

THE NATIONAL ENERGY FOUNDATION
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
31 MARCH 2015

Charity Number 298951

FRIDAY



A4L398Q0

A13

27/11/2015

#446

COMPANIES HOUSE

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

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

CONTENTS	PAGE
Trustees Annual Report	1
Independent auditor's report to the members	10
Statement of financial activities (incorporating the income and expenditure account)	12
Balance sheet	13
Notes to the financial statements	14

THE NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2015

The trustees present their report and the financial statements of the company for the year ended 31 March 2015.

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
Knowhill
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
David Harvey
David Hutchinson
Liz Male
Elizabeth Reason
Matthew Rhodes
Peter Rickaby
Graham Saunders FCA
Andrew Warren
Fraser Winterbottom
Andrew Wordsworth

Peter Rickaby, Matthew Rhodes, Liz Male and Steven Fawkes were appointed as trustees on 22 April 2014. Chris Hall was appointed on 14 August 2015.

David Hutchinson resigned as a trustee on 31 March 2015. Graham Saunders and Fraser Winterbottom resigned as trustees on 30 June 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

THE NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2015

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) 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.

THE NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2015

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.

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.

The Foundation remains keen that improving the use of energy in buildings is viewed in the broader social and environmental context. Its actions will therefore not only help the UK meet its Climate Change targets, but will also help tackle issues of fuel poverty and security of supply, as well as increasing the skills base of those involved in the use, design and construction of buildings. The Foundation uses its 25 years' 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. However, much of the work of the Foundation is carried out through the delivery of practical projects and capacity building measures, often working in collaboration with other organisations and with funding support from bodies such as DECC, BIS (through InnovateUK), central and local Government agencies or the various programmes of the European Commission.

ACHIEVEMENTS AND PERFORMANCE: Impact Report: 2014-15

We aim to meet our objectives through:

- Delivering practical projects – using our experience and technical expertise.
- Inspiring action – providing building owners and occupiers with the encouragement, advice and real-life examples to achieve better performing buildings.
- Advancing knowledge - supporting collaboration to drive forward the frontiers of knowledge, innovation and practice.
- Identifying and addressing market failures using evidence, analysis and ideas.

Specific impacts of our work over the year include:

1. Helping vulnerable householders to identify energy efficiency improvements

We advised over 7,900 people at 140 outreach events, via our Affordable Warmth helpline and through elderly householder energy checks.

2. Helping householders to make energy efficiency improvements to their homes

We facilitated the installation of over 560 energy efficiency measures including: cavity wall insulations, loft insulations, boiler replacements and double glazing installations. We also explained solid wall insulation to over 13,000 householders, generating 419 referrals and 182 building assessments.

THE NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2015

3. Helping local authorities and registered providers to improve their dwellings

We worked with 25 local councils and housing associations to identify and implement energy efficiency opportunities:

- Affordable Warmth Networks.
- Training.
- Strategic asset management.
- Building performance evaluation.
- HECA data analysis and reporting.
- Grant management.
- Grant-funded projects.

4. Developing tools for building owners and occupiers

We continued to work with partners to develop tools to measure and improve building energy performance and help refurbishment decision-making, especially:

- Extending our Voluntary Display Energy Certificate (VolDEC) tool to include water and waste.
- Providing stock modelling tools with a user-friendly interface and a new flexible database, which can handle large data sets.
- Developing a social housing sector quality assurance tool to reduce energy performance gap risks at key stages in new-build and retrofit projects.

5. Inspiring individuals and communities

6,050 people took advantage of the SuperHomes Open Homes programme by visiting some of the 199 accredited SuperHomes, inspiring them to improve their own homes and providing practical reassurance. We also supported 10 community groups to undertake thermal imaging of 500 residential properties, and trained a further five groups to use our bespoke Low Carbon Toolkit.

