid to comply with current and future, more stringent, Building Regulation targets, airtightness has become a major performance issue that cannot be ignored.

Our response was to work alongside The University of Nottingham, Elmhurst Energy, Absolute Air and Gas and others to develop a new and innovative airtightness testing system. The PULSE technique is a compressed air-based alternative to the blower door fan method, which works by subjecting a building envelope to a known volume change and measuring the pressure response. PULSE is fast, low skill, undistruptive and robust. It's also highly accurate in measuring the airtightness of the building envelope under natural atmospheric conditions. By using low pressure, it offers certain benefits over conventional tests:

- Unobtrusive for occupants as the test is quiet and doesn't disturb household objects
- Provides a more accurate measurement of fabric infiltration.
- Reduces the time taken to set up and complete a test.
- Carried out using a relatively small, lightweight composite pressure vessel, which is standalone and portable.

PULSE is now commercially available and has the potential to revolutionise the way airtightness testing is undertaken. Our research shows that this new method will dramatically improve the accuracy of how air permeability is measured, provide the opportunity for more buildings to be tested, and allow for risks and improvements to be better understood

REMI – preparing the ground for Energiesprong

The National Energy Foundation is an active partner in REMI (Refurbishment as a Manufacturing Industry), an Innovate UK-supported project, which is investigating the feasibility of a whole-house Energiesprong approach to domestic retrofit in the UK, similar to that already implemented in the Netherlands.

The project is investigating the consequences of various aspects of the UK context – ranging from planning regulations and practice to the UK's use of a feed-in tariff mechanism rather than net energy metering – in order to understand how an Energiesprong approach could be implemented in the UK, *stimulating a new, high-volume, industrialised refurbishment sector.*

REMI is investigating

- Regulation, planning and policy constraints, and any changes needed to alleviate them to help establish Energiesprong.
- The development of a financial model to inform the business case for investment, which also includes a total cost of living assessment and various scenarios to test the implications of policy/funding changes.
- Investigation and categorisation of UK housing archetypes and their suitability to Energiesprong solutions.
- The creation of appropriate financing conditions – by encouraging funders to develop financial products and packages to support Energiesprong.
- How to stimulate demand for net-zero energy refurbishments – for example, by raising awareness among social landlords of their commercial and social value.
- Mobilising potential suppliers of Energiesprong solutions to invest in the concept and develop competitive solutions, learning from best practice in other manufacturing sectors.
- The transformation of the refurbishment market through industry-led innovation

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TRUSTEES ANNUAL REPORT *(continued)*

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Outputs from the REMI project include a supply chain workshop (to introduce the nature and scale of the opportunity provided by Energiesprong) and a series of deliverables (reviews, specifications and modelling documents) against agreed work packages

Finding the gap: Insights into the 'performance gap' from social housing sector BPE projects

The Building Performance Evaluation (BPE) programme invited competitive submissions from individual companies and other organisations responsible for buildings, to undertake *comprehensive performance evaluation studies on buildings post-completion (6-9 months after handover) or in-use (over two heating seasons).*

Funded by Innovate UK to a total of £8 million, the programme sought to identify where the 'performance gap' arises, by *evaluating and assessing the performance of both domestic and non-domestic buildings against the original design intent.* The programme included over 50 new housing projects.

Some of our staff undertook project monitoring or evaluator roles in the projects, and our Technical Team was commissioned by Innovate UK to undertake an analysis of the data arising from all the registered provider projects, which comprised 83 dwellings. The ultimate objective of the study was to empower registered providers to take a lead and become champions in combating the gap between designed and as-built performance.

Findings from the study identified:

- Key success factors (where things worked well and not so well).
- Practices more likely to result in a significant performance gap.
- The relative impact of specific attributes such as defects and building services on the performance gap

iAIM - A holistic approach to asset information management

In the social housing sector, asset, resident and housing management data are rarely brought together to fully inform investment decision-making.

