

CHARITY NO: SC009280

COMPANY NO: SC101660

ENERGY ACTION SCOTLAND

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020



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(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

REFERENCE AND ADMINISTRATIVE INFORMATION

Board of Directors

Liz Marquis (M)
Adam Scorer (R)
James Paterson (S)
Stewart Wilson (M)
Jane Kell (M)
Janet McAlister (M)
Patricia McAuley OBE (S)
Dr Lynda Mitchell (M)

*M = Member Director, S = Special Director and
R = Representative Director

Advisor to the Board

Hamish McPherson

Honorary President

Baroness Liddell of Coatdyke

Honorary Vice Presidents

Jackie Baillie MSP
Sir Robert Smith
Murdo Fraser MSP
Gillian Martin MSP
Stephen Gethins MP (to end December 2019)
Alison Thewliss MP (from May 2020)

Company Secretary

Frazer Scott

Senior Management Team

Frazer Scott	Chief Executive
Barbara Atterson	Deputy Chief Executive and Development Manager

Principal Office

Suite 4a
Ingram House
227 Ingram Street
Glasgow
G1 1DA

Charity Number:

SC009280

Company Number:

SC101660

Independent Auditors

Wylie & Bisset (Audit) Limited
168 Bath Street
Glasgow
G2 4TP

Bankers

The Bank of Scotland,
PO Box 1000, BX2 1LB

Solicitors

Burness Paull LLP,
120 Bothwell Street,
Glasgow, G2 7JL

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Report of the Trustees for the year ended 31 March 2020

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and 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.

The legal and administrative information on page 1 forms part of this report.

Directors and Trustees

The Directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Directors.

The Directors who served during the year and since the year-end were as follows:

Board of Directors

Jane Kell (M)
Janet McAlister (M)
Patricia McAuley (S)
Lynda Mitchell (M)
Liz Marquis (M) Vice Convener
James Paterson (S)
Adam Scorer (R)
Stewart Wilson (M) Convener

* M = Member Director, S = Special Director and R = Representative Director

Advisor to the Board

Hamish McPherson

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 17 October 1986. The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of the Charity's Board of Directors

The Directors of the company are also the charity's Trustees and are known as the Directors. The Board consists of three types of Directors: Member Directors, Special Directors and a Representative Director. Directors are appointed to the Board under the following procedures.

All full voting members of Energy Action Scotland are eligible to stand for election to the Board of Directors as Member Directors. Member Directors are chosen by the members at

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Report of the Trustees for the year ended 31 March 2020 (continued)

the Annual General Meeting (AGM), normally held in November of each year. Member Directors elected are eligible to serve for a three year term after which they may present themselves for a further period of service by standing at an AGM. Member Directors are able to serve a maximum of two three year periods after which they must stand down for a minimum period of one year before becoming eligible for re-election.

Special Directors are appointed by the Member Directors after the AGM and must be appointed annually. Special Directors may only serve for a period of six one year terms before stepping down for a minimum period of one year before they may be considered for further service on the Board. Special Directors are chosen by the Member Directors for their specialist knowledge in areas where the Board believes it is lacking in knowledge, for example in the detailed working of the fuel utilities, finance or housing. The Representative Director is appointed from National Energy Action, a charity based in England which operates in the same sphere of activities as Energy Action Scotland, namely fuel poverty. A seat as a Representative Director is offered to that charity's Trustees who in turn nominate a representative from the senior management team, this is Adam Scorer, Chief Executive Officer of NEA.

Director Induction and Training

When a Director is elected by the membership at the AGM or appointed by the Board as a Special Director there are a number of actions that will follow. In addition to completing all necessary paperwork for Companies House, the newly elected Director will receive a Board pack from the charity.

This pack contains copies of the current Corporate Plan and Annual Workplan, declaration of interest form, staff structure chart, details of other Directors, minutes of the last three Board meetings and the list of dates for the next year's Board meetings.

Each elected or appointed Director is also invited to spend half a day with the Director (the title given by the company to its senior manager) for an induction. During the induction, the newly elected/appointed Director receives information about their remit as a Board member, a briefing on the Corporate Plan and Annual Workplan and is advised of other Board responsibilities such as declaration of interests.