6. Providing free online advice and information

During the year, SuperHomes and YouGen - both multi-award-winning services - became part of NEF. Over 519,000 users visited our websites and our videos attracted 62,000 views.

7. Enabling community projects

We developed a new online (ACE) tool and a series of action packs designed to help communities when they initiate, plan and deliver sustainable energy projects. This involved 129 communities across the EU. We then provided UK ACE Awards winners with additional free specialist support to progress their projects. At the European ACE awards, all three winners came from the UK.

THE NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2015

8. Sharing our knowledge

We helped improve building energy knowledge across the business community through:

- Presenting at 35 sector conferences and exhibitions across the country.
- Publishing over 90 articles online.
- 34 articles appearing in print, reaching an audience of over 400,000.

9. Research, development and innovation

We participated in 11 research and development projects, with a total combined value of over £2.5 million. Advancing knowledge in, and delivery of, improved energy performance in new and existing buildings, these projects included:

- WHISCERS, our innovative internal solid wall insulation solution.
- Novel method of air permeability testing.
- New, simplified building management system for SMEs.

10. Informing government policy

We provided information and advice to DECC, BIS, DCLG and to government bodies and agencies including Ofgem, BSI, Innovate UK and the Green Construction Board:

- Evidence on the proposed removal of F and G-rated private rented sector properties from the market.
- Housing standards.
- Fuel poverty.
- The future of Display Energy Certificates.
- Solid wall insulation.

11. Helping deliver high performing developments

We devised an implementation strategy for Whitehill & Bordon Green Town that will ensure it delivers on its 2036 carbon neutral vision by:

- Minimising the causes of energy performance gap at every stage of new build development, locking in higher energy efficiency for life in the 3,500 new homes.
- Developing an archetype-based refurbishment approach to enable cost-effective, high-performing refurbishment of up to 7,000 existing properties.

12. Supporting the construction supply chain

We established and facilitated a Glazing Supply Chain Group, bringing together key organisations in the built environment glass and glazing supply chain, supporting the group with research and investigation to:

- Produce an independent report on the sector's opportunities in line with the government's 2050 decarbonisation goals.
- Provide a coherent message and a single point of contact for government engagement with the sector.

THE NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2015

13. Developing sector professionals

We helped develop the careers of 12 volunteers and interns, including UK and international doctoral and post-doctoral interns. Collectively, they spent 3,354 hours with us over a combined 124 weeks, expanding their experience and benefiting the work of the Foundation.

In delivering these impacts, the National Energy Foundation has, over the year 2014-15, invested **over £150,000** 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 corporates; supporting individual projects in and with communities and carrying out **research and development** into the many factors that contribute to **improving the use of energy in buildings**.

Energy Efficiency Partnership for Buildings

The Energy Efficiency Partnership for Buildings (EEPb) was a not for profit subsidiary established as a wider membership organisation with the aim of facilitating closer working between business, government and community organisations on all aspects of energy efficiency in buildings. Initially based in London with its own staff, EEPb failed to persuade Government of the need for an "Existing Buildings Hub", so its remaining activities, including the highly respected eNews, were transferred from EEPb to the National Energy Foundation in September 2013.

In 2012, as part of the agreement to take over responsibility under TUPE for three members of EEPb staff formerly employed by the Energy Saving Trust, the Trustees of the Foundation had approved a loan of up to £50,000 to provide working capital, as well as to underwrite potential statutory redundancy costs up to a maximum level of £31,000. It was understood at the time that this was approved that there was a significant risk that the loan would not be repaid if EEPb failed to attract a broad membership base. With the decision of the subsidiary Board in early 2015 to dissolve the company and the transfer of the remaining cash at bank to the Foundation, it has now proved necessary to write off the outstanding balance of £8,258 (2014: £45,251). There are no further liabilities.

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 NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2015

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.

