

**THE ENERGY SAVING TRUST LIMITED**  
**Registered Number 2622374**

**DIRECTORS' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2004**



## **The Energy Saving Trust Limited**

### **Directors' Report for the Year Ended 31 March 2004**

The Directors present their report and financial statements for the year ended 31 March 2004.

#### **Principal Activity**

*The Energy Saving Trust (EST) was set up by the Government and major energy companies after the 1992 Earth Summit in Rio de Janeiro and is one of the UK's leading organisations addressing the damaging effects of climate change. EST's goal is to achieve the sustainable and efficient use of energy – in particular through lower emissions of carbon dioxide, the greenhouse gas that is a key contributor to climate change, and reduced pollution particularly from road transport.*

EST focuses on delivering practical solutions for households, small firms and the road transport sector – solutions which save money and deliver cleaner air. It works with a wide range of partners: government, energy suppliers, manufacturers, retailers, local authorities, installers and converters, energy advisers, NGOs and trade associations.

#### **Membership**

Members at 31<sup>st</sup> March 2004 were:

The Secretary of State for the Environment, Food and Rural Affairs  
The Secretary of State for Transport  
The First Minister for Scotland  
The Secretary of State for Northern Ireland  
The National Assembly for Wales  
BP Oil UK Ltd  
BG Group plc  
Calor Gas Ltd  
Centrica plc  
EDF Energy plc  
Innogy plc  
Johnson Matthey Catalysts  
National Grid Transco plc  
Northern Ireland Electricity  
Phoenix Natural Gas  
Powergen plc  
ScottishPower plc  
Scottish and Southern Energy plc  
Shell International Ltd

## **The Energy Saving Trust Limited**

### **Directors' Report for the Year Ended 31 March 2004 (contd.)**

#### **Directors and Corporate Governance**

The Directors who have served during the year are as follows:

Peter Lehmann	(Chairman)
Philip Sellwood	(Chief Executive)
Mark Clare	
Charles Berry	
Sir John Harman	
Ian McAllister CBE	
Dame Helena Shovelton	
Peter Hofman	
John Mumford	
Catherine Meredith MBE	(appointed 22 <sup>nd</sup> April 2003)
Lesley Mason	(appointed 22 <sup>nd</sup> April 2003)

Charles Berry resigned as a Director on 13<sup>th</sup> July 2004 and was replaced by William MacDiarmid.

Being a company limited by guarantee, there were no issued shares in which any director had an interest at any time during the year.

The Company is headed by the Board of Directors which leads and controls the Company overall. It meets regularly and there is a schedule of matters that require its approval. The Board supports and complies with the principle of separating the roles of Chairman and Chief Executive. At 31 March 2004, in addition to the Chairman and Chief Executive, there were four Directors nominated by members (one by Centrica, two by the former Public Electricity Supply Companies and one by BP), three independent Directors and one Director from the Carbon Trust, a company leading the government's energy efficiency initiatives for the business sector. The Chief Executive is the sole Executive Director.

The Trust also has an Audit and Assurance Committee to which the Board has delegated certain responsibilities principally regarding the operation of the highest standards in internal control, corporate governance and financial accountability. This Committee meets regularly and reports to the Board of Directors. During the year it consisted of Mark Clare (Chair), Sir John Harman, Charles Berry, John Mumford, Peter Hofman, Catherine Meredith and Lesley Mason.

## **The Energy Saving Trust Limited**

### **Directors' Report for the Year Ended 31 March 2004 (contd.)**

#### **Review of the Business**

EST's income of £71.7m for the year ended 31 March 2004 (2003: £50.7 million) is analysed in the Income and Expenditure Account.

2003/4 has been an eventful and very successful year for EST. At the strategic level, the EST has played a very significant role, supporting Defra in the development of the Energy Efficiency Implementation Plan and EEC2 proposals. A Renewables Strategy is in the final stages of development and on the Transport side, the EST is working closely with DfT on the consultation regarding future market stimulation mechanisms for 2005 and beyond. The outcomes of this consultation will fundamentally affect the nature of the EST's transport activities in future years.