To overcome this compartmentalised thinking, we are currently working with the Joseph Rowntree Housing Trust and others to develop and implement an integrated approach to asset information management. The iAIM project draws on our expertise of working with data and data analysis models to review current approaches in the sector, and determine the role that PAS 1192-3 and other asset management standards can play in helping to drive innovation

By determining the best ways in which to collect, store and process data, we have developed new and innovative means to give social housing providers detailed insights into their properties' performance and their residents' wellbeing, thereby informing strategic investment decisions. This enables us to determine much more readily: the overall performance; any investment and divestment opportunities, and any risks associated with assets.

Gaining recognition

In October, our Chief Executive won the Environment award at the Women Leaders MK Awards for her leadership of the Foundation's work improving the use of energy in buildings. She was also a finalist in the national First Women Awards

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TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

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, serving as a base for a number of firms based in the sector.

The South Building, constructed in 1999, is occupied by its former subsidiary, 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. The Foundation has installed a 39 2kWp photovoltaic array on the South-facing roof of the building which continues to perform slightly better than expectations. Surplus electricity is sold back into the National Grid.

The Foundation has occupied the North Building since 2004, which demonstrates 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 several renewable energy features, including light tubes, 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, which is occupied by the charity but owned by a third party, is performing exceptionally well. The table below summarises the performance of the North Building.

	2016	2015
Net metered electricity use (kWh)	28,285	
PV generated on North Building (kWh)	5,067	—
Gross energy consumption (kWh)	33,352	
CO2 from building electricity (tCO ₂)	13.1	12.7
Average building employees	25	
Net energy per square metre (kWh/m ²)	65.8	
Gross energy per square metre (kWh/m ²)	77.6	
Gross energy per employee (kWh)	1,334	
PV generation on South Building (kWh)	37,263	

Energy consumption continued its recent trend with slight rise in the year, but at a rate much lower than the increase in the number of staff occupying the building. This continues to reflect savings on newer IT. As in previous years, the energy generated by the newer solar panels on the South building (owned by, but not occupied by the Foundation) still comfortably exceeded the net energy consumed by the Foundation, before taking into account wider transport energy which is monitored, but not reported here as it varies significantly with the geographical mix of clients.

Some Scope 3 emissions of the charity are also monitored (including transport), but there is a significant margin of error associated with them, so they are not reported here.

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YEAR ENDED 31 MARCH 2016

FINANCIAL REVIEW

Financial performance for the group

The charity reported a deficit for the year of £66,267. Trustees consider this result to be acceptable given continuing constraints on public and voluntary funding.

Accounting policy is to write off development expenditure as it is incurred, even when it results in marketable intangible assets such as software. For management accounting purposes, certain developmental expenditure is treated as having been made directly from reserves as investment in energy efficiency; for these financial accounts all such expenditure is shown as a contributory factor in reporting an excess of expenditure over income

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.

PLANS FOR FUTURE PERIODS

The Trustees of the Foundation continue to target its activities on improving the use of buildings, and to limit its activities in carbon mitigation, renewable energy or sustainable transport to those that are directly linked to buildings or to assessment of the overall energy performance of the body with which it is working, as in – for example – energy audits carried under the Energy Savings Opportunities Scheme

TRUSTEES' RESPONSIBILITIES STATEMENT

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 regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and the income and expenditure of the company 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 in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

**THE NATIONAL ENERGY FOUNDATION
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

TRUSTEES' RESPONSIBILITIES STATEMENT *(continued)*

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

AUDITOR

Keens Shay Keens MK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Each of the persons who is a director at the date of approval of this report confirms that:

so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and

- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
The National Energy Centre
Davy Avenue
Knowhill
Milton Keynes
MK5 8NG

Signed on behalf of the trustees



JOHN WALKER (CHAIR)

2 | 12 | 2016

**THE NATIONAL ENERGY FOUNDATION
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
NATIONAL ENERGY FOUNDATION**

YEAR ENDED 31 MARCH 2016

We have audited the revised financial statements of The National Energy Foundation for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the revised Balance Sheet, the revised Cash Flow Statement and the revised related notes. These revised financial statements have been prepared under the accounting policies set out therein and replace the original financial statements approved by the directors on 2 December 2016. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 charity's trustees 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 company and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of revised financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the revised financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the revised financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the revised financial statements. In addition, we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited revised financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the revised financial statements:

- give a true and fair view, seen as at the date of the original financial statements were approved, of the state of the charitable company's affairs as at 31 March 2016 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 seen as at the date the original financial statements were approved; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**THE NATIONAL ENERGY FOUNDATION
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
NATIONAL ENERGY FOUNDATION (continued)**

YEAR ENDED 31 MARCH 2016

The original financial statements for the year ended 31 March 2016 failed to comply with the requirements of the Companies Act 2006 in the respect identified by the trustees in the statement shown at the beginning of the Trustees Report.