Energy Action Scotland is a member of the Legal Services Agency (LSA), a group which provides a range of training and support services of a legal nature to the voluntary sector. LSA runs a number of courses on a regular basis aimed at supporting company secretaries and trustees. Energy Action Scotland makes places at this course available to elected/appointed Directors and in particular to Directors who do not hold or have not held senior executive posts within their own organisations.

All elected members are chosen from member organisations and as such are well aware of Energy Action Scotland and its work. Special Directors are chosen for their expertise and will all be aware of Energy Action Scotland, although perhaps not to the same extent as members. Special attention is given to developing an appropriate induction session for these Directors.

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Report of the Trustees for the year ended 31 March 2020 (continued)

Risk Management

The charity undertook a formal risk management process with the aid of its auditors in 2004. From this assessment a risk management register has been developed. This continues to be reviewed annually. There are a number of key documents which support the risk management strategy which include a finance manual, setting down financial limits and authorities for the management team, an administration manual, a health and safety policy, a project management register and a reserves policy.

Policy documents and procedures are reviewed by the Board on an annual basis and amended to take account of current risks internal and external to the organisation.

Additionally, there are Board meetings, which are held on a quarterly basis, to which reports on current and planned activities are presented, along with financial reports detailing monthly accounting information. Monthly management accounts are also prepared and reviewed against budget and presented to the Treasurer on a monthly basis.

Organisational Structure

Energy Action Scotland is managed by a Board of no more than 16 Directors; this is split into Member Directors (maximum of 10) and Special Directors (maximum of 5) with one Representative Director.

Member Directors are chosen by the members at the Annual General Meeting (AGM), normally held in November of each year at the charity's Annual Conference. Member Directors elected are eligible to serve for a three year term after which they may present themselves for a further period of service by standing at an AGM. Member Directors are able to serve a maximum of two three year periods after which they must stand down for a minimum period of one year before becoming eligible for re-election.

Special Directors are appointed by the Member Directors after the AGM and must be appointed annually. Special Directors may only serve for a period of six one year terms before stepping down for a minimum period of one year before they may be considered for further service on the Board. Special Directors are chosen by the Member Directors for their specialist knowledge in areas where the Board believes it is lacking in knowledge, for example in the detailed working of the fuel utilities, finance or housing.

The day to day operations of the organisation are delivered by the full-time employees of the charity and the Board delegate their authority for this day to day management to the company's senior employee, the Chief Executive Officer. The Chief Executive Officer currently serves as the Company Secretary and has a team of eight full time staff under his direction. The Chief Executive Officer is supported by three members of staff who each hold senior managerial positions, that is, the Public Relations and Information Manager who also holds the post of Deputy Chief Executive, the Technical and Training Manager, and the Development Manager.

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Report of the Trustees for the year ended 31 March 2020 (continued)

The post of Deputy Chief Executive is not attached to any one managerial position and can sit with any post as felt appropriate by the Chief Executive Officer in consultation with the Board.

Objectives and Activities

The charity's objects and principal activities are to:

- promote the concept of energy action to the public, the media and local community organisations; to provide an information service about energy action.
- encourage and promote for charitable purposes the formation of local energy action schemes by providing education, instruction and support.

These objectives are stated in the Memorandum and Articles of Association. The activities of the charity are detailed in the three year Corporate Plan and an Annual Workplan.

The Board approved the 2019 - 2020 workplan and budget at its May 2019 board meeting.

In summary, the Corporate Plan reaffirms the five strategic aims with key performance indicators and outcomes set against each individual aim. The five strategic aims are:

- Raising awareness of fuel poverty, particularly as it affects low income households; maintaining fuel poverty as a national issue of high priority; and working towards affordable warmth for all;
- Identifying effective solutions which can transform cold, damp houses into warm, dry homes;
- Researching fuel poverty and related issues in order to provide in-depth understanding of the causes and effects and to promote best practice;
- Securing public and private investment for domestic energy efficiency initiatives; and
- Ensuring that the organisation is financially stable and has security of finance that allows the organisation to function effectively.