	2015	2014
Net metered electricity use (kWh)	27,473	25,830
PV generated on North Building (kWh)	5,313	3,428
	<hr/>	<hr/>
Gross energy consumption (kWh)	32,786	29,258
CO2 from building electricity (tCO ₂)	12.7	13.0
Average building employees (incl. USEA)	21	24
NEF Employees (FTE)	21	23
Net energy per square metre (kWh/m ²)	63.9	60.1
Gross energy per square metre (kWh/m ²)	76.2	68.0
Gross energy per employee (kWh)	1,561	1,199
PV generation on South Building (kWh)	38,331	38,729

Despite a continuing fall in the numbers occupying the building, energy consumption rose slightly in the current year. This may partly be due to savings on IT equipment being more than offset by lower incidental and metabolic gains from a less intensively used office. Energy used by the electric vehicle charging point, which is included in the building total, fell from 339kWh to 203kWh. However 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.

THE NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2015

FINANCIAL REVIEW

Financial performance for the group

The charity reported a deficit for the year of £383,502. Trustees consider this result to be acceptable for the second year of their transition plan, refocusing the charity on its initial aim of improving the use of energy in buildings. However, they recognise that this scale of loss cannot be sustained and have agreed plans which should bring about a substantial improvement during the following year and place the Foundation in a stronger position thereafter.

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.

PLANS FOR FUTURE PERIODS

As recorded in last year's report, the Trustees of the Foundation have decided to target its activities more closely on improving the use of buildings, and to limit its activities in 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

YEAR ENDED 31 MARCH 2015

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

Knowlhill

Milton Keynes

MK5 8NG

Signed on behalf of the trustees

A handwritten signature in black ink, appearing to read 'John Walker', is written over a horizontal line.

JOHN WALKER (CHAIR)

12 November 2015

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

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

YEAR ENDED 31 MARCH 2015

We have audited the financial statements of the National Energy Foundation for the year ended 31 March 2015 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members 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 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 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 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 ; and the overall presentation of the 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 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 financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 financial statements are prepared is consistent with the financial statements.

**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 2015

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 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.

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

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

13/11/2015

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

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

YEAR ENDED 31 MARCH 2015

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
INCOMING RESOURCES					
Incoming resources from generating funds:					
Activities for generating funds	2	159,205	–	159,205	145,711
Incoming resources from charitable activities	3	965,167	–	965,167	812,521
TOTAL INCOMING RESOURCES		<u>1,124,372</u>	<u>–</u>	<u>1,124,372</u>	<u>958,232</u>
RESOURCES EXPENDED					
Charitable activities	4/5	(1,422,291)	(25,274)	(1,447,565)	(1,609,530)
Governance costs	6	(25,309)	–	(25,309)	(23,787)
Amounts written off investments	11	(35,000)	–	(35,000)	–
TOTAL RESOURCES EXPENDED		<u>(1,482,600)</u>	<u>(25,274)</u>	<u>(1,507,874)</u>	<u>(1,633,317)</u>
NET OUTGOING RESOURCES FOR THE YEAR/NET EXPENDITURE FOR THE YEAR					
	8	(358,228)	(25,274)	(383,502)	(675,085)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,109,437</u>	<u>1,443,565</u>	<u>2,553,002</u>	<u>3,228,087</u>
TOTAL FUNDS CARRIED FORWARD		<u>751,209</u>	<u>1,418,291</u>	<u>2,169,500</u>	<u>2,553,002</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 14 to 20 form part of these financial statements.