In terms of staff organisation, the key change has been the re-focus of the Marketing Team into audience focussed sub-teams. This will ensure that the Trust is able to target specific customer groups (individual customers, fleet managers etc) more effectively, ensuring that all communication to each customer is better co-ordinated.

At the Operational level, transport grants surpassed targets by a significant margin, though the high level of demand was not able to be met for the full year, which caused some difficulties for the market. Over 9,900 vehicles were supported across the UK against a target of 5,200 in Clean Up and Powershift, whilst 22 New Vehicle Technology Fund projects were launched. Increasingly important is the DfT funded Transport Best Practice Programme, the core management of which is now being brought in house to EST. Highlights from the Best Practice Programme include 120 site specific advice visits and 36 events for fleet managers/local authorities.

Best Practice is also a key theme for the Energy Efficiency Business Unit with 140,000 customer contacts via web and phone to the Energy Efficiency Best Practice programme. Interaction with local authorities is another area of relevance to both the Transport and Energy sides of EST. The Practical Help service is the main channel to supporting local authorities (and now housing associations) with contacts 20% above target, at over 50,000 for the year. Other support for local authorities is provided by the Local Authority Support Programme, which seeks to bring local authority practitioners together, both to develop strategic partnerships and secure additional funding. Over 170 local authorities are directly involved across the UK with £10m additional funding leveraged specifically from EEC. Grant support for innovative local authority managed schemes has grown significantly this year with 60 projects supported against the target of 53.

The Trust has engaged the sustainable energy agenda at other levels in the last year from the very local to regional. The Community Action for Energy project provides support to community based organisations (charities, voluntary groups, Women's Institute branches etc), facilitating sharing of information, training and project development. At the regional level, the Trust has commenced a pilot in the North East of England where a full time development manager is working with the Regional Development Agency, Government Office, Regional Assembly and other stakeholders to ensure a strategic and joined up approach to energy efficiency, renewables and transport issues. In addition, support is also provided through part funding of posts at the Local Government Association and Welsh Local Government Association to develop strategic approaches to energy issues by local authorities.

## **The Energy Saving Trust Limited**

### **Directors' Report for the Year Ended 31 March 2004 (contd.)**

Other key influences on the implementation of energy efficiency and renewable measures are the manufacturers, wholesalers, retailers and installers. The Trust has built up relationships with these organisations over many years. Recent highlights have included the continued penetration of the Energy Efficiency Recommended brand, covering 2,300 products (40% increase for the year) which is supported and utilised by the majority of the appliances, lighting and heating supply chains, the roll out of energy efficiency training for heating installers, and the development of an effective network of 38 photovoltaic (PV) installers.

This network has been essential to the successful performance of the PV programme. To date, £16m funding has been committed to over 550 projects throughout the UK. An additional £5m has now been allocated to the programme by DTI, taking the budget up to £25m for 2002-5.

The Community Energy Programme encompasses both conventional and renewable fuelled district heating, with funding provided for the refurbishment and upgrading of systems in residential and public sector buildings. This programme has been slow to gain momentum, with many financial, planning and other barriers to overcome. Nevertheless, to date, over half of the £50m budget has been allocated for the 2002-5 programme. When completed, these schemes will incorporate 47MW of CHP, saving 19,000 tonnes of Carbon and assisting 37,000 people on low incomes.

Across all areas, the Trust had contact with 1.2 million customers throughout the year via web, call centre and the Energy Efficiency Advice Centres. This network of 52 Centres continues to perform exceptionally well, with the savings generated per customer being 3 times more than the cost to service each customer. The EEACs are also key players in delivery of the Energy Efficiency Campaign, which underpins the EST's energy efficiency activity. This year the campaign received nearly 400 pieces of PR coverage, 40% above target.

Whilst a large proportion of EST activity operates UK wide, a number of projects and activities are active in one country only. In Scotland, Powershift is supported by the Autogas+ programme to help encourage LPG penetration into rural areas, whilst a major renewables programme – the Scottish Community and Household Renewables Initiative (SCHRI), has provided over 100 grants for small scale renewables including wind turbines, solar thermal and heat pump technology. As part of this programme, the Scottish Executive has agreed to provide funding for insulation measures for projects funded under SCHRI, giving a coordinated approach to energy efficiency and renewables. The Scottish Projects Fund provided support for 18 innovative solutions to specific Scottish issues, including improving energy efficiency in tenement buildings, which make up one third of the Scottish housing stock.