Achievements and Performance

The main areas of the charity's work over the last year were to raise awareness of fuel poverty, identify effective solutions to fuel poverty, undertake research into fuel poverty, and to secure public and private investment for energy efficiency initiatives.

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Report of the Trustees for the year ended 31 March 2020 (continued)

Raising Awareness

During the year Energy Action Scotland continued to raise awareness of the extent, causes of and solutions to fuel poverty.

The charity continued to provide meetings for members and other interested groups to give further information about and increase awareness of fuel poverty and its associated problems.

Energy Action Scotland also provided meetings for its Business Supporters Group. Meetings are organised every four months and provide the opportunity for the Business Supporters of Energy Action Scotland to receive information on current fuel poverty initiatives and policy decisions taken by the Scottish and UK Governments. The meetings also allow the business community to share information on the products and services they provide or are developing for fuel poor and vulnerable households.

Energy Action Scotland continues to provide a weekly e-news service to its members to relate information on the most relevant events, consultations, announcements and news relating to fuel poverty. This is supported by the publication of the charity's quarterly magazine Energy Review which is distributed to its members and to other key organisations and individuals across Scotland and the UK.

A high level sectoral national fuel poverty conference was held in November 2019, attended by over 200 delegates, raising awareness of key developments in policy and practice.

Identifying Practical Solutions

Energy Action Scotland was in receipt of funding from a number of energy companies, notably Scottish Power and Scottish and Southern Energy.

This funding helped the organisation to both deliver projects itself and be able to fund a number of its member organisations to deliver local projects.

These projects benefited both Energy Action Scotland's members and fuel poor households across Scotland.

During 2019/20 Energy Action Scotland delivered successful strategic engagement with Private Rented Sector Landlords and their agents culminating in the first industry event, co-sponsored by the Safe Deposits Scotland Trust, focused on fuel poor tenants in January 2020 which raised awareness of the supports available to landlords and their tenants.

Undertaking Research and Other Consultancy

Energy Action Scotland also delivered the UK Fuel Poverty Monitor 2018- 2019 report working with NEA. The paper gives a critique of the different approaches to tackling fuel poverty running across the UK and will be helpful to all parties who design and deliver fuel poverty and energy efficiency programmes and policies.

Energy Action Scotland led engagement with public and community health bodies to significantly raise awareness of the issue of fuel poverty resulting in the recognition by health

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Report of the Trustees for the year ended 31 March 2020 (continued)

professionals of the importance of including fuel poverty data into the source data for health and social care partnerships.

Impact of the Charities work

The activities and outputs shown in the above section demonstrates that there has been a positive outcome for Energy Action Scotland member organisations who continue to grow their knowledge base in relation to fuel poverty benefiting from the charities expertise in research, events, and fund raising. Furthermore Energy Action Scotland has contributed to increasing the knowledge of the general public to the problem and solutions to fuel poverty by our presswork and the impact of our training for frontline workers who deal on a day to day basis with fuel poor and vulnerable households. The general public have also benefited from the funding and sponsorship raised by Energy Action Scotland, which has amounted to over £1,000,000 for the delivery of a number of diverse and tailored projects. These projects would not have taken place without the funding which has been raised by Energy Action Scotland.

While our direct and indirect campaigning to the Scottish Parliament, its Ministers and MSPs has meant that the Scottish Government retains its commitment to tackling fuel poverty and continues to fund fuel poverty programmes from the public purse. This campaigning is more important now when the Scottish Government has published the Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019 which establishes a target of no more than 5% of households suffering from fuel poverty by 2040.

Energy Action Scotland's website and social media presence ensure that our messages are circulated widely. Our Advisors Toolkit aimed in particular at frontline workers to support members of the public has been an important tool in widening knowledge and promoting good practice.

Energy Action Scotland continues to provide free advice and support to organisations and the public to provide information on managing your bills, the value of measures and signposting to trusted support bodies to help people in need and guidance on how best to support people to those working in a variety of settings. 24 advisory factsheets were updated and an additional set of advice notes were published in response to COVID-19. Materials were downloaded over 2000 times during 2019/20 and are highly regarded key reference documents across the sector.