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

BALANCE SHEET

31 MARCH 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	10	1,370,931	1,368,516
Investments	11	3	35,003
		<u>1,370,934</u>	<u>1,403,519</u>
CURRENT ASSETS			
Debtors	12	374,218	276,208
Cash at bank		<u>946,407</u>	<u>1,102,741</u>
		1,320,625	1,378,949
CREDITORS: Amounts falling due within one year	13	<u>(522,059)</u>	<u>(229,466)</u>
NET CURRENT ASSETS		798,566	1,149,483
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,169,500</u>	<u>2,553,002</u>
NET ASSETS		<u>2,169,500</u>	<u>2,553,002</u>
FUNDS			
Restricted income funds	15	1,418,291	1,443,565
Unrestricted income funds	16	<u>751,209</u>	<u>1,109,437</u>
TOTAL FUNDS		<u>2,169,500</u>	<u>2,553,002</u>

These financial statements were approved by the members of the committee and authorised for issue on the 12 November 2015 and are signed on their behalf by:


John Walker (Chair)

Director


Chris Hall (Treasurer)

Director

Company Registration Number: 02218531

The notes on pages 14 to 20 form part of these financial statements.

THE NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, and in accordance with applicable United Kingdom accounting standards and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005).

Cash flow statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

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.

Resources expended

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.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	- 50 years straight line
Equipment	- 2 to 8 years straight line
Leasehold property	- 5 years straight line

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.

THE NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES *(continued)*

Incoming resources

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.

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.

Taxation

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

2. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Other activities for generating funds	<u>159,205</u>	<u>159,205</u>	<u>145,711</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Project income	<u>965,167</u>	<u>965,167</u>	<u>812,521</u>

4. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Support costs	<u>1,422,291</u>	<u>25,274</u>	<u>1,447,565</u>	<u>1,609,530</u>

5. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Support costs £	Total Funds 2015 £	Total Funds 2014 £
Charitable activity	<u>1,447,565</u>	<u>1,447,565</u>	<u>1,609,530</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

6. GOVERNANCE COSTS

	Unrestricted Funds	Total Funds 2015	Total Funds 2014
	£	£	£
Audit fees	9,227	9,227	8,600
Legal fees	15,468	15,468	12,859
Trustee expenses	614	614	2,328
	<u>25,309</u>	<u>25,309</u>	<u>23,787</u>

7. SUPPORT COSTS

	2015 £	2014 £
Property costs	87,051	88,537
Depreciation	49,447	36,351
Office costs	35,368	28,259
Staff costs	992,353	963,143
Other support costs	318,346	493,240
	<u>1,482,565</u>	<u>1,609,530</u>

ANALYSIS OF CHARITABLE ACTIVITY AND SUPPORT COSTS

The following summary information is presented for 2015 without comparatives.

	Staff Costs £	Other Costs £	Total £
Summary			
Funded Programme Delivery	438,688	157,725	596,413
Inspiring, Informing & Advancing Knowledge	99,604	17,500	117,104
Strategic Development Activities	88,978	20,517	109,495
Amounts written off investments	–	35,000	35,000
Other Support Costs	365,083	234,196	599,279
Unrestricted Charitable Expenditure	992,353	464,938	1,457,291
Governance Costs (unrestricted)	–	25,309	25,309
Restricted Charitable Expenditure	–	25,274	25,274
Total Expenditure per SoFA	<u>992,353</u>	<u>515,521</u>	<u>1,507,874</u>

8. NET OUTGOING RESOURCES FOR THE YEAR

This is stated after charging:

	2015 £	2014 £
Staff pension contributions	33,311	37,780
Auditors' remuneration:		
- audit of the financial statements	9,228	8,600
Operating lease costs:		
- Other	<u>58,775</u>	<u>58,775</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

9. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2015 £	2014 £
Wages and salaries	869,744	838,207
Social security costs	89,298	87,156
Other pension costs	33,311	37,780
	<u>992,353</u>	<u>963,143</u>

No trustees of the charity received emoluments during the year.

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2015 No	2014 No
Number of management and admin staff	5	4
Number of other staff - project, sales and technical	23	20
	<u>28</u>	<u>24</u>

Trustees received reimbursed expenses of £614 (2014: £2,328).

Three employees received remuneration of more than £60,000 during the year - £222,395 (2014 - Two employees amounting to £149,833).