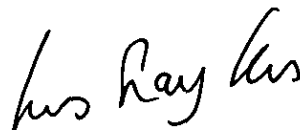
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees Annual Report for the financial year for which the revised financial statements are prepared is consistent with the revised financial statements

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the revised 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.



SIMON GILL FCCA
(Senior Statutory Auditor)
For and on behalf of
KEENS SHAY KEENS MK LLP
Chartered Accountants
& Statutory Auditor

Sovereign Court
230 Upper Fifth Street
Central Milton Keynes
MK9 2HR

12/12/16 ...

**THE NATIONAL ENERGY FOUNDATION
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE
INCOME AND EXPENDITURE ACCOUNT)**

YEAR ENDED 31 MARCH 2016

		Unrestricted Funds	Restricted Funds	Total Funds 2016	Total Funds 2015
	Note	£	£	£	£
INCOME					
Income from investments	2	139,637	–	139,637	159,205
Income from charitable activities	3	1,229,371	10,000	1,239,371	965,167
TOTAL INCOME		<u>1,369,008</u>	<u>10,000</u>	<u>1,379,008</u>	<u>1,124,372</u>
EXPENDITURE					
Expenditure on charitable activities	4/5	(1,391,381)	(35,274)	(1,426,655)	(1,484,268)
Other expenditure	6	(18,620)	–	(18,620)	(25,310)
TOTAL EXPENDITURE		<u>(1,410,001)</u>	<u>(35,274)</u>	<u>(1,445,275)</u>	<u>(1,509,578)</u>
NET EXPENDITURE	8	<u>(40,993)</u>	<u>(25,274)</u>	<u>(66,267)</u>	<u>(385,206)</u>
Transfer between funds	9	1,393,017	(1,393,017)	–	–
NET MOVEMENT IN FUNDS		<u>1,352,024</u>	<u>(1,418,291)</u>	<u>(66,267)</u>	<u>(385,206)</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward restated		<u>721,504</u>	<u>1,418,291</u>	<u>2,139,795</u>	<u>2,525,001</u>
TOTAL FUNDS CARRIED FORWARD		<u>2,073,528</u>	<u>–</u>	<u>2,073,528</u>	<u>2,139,795</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 20 to 29 form part of these financial statements.

**THE NATIONAL ENERGY FOUNDATION
COMPANY LIMITED BY GUARANTEE**

BALANCE SHEET

31 MARCH 2016

		2016		2015
	Note	£	£	£
FIXED ASSETS				
Tangible assets	11		1,329,213	1,370,931
Investments	12		3	3
			1,329,216	1,370,934
CURRENT ASSETS				
Debtors	13	514,802		374,218
Cash at bank		2,310,763		946,407
		2,825,565		1,320,625
CREDITORS: Amounts falling due within one year	14	(2,081,253)		(551,764)
NET CURRENT ASSETS			744,312	768,861
TOTAL ASSETS LESS CURRENT LIABILITIES			2,073,528	2,139,795
NET ASSETS			2,073,528	2,139,795
FUNDS				
Restricted income funds	16		-	1,418,291
Unrestricted income funds	17		2,073,528	721,504
TOTAL FUNDS			2,073,528	2,139,795

These financial statements were approved by the trustees and authorised for issue on the 22nd of April 2016 and are signed on their behalf by:



John Walker (Chair)
Director



Chris Hall (Treasurer)
Director

Company Registration Number: 02218531

The notes on pages 20 to 29 form part of these financial statements.