Finally, the actions and oversight of the Board of Trustees have delivered sound governance and future strategic direction for the organisation.

Securing Public and Private Investment for Energy Efficiency Initiatives

Energy Action Scotland works with a range of private sector companies to secure funding for energy efficiency initiatives via an annual sponsorship programme. Initiatives this year included the Aiming Beyond Cancer (with Macmillan Cancer Support), Warm at Home (Macmillan Cancer) and our Stay Warm Stay Well project.

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Report of the Trustees for the year ended 31 March 2020 (continued)

Financial Review

The 2019 - 2020 year brought a number of financial challenges with fuel suppliers continuing to be required by both government and the regulator to deliver in a number of areas to support customers.

Nonetheless, Energy Action Scotland continued to have a strong and positive working relationship with the major Scottish fuel suppliers and its other corporate sponsors thus securing £962,068 to undertake work in awareness raising, information services and practical projects.

Principal Funding Sources

Apart from private sector sponsorship, the charity also receives a grant from the Scottish Government. This grant is in recognition of particularly relevant aspects of the Annual Workplan which supports the efforts to eradicate fuel poverty in Scotland. Additionally, the charity raises funds by means of the provision of training and consultancy services and membership fees. Details of all funding to the charity are shown in the following pages.

Reserves Policy

The Board of the charity adopted a formal reserves policy in 1998 which was revised in 2001, 2006 and at the joint Board and staff strategy day held on October 2015. The current reserves policy covers the following:

- To provide nine months charitable running costs with a target date at present of 10 years. This will be reviewed in accordance with the SORP and annually by the board of directors. This will include staff costs, rent, telephone and postage and other liabilities for projects being run by Energy Action Scotland
- To meet longer term liabilities that would include redundancy payments to staff and the costs of settling outstanding running costs, i.e. telephones etc.

It is pleasing to report in these accounts that the Charity has maintained its goal with reserves at the end of the 2019 – 2020 financial year standing at 9 months of charitable running costs.

Plans for Future Periods

The charity plans to continue to deliver the stated main activities as outlined above in the forthcoming years, subject to sound financial funding and sponsorship agreements.

Future projections for the affordability of domestic fuel continue to show that fuel poverty is unlikely to be eradicated within the foreseeable future. There is great rationale for the continued need for Energy Action Scotland

The Scottish Government having failed to reach its statutory duty to eradicate fuel poverty, as far as is reasonably practicable, by 2016 has now established a new set of targets and is developing a new strategy. Here the charity must work closely with officials and Ministers to

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Report of the Trustees for the year ended 31 March 2020 (continued)

ensure that the best possible solutions are found and implemented to support fuel poor households across Scotland.

The work the charity undertakes with housing providers, both at local authority and housing association levels, continues to grow, as does the demand for training of front line staff who will be the main point of contact with vulnerable and fuel poor people.

The Scottish Government continues to recognise value of Energy Action Scotland's work in these areas, inviting it to be part of its Energy Consumers Commission during 2020/21.

The Scottish Government's support of Energy Action Scotland's work continues to be demonstrated by the annual grant albeit that the Scottish Government has intimated a reduction in grant during 2020/21.

COVID-19 and the restrictions and guidance introduced by the UK and Scottish Government has had a significant impact on the ability of Energy Action Scotland, and its partners, to deliver.

Our levels of confidence to deliver out training work is lower as social distancing requirements persist. In mitigation we will move to provide training online through virtual platforms. Our experience in this area is low but we will learn from and work with partners to ensure that training continues to be delivered to the highest possible standards. We anticipate that income during 2020/21 from training and other consultancy services will be less. This is as a direct impact of COVID-19 restrictions.

Practical project delivery is likely to be impacted by COVID-19 restrictions. This is unavoidable and mitigation is difficult. Positive working relationships with funders will ensure that we can achieve the maximum flexibility. As restrictions ease and if operations can resume successfully during Q2 onwards it is expected that delivery can deliver as originally planned.