During the year, the Clean Up Wales programme was launched, based on the English model, with £1m from Welsh Assembly Government for 2004/5. Other Welsh activity has included working closely with the country's fire authorities and playing a leading role on the National Assembly for Wales fuel poverty and sustainable energy development groups.

## **The Energy Saving Trust Limited**

### **Directors' Report for the Year Ended 31 March 2004 (contd.)**

In Northern Ireland, the EST has a key role to play in assessing proposals under the Northern Ireland levy framework. During the year, 27 schemes were funded, all supported by Northern Ireland Electricity. In addition, in order to address low uptake of Community Energy in Northern Ireland, funding was secured from 3 government departments for a Community Energy support manager and 20 potential schemes have already been identified since January 2004.

#### **Future Developments**

The EST recently completed its latest business strategy, which incorporated the identification of 7 future directions, which will be focussed on over the next 3-5 years:

- EST's local infrastructure – looking at the potential for development of Sustainable Energy Centres.
- Developing an integrated consumer message that covers homes and transport.
- Integrating renewables into the work of EST (in homes and transport).
- Positioning EST as a key influencer in the sustainable energy area.
- Looking at the potential for demonstration of new technologies, working very closely with the Carbon Trust.
- Developing the EST role in housing in the private and social sectors, relating to decision making and finance of sustainable energy measures in housing.
- Focusing on market transformation.

#### **Results and Dividends**

The income and expenditure account is set out on page 10 and shows the result for the year. Management's review of the provision for costs set up in prior years on certain programmes has resulted in £105,000 being credited to the income and expenditure account in 2004. This credit has had the effect of increasing the Trust's Net Surplus for the year from £463,000 to £568,000. At 31<sup>st</sup> March 2004 the Trust's Capital and Reserves amounted to £3.2m. The Directors believe that this amount is adequate to meet potential liabilities as noted in the section on reserves below.

As a company limited by guarantee, the company is prohibited from declaring or paying dividends to its members.

#### **Employment Policies**

It is the policy of the Trust that there should be no unfair discrimination in considering applications for employment, including those from disabled persons. Should any employee become disabled every practical effort is made to provide continued employment.

The Directors are committed to maintaining and developing communication and consultation procedures with employees, who in turn are encouraged to become aware of and involve themselves in the performance of the company.

#### **Quality**

EST upgraded its quality management, and was certified by LRQA under the new standard ISO 9001:2000 in July 2003.

## **The Energy Saving Trust Limited**

### **Directors' Report for the Year Ended 31 March 2004 (contd.)**

#### **Sustainability Policy**

EST's sustainability policy was approved by the Board in January 2004. A key objective for 2004-05 is to secure independent certification to the environmental standard ISO 14001. The policy recognises that, while EST's purpose is to achieve carbon reduction and air quality improvements, in doing so we have a negative impact on the environment through our own operations.

Our sustainability policy is therefore geared around:

- Minimising consumption of resources - water, stationery, office equipment, cleaning materials, etc;
- Reducing emissions arising from office energy use and from travelling;
- Reducing, re-using and recycling waste wherever possible;
- Ensuring that all relevant environmental legislation and Government best practice is complied with;
- Basing procurement activity on both product and supplier environmental performance.

#### **Going Concern Basis**

Having considered cashflow projections for the year to 31<sup>st</sup> March 2005 and their knowledge of the current situation in connection with the Government and other contributors to the Trust's activities, the directors consider it is appropriate to draw up the financial statements on a going concern basis.

#### **Reserves**

The appropriateness of the company's level of reserves is subject to annual review by the Directors in the light of the company's changing income and expenditure streams and contractual liabilities. The Directors consider that the free reserves of the company that are not invested in fixed assets at 31<sup>st</sup> March 2004 of £2.7m currently appropriately match the potential liabilities of the company should there be a significant interruption of income streams.