**THE NATIONAL ENERGY FOUNDATION
COMPANY LIMITED BY GUARANTEE**

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2016

		2016		2015
	Note	£	£	£
CASHFLOWS FROM OPERATING ACTIVITIES	22		1,370,541	(104,472)
CASHFLOWS FROM INVESTING ACTIVITIES				
Purchase of tangible fixed assets		<u>(6,185)</u>		<u>(51,862)</u>
Net cash used in investing activities			(6,185)	(51,862)
INCREASE/(DECREASE) IN CASH	23		<u>1,364,356</u>	<u>(156,334)</u>

The notes on pages 20 to 29 form part of these financial statements.

THE NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (charities SORP (FRS 102)), 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 note(s)

Reconciliation with previous Generally Accepted Accounting Practice.

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. Details of the effects of transition are given in note 25 to the financial statements.

Preparation of the accounts on a going concern basis.

The charity reported a deficit of £66,267 for the year. The trustees are of the view that based on projections and existing funds levels, the charity is a going concern

Consolidation

In the opinion of the members of the committee, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 139 of the Charities Act 2011 not to prepare group accounts.

The directors do not consider the cost of preparing consolidated accounts justifiable and note 12 provides adequate details relating to the nature of the subsidiaries.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds relate to the contribution from the Commission for the New Towns (CNT) for the construction of the National Energy Centre in 1998-9. 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.

Expenditure

Resources expended are 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

THE NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES *(continued)*

Fixed assets

All fixed assets are initially recorded at cost

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 company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the statement of financial activities

Income

The income shown in the Statement of Financial Activities represents grants received and amounts receivable for services provided during the period, exclusive of VAT. 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 further costs. Income from consultancy in connection with specific projects of the company and the group is recognised at the time that the work is provided. Income from other sources is recognised at the time that the service is supplied.

Taxation

The charity is exempt from any corporation tax liability due to its charitable status.

2. INCOME FROM INVESTMENTS

	Unrestricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Investment activities	<u>139,637</u>	<u>139,637</u>	<u>159,205</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Project income	<u>1,229,371</u>	<u>10,000</u>	<u>1,239,371</u>	<u>965,167</u>

4. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Support costs	<u>1,391,381</u>	<u>35,274</u>	<u>1,426,655</u>	<u>1,484,268</u>

**THE NATIONAL ENERGY FOUNDATION
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

5. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Support costs £	Total Funds 2016 £	Total Funds 2015 £
Charitable activities	<u>1,426,655</u>	<u>1,426,655</u>	<u>1,484,268</u>

6. GOVERNANCE COSTS

	Unrestricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Audit fees	10,802	10,802	9,228
Legal fees	6,999	6,999	15,468
Trustee expenses	919	919	614
	<u>18,620</u>	<u>18,620</u>	<u>25,310</u>

7. SUPPORT COSTS

	2016 £	2015 £
Property costs	86,510	87,051
Depreciation	47,903	49,447
Office costs	27,590	35,368
Staff costs	1,016,617	994,056
Other support costs	248,035	318,346
	<u>1,426,655</u>	<u>1,484,268</u>

**THE NATIONAL ENERGY FOUNDATION
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

7. SUPPORT COSTS *(continued)*

ANALYSIS OF CHARITABLE ACTIVITY, SUPPORT AND GOVERNANCE COSTS

	Direct expenses £	Staff costs £	2016 £	2015 £
Summary				
Funded Programme Delivery Inspiring, Informing & Advancing Knowledge		403,163	486,949	602,956
Strategic Development Activities		256,893	301,461	118,590
Amounts written off on investment	-	-	129,520	157,590
Other Support Costs		-	-	35,000
		217,040	445,411	591,625
Unrestricted Charitable Expenditure		1,006,617	1,391,381	1,458,994
Governance Costs (unrestricted)	18,620	-	18,620	25,310
Restricted Charitable Expenditure	25,274	10,000	35,274	25,274
Total Expenditure per SoFA		1,016,617	1,445,275	1,509,578

8. NET OUTGOING RESOURCES FOR THE YEAR

This is stated after charging:

	2016 £	2015 £
Staff pension contributions	39,274	33,311
Auditors' remuneration		
- audit of the financial statements	10,802	9,228
Operating lease costs		
- Other	58,775	58,775

**THE NATIONAL ENERGY FOUNDATION
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

9. TRANSFER BETWEEN FUNDS

Following the ending of the covenant over the land and buildings owned by the charity in August 2015, the restricted fund balance tied to the covenant was transferred to a designated property fund within unrestricted funds.

10. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	887,685	871,240
Social security costs	89,658	89,505
Other pension costs	39,274	33,311
	<u>1,016,617</u>	<u>994,056</u>

No trustees of the charity received emoluments during the year.

Particulars of employees:

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

	2016	2015
	No.	No
Number of management and admin staff	5	5
Number of other staff - project, sales and technical	22	23
	<u>27</u>	<u>28</u>

7 trustees received reimbursed expenses of £919 (2015: 5 trustees received £614)

Three employees received remuneration of more than £60,000 during the year, amounting to £229,250 (2015 – three employees amounting to £222,395).

The key management personnel of the charity comprise the Chief Executive and the Deputy Chief Executive. The total employee benefits of the key management personnel of the charity were £202,650 (2015. £196,611).

**THE NATIONAL ENERGY FOUNDATION
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

11. TANGIBLE FIXED ASSETS

	Freehold property & Freehold improvements £	Equipment £	Leasehold Property £	Total £
COST				
At 1 April 2015	1,732,539	126,228	4,811	1,863,578
Additions	2,445	3,740	–	6,185
At 31 March 2016	1,734,984	129,968	4,811	1,869,763
DEPRECIATION				
At 1 April 2015	409,511	81,799	1,337	492,647
Charge for the year	29,809	18,094	–	47,903
At 31 March 2016	439,320	99,893	1,337	540,550
NET BOOK VALUE				
At 31 March 2016	1,295,664	30,075	3,474	1,329,213
At 31 March 2015	1,323,028	44,429	3,474	1,370,931

The cost figures for land and buildings in the company include a sum of £352,500 (2014: £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.

12. INVESTMENTS

Movement in market value

	2016 £	2015 £
Market value at 1 April 2015	3	35,003
Amounts written off investments	–	(35,000)
Market value at 31 March 2016	<u>3</u>	<u>3</u>
Historical cost at 31 March 2016	<u>3</u>	<u>35,003</u>

Analysis of investments at 31 March 2016 between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Other investments				
UK Group undertakings	<u>3</u>	<u>–</u>	<u>3</u>	<u>3</u>

**THE NATIONAL ENERGY FOUNDATION
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

12. INVESTMENTS (continued)

The principal companies in which the charity is carrying an interest of more than 20% are as follows:

Company	Principal Activity
Energy Advisory Services Limited	Dormant company
The National Energy Centre Limited	Dormant company
The Home Energy Rating Scheme Limited	Dormant company

All of the above companies are 100% subsidiaries. The charity owns one share in each company and a second share in each is owned by a fellow subsidiary. All of the above companies are registered in England and Wales

13. DEBTORS

	2016	2015
	£	£
Trade debtors	372,564	226,307
Other debtors	16,745	30,371
Prepayments	125,493	117,540
	<u>514,802</u>	<u>374,218</u>

14. CREDITORS: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	42,117	54,345
Taxation and social security	68,642	53,825
Other creditors	1,883,826	381,697
Accruals and deferred income	86,668	61,897
	<u>2,081,253</u>	<u>551,764</u>

15. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2016 the company had commitments under non-cancellable operating leases as set out below

	2016	2015
Land and buildings, commitments due:		
Within 1 year	56,500	56,500
Within 1 to 2 years	56,500	56,500
Within 2 to 5 years	169,500	169,500
After more than 5 years	-	56,500
	<u>282,500</u>	<u>339,000</u>

**THE NATIONAL ENERGY FOUNDATION
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

16. RESTRICTED INCOME FUNDS

	Balance at 1 Apr 2015 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Mar 2016 £
Wates Family Fund	-	10,000	(10,000)	-	-
Building Funds	<u>1,418,291</u>	<u>-</u>	<u>(25,274)</u>	<u>(1,393,017)</u>	<u>-</u>
	<u>1,418,291</u>	<u>10,000</u>	<u>(35,274)</u>	<u>(1,393,017)</u>	<u>-</u>