Membership is likely to be impacted by COVID-19 as organisations prioritise spending or cease trading. A reinvigoration of the membership offering and a broadening of the membership base is proposed for 2020/21. This will help stabilise and potentially grow overall membership.

Income from third parties is expected to be challenging however contracts are secured for 2020/21 and the UK Government has determined that the source of a significant part of our income from Energy Companies, Warm Home Discount, will be extended for 12 months through 2021/22. This is a significant move and provides potential for Energy Action Scotland to build successful collaborations with its existing partners and potentially new entrants to these obligations.

Energy Action Scotland will prepare a development plan to widening its funding sources to organisations outside the energy sector. There has been significant success with a partnership with the William Grant Foundation. There are great synergies between Energy Action Scotland and philanthropic bodies and charities concerned with poverty and social justice. This will be developed during 2020/21.

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Report of the Trustees for the year ended 31 March 2020 (continued)

A review of the Corporate Plan will be completed during Q3 2020/21 which will reset the organisation given the impact of COVID-19 and the development of the Scottish Government's Fuel Poverty Strategy.

In the event that Energy Action Scotland is unable to maintain or grow its current levels of income the charity will make the necessary adjustments in its reserves policy and/or look to reduce its expenditure.

Financial Position

During the year the charity received income of £1,208,452 and had expenditure of £1,245,619. The charity experienced a deficit of £37,167. Full details are given in the SOFA on page 16. A small part of this was due to COVID-19 restrictions which impacted some training due to take place at the end of March. The charity had net assets at the year-end of £365,530.

Trustee's Responsibilities in Relation to the Financial Statements

The charity Trustees (who are also the directors of Energy Action Scotland for the purposes of company law) are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing the 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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Report of the Trustees for the year ended 31 March 2020 (continued)

Statement of Disclosure to the Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charity auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

In accordance with section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Wylie & Bisset (Audit) Limited will therefore continue in office. Wylie & Bisset (Audit) Limited replaced Wylie & Bisset LLP as auditors on 1 April 2020 following a transfer of the audit registration licence.

Approved by the Board of Directors on 15th October 2020 and signed on its behalf by:



Stewart Wilson (Convener)

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF
ENERGY ACTION SCOTLAND FOR THE YEAR ENDED 31 MARCH 2020

Opinion

We have audited the financial statements of Energy Action Scotland (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2016; Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF
ENERGY ACTION SCOTLAND FOR THE YEAR ENDED 31 MARCH 2020

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements; our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charity Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF
ENERGY ACTION SCOTLAND FOR THE YEAR ENDED 31 MARCH 2020**

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 10 & 11, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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.

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

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

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF
ENERGY ACTION SCOTLAND FOR THE YEAR ENDED 31 MARCH 2020**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Scott Gillon BA (Hons) FCCA CA
Senior statutory auditor

168 Bath Street
Glasgow
G2 4TP

For and on behalf of Wylie & Bisset (Audit) Limited, Statutory Auditor

Wylie & Bisset (Audit) Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Date: 15th October 2020

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2020
(incorporating an income and expenditure account)

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Income and endowments from:							
Charitable activities	5	746,488	-	746,488	743,545	-	743,545
Other trading activities	6	459,998	-	459,998	440,859	-	440,859
Investments	7	1,966	-	1,966	999	-	999
Total Income		1,208,452	-	1,208,452	1,185,403	-	1,185,403
Expenditure on:							
Raising funds							
Fundraising, conferences and events	9	221,311	-	221,311	219,525	-	219,525
Charitable activities	10	1,024,308	-	1,024,308	971,653	-	971,653
Total Expenditure		1,245,619	-	1,245,619	1,191,178	-	1,191,178
Net (expenditure) and net movement in funds before transfers		(37,167)	-	(37,167)	(5,775)	-	(5,775)
Transfers between funds		-	-	-	-	-	-
Net movement in funds		(37,167)	-	(37,167)	(5,775)	-	(5,775)
Funds reconciliation							
Total Funds brought forward	18	402,697	-	402,697	408,472	-	408,472
Total Funds carried forward	18	365,530	-	365,530	402,697	-	402,697

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

All income and expenditure derive from continuing activities.