#### **Statement of Directors' Responsibilities**

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the Directors are required to:

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

## **The Energy Saving Trust Limited**

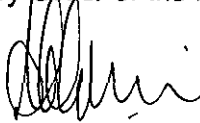
### **Directors' Report for the Year Ended 31 March 2004 (contd.)**

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

#### **Auditors**

A resolution to reappoint Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



Aziz Punja  
**Company Secretary**

Date: 13 July 2004

Registered Office:

21 Dartmouth Street  
London  
SW1H 9BP



## **The Energy Saving Trust Limited**

### **Independent Auditors Report to the Members of the Energy Saving Trust Limited**

We have audited the financial statements of Energy Saving Trust Limited for the year ended 31 March 2004 which comprise the income and expenditure account, the statement of movement in members' funds, the balance sheet, the cash flow statement and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 directors and auditors**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

**The Energy Saving Trust Limited**

**Independent Auditors Report to the Members of the Energy Saving Trust Limited (continued)**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
London

Date: *29 July 2004*

**The Energy Saving Trust Limited**

**Income and Expenditure Account for the Year Ended 31 March 2004**

	<b>Note</b>	<b>2004 £'000s</b>	<b>2003 £'000s</b>
<b>Income</b>			
DEFRA		30,533	24,651
DfT		30,575	18,136
Scottish Executive		6,328	3,510
Membership fees		398	440
Other		3,898	4,009
		<u>71,732</u>	<u>50,746</u>
<b>Expenditure</b>			
Grants Paid		40,130	20,710
Third party Management & Administrative Costs		21,465	21,409
Administrative expenses		9,591	8,325
		<u>71,186</u>	<u>50,444</u>
<b>Operating Surplus</b>		546	302
Interest receivable and similar income		91	270
<b>Surplus on Ordinary Activities before taxation</b>	2	<u>637</u>	<u>572</u>
Taxation	5	(69)	(29)
<b>Surplus on Ordinary Activities after taxation</b>		<u>568</u>	<u>543</u>
<b>Retained Deficit Brought Forward</b>		(1,061)	(1,604)
<b>Retained Deficit Carried Forward</b>		<u>(493)</u>	<u>(1,061)</u>

The company has no recognised gains and losses other than those included above, and therefore no separate statement of total recognised gains and losses has been presented.

The results shown above are stated under the historical cost convention and therefore represent the historical cost loss without the need for any adjustment.

All amounts relate to continuing activities.

The notes on pages 14 - 19 form part of these financial statements.

**The Energy Saving Trust Limited**

**Statement of Movements in Members' Funds for the Year Ended 31 March 2004**

	<b>2004 £'000s</b>	<b>2003 £'000s</b>
Surplus for the year	568	543
Net addition to members' funds	<hr/> 568	<hr/> 543
Opening members' funds	2,642	2,099
Closing members' funds	<hr/> 3,210	<hr/> 2,642

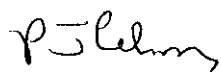
The notes on pages 14 - 19 form part of these financial statements.

**The Energy Saving Trust Limited**

**Balance Sheet as at 31 March 2004**

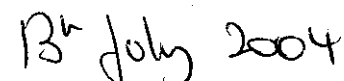
	Note	2004 £'000s	2003 £'000s
<b>Tangible Fixed Assets</b>	6	<u>466</u>	<u>286</u>
<b>Current Assets</b>			
Debtors	7	5,568	8,661
Cash at bank and in hand		4,498	4,263
		<u>10,066</u>	<u>12,924</u>
<b>Creditors - Amounts falling due within one year</b>	8	(7,322)	(10,568)
<b>Net Current Assets</b>		<u>2,744</u>	<u>2,356</u>
<b>Total Assets Less Current Liabilities</b>		<u>3,210</u>	<u>2,642</u>
<b>Capital &amp; Reserves</b>			
Members' Capital	9	3,703	3,703
Income & Expenditure Account		(493)	(1,061)
<b>Members' Funds</b>		<u>3,210</u>	<u>2,642</u>

Approved by the Board and signed on its behalf by:

Peter Lehmann 

Philip Sellwood 

**Directors**

Date:  13<sup>th</sup> July 2004

The notes on pages 14 to 19 form part of these financial statements.