Wates Family Funds

A restricted grant received from a family trust to be used in the Energy Envoys project. The grant was utilised in full during the year

Building Funds

A restricted fund for the buildings and associated land occupied by the charity, under a covenant to the original developer. This covenant expired in during the year and the remaining balance transferred to a designated fund within unrestricted funds

17. UNRESTRICTED INCOME FUNDS

	Balance at 1 Apr 2015 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Mar 2016 £
Building Funds	-	-	-	1,393,017	1,393,017
General Funds	<u>721,504</u>	<u>1,369,008</u>	<u>(1,410,001)</u>	<u>-</u>	<u>680,511</u>
	<u>721,504</u>	<u>1,369,008</u>	<u>(1,410,001)</u>	<u>1,393,017</u>	<u>2,073,528</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Investments £	Net current assets £	Total £
Restricted Income Funds:				
Restricted Funds	-	-	-	-
Unrestricted Income Funds				
Building Funds	1,225,447	-	167,570	1,393,017
General Funds	<u>103,766</u>	<u>3</u>	<u>576,742</u>	<u>680,511</u>
Total Funds	<u>1,329,213</u>	<u>3</u>	<u>744,312</u>	<u>2,073,528</u>

19. TRANSACTIONS WITH THE TRUSTEES

During the year trustees expenses amounting to £919 (2015: £644) were reimbursed by the company. No amounts were outstanding at the balance sheet date (2015: nil).

**THE NATIONAL ENERGY FOUNDATION
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

20. RELATED PARTY TRANSACTIONS

During the year, the charity entered into the following transactions with Sustainable Energy Academy, a charity incorporated as a company limited by guarantee with some officers in common:

	2016	2015
	£	£
Income received	–	3,097

During the year, the charity entered into the following transactions with Energiesprong UK Ltd, a company limited by guarantee with some officers in common:

	2016	2015
	£	£
Trade debtor	19,404	–
Income received	26,164	–

During the year, the charity entered into the following transactions with Green Deal Together, a community interest company in which the charity held 35,000 shares:

	2016	2015
	£	£
Trade debtors	–	1,000
Income received	23,367	28,357
Expenditure	11,121	25,196

21. COMPANY LIMITED BY GUARANTEE

The charity is a company limited by guarantee. The members of the company are the trustees, and in the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**THE NATIONAL ENERGY FOUNDATION
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

22. RECONCILIATION OF NET EXPENDITURE TO NET CASHFLOWS FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net outgoing resources before transfers	(66,267)	(385,206)
Amounts written off investments	-	35,000
Depreciation	47,903	49,447
Increase in debtors	(140,584)	(98,010)
Increase in creditors	<u>1,529,489</u>	<u>294,297</u>
Net cash inflow/(outflow) from operating activities	<u>1,370,541</u>	<u>(104,472)</u>

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

	2016 £	2015 £
Increase/(Decrease) in cash in the period	<u>1,364,356</u>	<u>(156,334)</u>
Change in net funds	<u>1,364,356</u>	<u>(156,334)</u>
Net funds at 1 Apr 2015	<u>946,407</u>	<u>1,102,741</u>
Net funds at 31 Mar 2016	<u>2,310,763</u>	<u>946,407</u>

24. ANALYSIS OF CHANGES IN NET FUNDS

	1 Apr 15 £	Cash flows £	31 Mar 16 £
Cash at bank	<u>946,407</u>	<u>1,364,356</u>	<u>2,310,763</u>

25. TRANSITION TO FRS 102

	£
AS AT 1 APRIL 2014	
Funds as reported under UK GAAP	2,553,002
Holiday pay accrual	<u>(28,001)</u>
Funds as reported under FRS 102	<u>2,525,001</u>

	£
YEAR ENDED 31 MARCH 2015	
Net expenditure reported under UK GAAP	(383,503)
Movement in holiday pay accrual	<u>(1,703)</u>
Net expenditure reported under FRS 102	<u>(385,206)</u>