ENERGY ACTION SCOTLAND
(A company limited by guarantee)

BALANCE SHEET AS AT 31 MARCH 2020

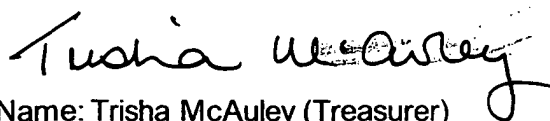
	Note	2020 £	2019 £
Fixed assets:			
Tangible assets	14	-	-
Current assets:			
Debtors	15	72,509	121,712
Cash at bank and in hand	21	881,228	763,031
Total current assets		<u>953,737</u>	<u>884,743</u>
Liabilities:			
Creditors falling due within one year	16	<u>(588,207)</u>	<u>(482,046)</u>
Net current assets		<u>365,530</u>	<u>402,697</u>
Total assets less current liabilities		<u>365,530</u>	<u>402,697</u>
Net assets		<u><u>365,530</u></u>	<u><u>402,697</u></u>
The funds of the charity:			
Restricted funds	18	-	-
Unrestricted funds	18	<u>365,530</u>	<u>402,697</u>
Total charity funds		<u><u>365,530</u></u>	<u><u>402,697</u></u>

The trustees have prepared accounts in accordance with section 398 of the Companies Act 2006 and section 44 of the Charities and Trustee Investment (Scotland) Act 2005. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

Approved by the trustees on 15th October 2020 and signed on their behalf by:



Name: Stewart Wilson (Convener)



Name: Trisha McAuley (Treasurer)

CHARITY NO: SC009280

COMPANY NO: SC101660

ENERGY ACTION SCOTLAND
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 31 MARCH 2020

	Note	Current Year 2020 £	Prior Year 2019 £
<i>Cash flows from operating activities:</i>			
Net cash provided by operating activities	20	116,231	203,369
<i>Cash flows from investing activities:</i>			
Interest from investments		1,966	999
Net cash provided by investing activities		1,966	999
Change in cash and cash equivalents in the year		118,197	204,368
Cash and cash equivalents brought forward	21	763,031	558,663
Cash and cash equivalents carried forward	21	881,228	763,031

ENERGY ACTION SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charitable company constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The charitable company's presentational currency is Sterling and amounts in the financial statements are rounded to the nearest £.

(b) Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created funds for specific purposes.

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

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(c) Income recognition

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

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

ENERGY ACTION SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting Policies (continued)

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution see below.

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage as set out in Note 8.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

(e) Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and depreciated over their estimated useful lives. Depreciation is charged as follows:

	Basis
Fixtures, Fittings, and Equipment	20% - 100% reducing balance

(f) Operating leases

Rentals paid under operating leases are charged to the statement of financial activities. The obligation to pay future rentals on operating leases is shown by way of a note to the Accounts.

(g) Debtors

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

(h) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

ENERGY ACTION SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

(i) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(j) Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity contribution is restricted to the contributions disclosed in note 11. There were no outstanding contributions at the year end.

(k) Taxation

The company is a charitable company within the meaning of Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

(l) Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

(m) Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2. Judgements and key sources of estimation uncertainty

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

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

ENERGY ACTION SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

3. Legal status of the Charitable Company

The Charity is a registered Scottish charity.

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

4. Related party transactions and trustees' expenses and remuneration

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2019: £nil). Expenses of £348 were reimbursed to two trustees (2019: £545).

No Trustee made any donations to the charity during the year (2019: none).

No Trustee or other person related to the Charity, had any personal interest in any contract or transaction entered into by the Charity during the year (2019: none).