**The Energy Saving Trust Limited**

**Cashflow Statement for the Year Ended 31 March 2004**

	Note	2004 £'000s	2003 £'000s
<b>Net Cash Inflow (Outflow) from Operating Activities</b>	12(1)	<u>581</u>	<u>(2,829)</u>
<b>Returns on Investments and Servicing of Finance</b>			
Interest received		<u>91</u>	<u>270</u>
<b>Capital Expenditure</b>			
Payments to acquire tangible fixed assets		(368)	(233)
<b>Net cash outflow from capital expenditure</b>		<u>(368)</u>	<u>(233)</u>
<b>Taxation</b>			
Corporation tax		<u>(69)</u>	<u>(29)</u>
<b>Increase (decrease) in net cash</b>		<u>235</u>	<u>(2,821)</u>

**Reconciliation of net cash flow to Movement in Net Funds**

Increase (decrease) in net cash	12(2)	235	(2,821)
<b>Net Funds at 1 April</b>		4,263	7,084
<b>Net Funds at 31 March</b>	12(2)	<u>4,498</u>	<u>4,263</u>

The notes on pages 14 to 19 form part of these financial statements.

## **The Energy Saving Trust Limited**

### **Notes to the Financial Statements - 31 March 2004**

#### **1. Accounting Policies**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The following accounting policies have been applied consistently during both the current and the previous years.

The Trust has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the Trust's activities.

##### ***Income***

Income is recognised when the Trust has entitlement to the income, there is reasonable certainty of receipt and the amount can be measured. Income represents all grant income, invoiced services and fees receivable in the period net of value added tax. The Trust is entitled to grant income when it has made the related expenditure.

##### ***Expenditure***

Expenditure represents grant and grant related expenditure for which conditional terms have been met

##### ***Fixed Assets***

Fixed assets are shown in the financial statements at cost less attributable depreciation. The rates of depreciation applied are estimated to reduce the cost of the asset to its residual value over its useful economic life and are as follows:

Leasehold Improvement	-	Minimum Lease Term
Computer Equipment	-	40% per annum straight line
Fixtures and Fittings	-	20% per annum straight line
Motor vehicles	-	25% per annum straight line

##### ***Foreign Currency***

Transactions during the year are translated at rates ruling on the date of the transaction. Balances at the year-end are translated at rates ruling at the year-end date. Any resulting foreign exchange profit or loss is dealt with through the income and expenditure account.

##### ***Deferred Taxation***

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

## The Energy Saving Trust Limited

### Notes to the Financial Statements - 31 March 2004 (contd.)

#### *Pensions*

The Trust makes contributions directly to the providers of employees' personal pension schemes. Contributions are charged in the income and expenditure account when payable.

#### *Operating Leases*

Amounts payable in respect of operating leases are charged in the income and expenditure account as they fall due for payment

### 2. Surplus on Ordinary Activities before Taxation

This is stated after charging the following:

	2004 £'000s	2003 £'000s
Auditor's Remuneration – audit services	16	16
- non audit services	3	1
Loss on disposal of fixed assets	-	2
Depreciation	189	202
Property rentals payable under operating leases	547	563

### 3. Staff Costs (excluding Directors)

	2004 £'000s	2003 £'000s
Wages and Salaries	4,214	3,230
Social Security costs	463	316
Pension costs	252	183
	<u>4,929</u>	<u>3,729</u>

The average monthly number of employees, excluding Directors, in the year was 131 (2003: 116).

### 4. Directors' Emoluments

	2004 £'000s	2003 £'000s
Aggregate Emoluments	202	236
Company contributions to money purchase pension schemes	10	23
Total	<u>212</u>	<u>259</u>



## The Energy Saving Trust Limited

### Notes to the Financial Statements – 31 March 2004 (contd.)

The highest paid director received aggregate emoluments of £112,475 (2003: £149,000)

Retirement benefits under money purchase pension schemes are accruing to one Director (2003: one).

Those Directors representing members receive no emoluments as Directors.