10. TANGIBLE FIXED ASSETS

	Freehold property & Freehold improvements £	Equipment £	Leasehold Property £	Total £
COST				
At 1 April 2014	1,730,491	76,414	4,811	1,811,716
Additions	2,048	49,814	-	51,862
At 31 March 2015	<u>1,732,539</u>	<u>126,228</u>	<u>4,811</u>	<u>1,863,578</u>
DEPRECIATION				
At 1 April 2014	378,633	63,230	1,337	443,200
Charge for the year	30,878	18,569	-	49,447
At 31 March 2015	<u>409,511</u>	<u>81,799</u>	<u>1,337</u>	<u>492,647</u>
NET BOOK VALUE				
At 31 March 2015	<u>1,323,028</u>	<u>44,429</u>	<u>3,474</u>	<u>1,370,931</u>
At 31 March 2014	<u>1,351,858</u>	<u>13,184</u>	<u>3,474</u>	<u>1,368,516</u>

THE NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

10. TANGIBLE FIXED ASSETS *(continued)*

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.

11. INVESTMENTS

Movement in market value

	2015 £	2014 £
Market value at 1 April 2014	35,003	3
Acquisitions at cost	-	35,000
Amounts written off investments	(35,000)	-
Market value at 31 March 2015	<u>3</u>	<u>35,003</u>
Historical cost at 31 March 2015	<u>35,003</u>	<u>35,003</u>

Analysis of investments at 31 March 2015 between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Other investments				
UK Group undertakings	<u>3</u>	<u>-</u>	<u>3</u>	<u>35,003</u>

During the year the company has provided in full against the investment in Green Deal Together CIC, as the company is in the process of being wound up and the members do not believe they will recover their investment.

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 incorporated in England and Wales.

12. DEBTORS

	2015 £	2014 £
Trade debtors	226,307	161,993
Amounts owed by group undertakings	-	8,358
Other debtors	30,371	15
Prepayments	<u>117,540</u>	<u>105,842</u>
	<u>374,218</u>	<u>276,208</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

13. CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	54,345	823
Taxation and social security	53,825	62,071
Other creditors	381,696	138,583
Accruals	32,193	27,989
	<u>522,059</u>	<u>229,466</u>

14. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as set out below.

	2015		2014	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire:				
Within 2 to 5 years	-	1,736	-	2,275
After more than 5 years	<u>56,500</u>	<u>-</u>	<u>56,500</u>	<u>-</u>
	<u>56,500</u>	<u>1,736</u>	<u>56,500</u>	<u>2,275</u>

15. RESTRICTED INCOME FUNDS

	Balance at 1 Apr 2014 £	Outgoing resources £	Balance at 31 Mar 2015 £
Restricted Funds	<u>1,443,565</u>	<u>(25,274)</u>	<u>1,418,291</u>

16. UNRESTRICTED INCOME FUNDS

	Balance at 1 Apr 2014 £	Incoming resources £	Outgoing resources £	Balance at 31 Mar 2015 £
General Funds	<u>1,109,437</u>	<u>1,124,372</u>	<u>(1,482,600)</u>	<u>751,209</u>

THE NATIONAL ENERGY FOUNDATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Investments £	Net current assets £	Total £
Restricted Income Funds:				
Restricted Funds	1,250,721	–	167,570	1,418,291
Unrestricted Income Funds	<u>120,210</u>	<u>3</u>	<u>630,996</u>	<u>751,209</u>
Total Funds	<u><u>1,370,931</u></u>	<u><u>3</u></u>	<u><u>798,566</u></u>	<u><u>2,169,500</u></u>

18. 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 officers in common:

	2015 £	2014 £
Trade debtor	–	7,399
Income received	3,097	47,182
Expenditure	–	7,667

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

	2015 £	2014 £
Trade Debtors	1,000	11,069
Income received	28,357	65,296
Expenditure	25,196	–

20. 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.