5. Income from charitable activities

	2020	2019
	£	£
Policy Briefings & Advisory	529,137	510,824
Training	39,223	49,996
Consultation	178,128	182,725
	<u>746,488</u>	<u>743,545</u>

6. Income from other trading activities

	2020	2019
	£	£
Sponsorship/Donations	404,069	378,419
Memberships	11,798	14,066
Conferences/Events	44,131	48,374
	<u>459,998</u>	<u>440,859</u>

7. Investment income

	2020	2019
	£	£
Interest on cash deposits	1,966	999
	<u>1,966</u>	<u>999</u>

ENERGY ACTION SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

8. Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost type	Total Allocated 2020 £	Governance Related 2020 £	Other support costs 2020 £	Basis of apportionment
Staff costs	385,486	3,834	381,652	<i>Time spent</i>
Premises expenses	47,515	-	47,515	<i>Staff time</i>
Stationery & other office costs	14,253	-	14,253	<i>Usage</i>
Special project costs	730,546	-	730,546	<i>Usage</i>
Miscellaneous	27,784	-	27,784	<i>Time spent</i>
Audit & accounts	3,000	3,000	-	<i>Usage</i>
Legal & professional	1,251	1,251	-	<i>Usage</i>
Total	1,209,835	8,085	1,201,750	

Cost type	Total Allocated 2019 £	Governance Related 2019 £	Other support costs 2019 £	Basis of apportionment
Staff costs	390,405	3,889	386,516	<i>Time spent</i>
Premises expenses	45,860	-	45,860	<i>Staff time</i>
Stationery & other office costs	17,326	-	17,326	<i>Usage</i>
Special project costs	666,184	-	666,184	<i>Usage</i>
Miscellaneous	20,203	-	20,203	<i>Time spent</i>
Audit & accounts	2,705	2,705	-	<i>Usage</i>
Legal & professional	2,008	2,008	-	<i>Usage</i>
Total	1,144,701	8,602	1,136,099	

Governance costs:

	2020 £	2019 £
Auditor's remuneration	3,000	2,705
Legal fees	1,251	2,008
Staff costs	3,834	3,889
	8,085	8,602

	Support Costs £	Governance Costs £	Total 2020 £
Policy Briefings & Advisory	778,002	8,085	786,087
Training	108,174	-	108,174
Consultation	122,653	-	122,653
Raising funds	192,921	-	192,921
Total allocated	1,201,750	8,085	1,209,835

ENERGY ACTION SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

8. Allocation of governance and support costs (continued)

	Support Costs	Governance Costs	Total 2019
	£	£	£
Policy Briefings & Advisory	722,868	8,602	731,470
Training	107,981	-	107,981
Consultation	121,367	-	121,367
Raising funds	183,883	-	183,883
Total allocated	1,136,099	8,602	1,144,701

9. Raising funds – fundraising, conferences and events

	Direct Costs	Support Costs	Total 2020
	£	£	£
Conferences and events	28,390	192,921	221,311
	28,390	192,921	221,311

	Direct Costs	Support Costs	Total 2019
	£	£	£
Conferences and events	35,642	183,883	219,525
	35,642	183,883	219,525

10. Analysis of expenditure on charitable activities

	Policy Briefings & Advisory	Training	Consultation	2020 Total
	£	£	£	£
Training costs	-	7,394	-	7,394
Support costs (note 8)	786,087	108,174	122,653	1,016,914
	786,087	115,568	122,653	1,024,308

	Policy Briefings & Advisory	Training	Consultation	2019 Total
	£	£	£	£
Training costs	-	10,824	-	10,824
Consultancy	-	-	11	11
Support costs (note 8)	731,470	107,981	121,367	1,223,198
	731,470	118,805	121,378	1,249,709

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

11. Analysis of staff costs and remuneration of key management personnel

	2020	2019
	£	£
Salaries and wages	325,949	330,943
Social security costs	31,408	32,551
Employer contributions to defined contribution pension schemes	26,026	25,366
Total staff costs and employee benefits	383,383	388,860

One employee had employee benefits in excess of £60,000 (2019: one).