#### 5. Taxation

Analysis of tax charge on ordinary activities	2004 £'000s	2003 £'000s
Corporation Tax at 19% (2003: 19%)	18	54
Adjustment in respect of prior year	51	(25)
	<u>69</u>	<u>29</u>
Factors affecting tax charge for the current period:		
Surplus/(deficit) on ordinary activities before tax	<u>637</u>	<u>572</u>
Tax at 19% (2003: 19%) thereon	121	109
Effects of:		
Expenses not deductible for tax purposes	15	16
Capital allowances in excess of depreciation	(54)	(1)
Utilisation of tax losses	(64)	(89)
Movement in short term timing differences	-	19
Prior period adjustments	51	(25)
Current tax charge for period	<u>69</u>	<u>29</u>

The charge to taxation is in respect of interest received, other surpluses being relieved by losses brought forward.

The company has losses available to carry forward of approximately £0.8 million, subject to the agreement of the Inland Revenue.

# The Energy Saving Trust Limited

## Notes to the Financial Statements – 31 March 2004 (contd.)

### 6. Tangible Fixed Assets

	Leasehold Improvements £'000s	Computer Equipment £'000s	Fixtures And Fittings £'000s	Motor Vehicles £'000s	Total £'000s
<b>Cost</b>					
At 1 April 2003	157	580	234	11	982
Additions	18	320	30		368
Disposals	-	(1)	-	-	(1)
At 31 March 2004	175	899	264	11	1,349
<b>Depreciation</b>					
At 1 April 2003	106	434	154	1	695
Charge for year	19	132	35	3	189
Disposal	-	(1)	-	-	(1)
At 31 March 2004	125	565	189	4	883
<b>Net Book Amount</b>					
At 31 March 2004	50	334	75	7	466
At 31 March 2003	54	143	80	9	286

### 7. Debtors

	2004 £'000s	2003 £'000s
Loan Fund Debtors (see note 8 below)	1,256	1,521
Trade debtors	992	4,588
Value Added Tax	2,080	1,708
Other debtors and prepayments	1,240	844
	5,568	8,661

The reduction in trade debtors reflects timing differences at year-end on receipt of monies from funding bodies.

All amounts are due within one year with the exception of £598,000 of loans due within 2-5 years (2003: £921,000).

## The Energy Saving Trust Limited

### Notes to the Financial Statements - 31 March 2004 (contd.)

#### 8. Creditors: Amounts falling due within one year

	2004 £'000s	2003 £'000s
Trade Creditors	146	1,707
Corporation Tax	18	29
Accruals and deferred income	4,457	5,609
Loan Funds	2,701	3,223
	<u>7,322</u>	<u>10,568</u>

The loan funds represent amounts granted to fund interest free loans to small businesses in Northern Ireland and Scotland.

#### 9. Members' Capital

	£'000s
Balance at 1 <sup>st</sup> April 2003 & 31 <sup>st</sup> March 2004	3,703

Each member of the Trust undertakes to contribute to the arrears of the company in the event of the company being wound up to a maximum of £1 per member. At 31 March 2004 there were 19 members (2003: 19).

#### 10. Financial Commitments

	2004 £'000s	2003 £'000s
Annual commitments in respect of operating leases on office premises which expire:		
Under one year	549	519
Between two and five years	2,074	2,039
Over five years	<u>3,695</u>	<u>4,149</u>

## The Energy Saving Trust Limited

### Notes to the Financial Statements - 31 March 2004 (contd.)

#### 11. Deferred Taxation

A deferred tax asset has not been recognised in respect of timing differences relating to fixed assets, general provisions and tax losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £150,000. The asset would be recovered if it were to reverse out and suitable taxable profits were to arise against which it could be offset.

#### 12. Notes to the Cashflow Statement

##### 1) Reconciliation of operating surplus to net cash inflow from operating activities

	2004 £'000s	2003 £'000s
Operating Surplus/(Deficit)	546	302
Depreciation charges and result of disposals	188	204
Decrease in debtors	3,093	777
(Decrease) in creditors	(3,246)	(4,112)
Net cash inflow (outflow) from operating activities	581	(2,829)

##### 2) Analysis of Changes in Net Funds

	At 1 April 2003 £'000s	Cashflows £'000s	At 31 March 2004 £'000s
Cash in hand, and at bank	4,263	235	4,498

#### 13. Directors' Transactions

The company gives interest-free loans for season tickets to employees. Philip Sellwood was loaned £2,402 for this purpose of which £2,201 was outstanding at the year-end.