	2020	2019
	No.	No.
The average weekly number of persons, by headcount, employed by the charity during the year was:	9	9

	2020	2019
	£	£
Key management remuneration	134,685	134,113

12. Net income for the year

This is stated after charging:	2020	2019
	£	£
Auditor's remuneration:		
Audit fees	3,000	2,705

13. Government Grants

	2020	2019
	£	£
Scottish Government	145,000	145,000
	145,000	145,000

A grant totalling £145,000 was gratefully received from the Scottish Government. This grant contributed to our core overheads, salaries and running costs and was fully spent during the year.

ENERGY ACTION SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

14. Tangible Fixed Assets

	Fixtures, Fittings & Equipment £	Total 2020 £
Cost		
At 1 April 2019	17,622	17,622
Additions	-	-
Disposals	-	-
At 31 March 2020	<u>17,622</u>	<u>17,622</u>
Depreciation		
At 1 April 2019	17,622	17,622
Charge for the year	-	-
Eliminated on disposals	-	-
At 31 March 2020	<u>17,622</u>	<u>17,622</u>
Net book value		
At 31 March 2020	<u>-</u>	<u>-</u>
At 31 March 2019	<u>-</u>	<u>-</u>

15. Debtors

	2020 £	2019 £
Trade debtors	8,866	9,576
Prepayments	4,489	4,719
Other debtors	59,154	107,417
	<u>72,509</u>	<u>121,712</u>

16. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	159,465	403,059
Accruals	12,338	36,456
Deferred income (Note 17)	406,743	32,770
Taxation and social security costs	9,661	9,761
	<u>588,207</u>	<u>482,046</u>

17. Deferred income

	£
Balance as at 1 April 2019	32,770
Amount released to income earned from charitable activities	(32,770)
Amount deferred in year	406,743
Balance as at 31 March 2020	<u>406,743</u>

Deferred income comprises of income for training sessions which are not scheduled to take place until post year end and grant funding for projects taking place after the year end.

ENERGY ACTION SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

18. Analysis of charitable funds

Analysis of Fund movements	1 April 2019 Balance b/fwd £	Income £	Expenditure £	Transfers £	31 March 2020 Fund c/fwd £
Unrestricted funds					
General funds	402,697	1,208,452	1,245,619	-	365,530
Total unrestricted funds	402,697	1,208,452	1,245,619	-	365,530
Restricted fund	-	-	-	-	-
Total restricted funds	-	-	-	-	-
TOTAL FUNDS	402,697	1,208,452	1,245,619	-	365,530

Analysis of Fund movements	1 April 2018 Balance b/fwd £	Income £	Expenditure £	Transfers £	31 March 2019 Fund c/fwd £
Unrestricted funds					
General funds	408,472	1,185,403	1,191,178	-	402,697
Total unrestricted funds	408,472	1,185,403	1,191,178	-	402,697
Restricted fund	-	-	-	-	-
Total restricted funds	-	-	-	-	-
TOTAL FUNDS	408,472	1,185,403	1,191,178	-	402,697

19. Net assets over funds

	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Fixed assets	-	-	-
Debtors	72,509	-	72,509
Bank & Cash	881,228	-	881,228
Creditors	(588,207)	-	(588,207)
	<u>365,530</u>	<u>-</u>	<u>365,530</u>

ENERGY ACTION SCOTLAND
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

19. Net assets over funds (continued)

	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Fixed assets	-	-	-
Debtors	121,712	-	121,712
Bank & Cash	763,031	-	763,031
Creditors	(482,046)	-	(482,046)
	<u>402,697</u>	<u>-</u>	<u>402,697</u>

20. Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net (expenditure) for the year (as per the Statement of Financial Activities)	(37,167)	(5,775)
Adjustments for:		
Interest received	(1,966)	(999)
Decrease/(increase) in debtors	49,203	(39,090)
Increase in creditors	106,161	249,233
Net cash provided by operating activities	<u>116,231</u>	<u>203,369</u>

21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	881,228	763,031
Total cash and cash equivalents	<u>881,228</u>	<u>763,031</u>

22. Commitments

At 31 March 2020 the charity had the following commitments under non-cancellable operating leases:

	2020 £	2019 £
Payable within one year	33,368	34,727
Payable within one to two years	33,541	33,866
Payable within two to five years	<u>57,567</u>	<u>68,583</u>