

Charity registration number 1144106

Company registration number 07703610 (England and Wales)

THE ENERGY SAVING TRUST FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

THE ENERGY SAVING TRUST FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	M A Cobbold G Collinson D Crowfoot J E Metcalfe C L Nelkon J H Olivier
Head of Foundation	L Marsden
Charity number	1144106
Company number	07703610
Registered office	223-231 Pentonville Road London United Kingdom N1 9NG
Auditor	Azets Audit Services Ashcombe Court Woolsack Way Godalming Surrey United Kingdom GU7 1LQ

THE ENERGY SAVING TRUST FOUNDATION

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THE ENERGY SAVING TRUST FOUNDATION

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

It has been a busy and productive year for the Foundation as we've accelerated our work to put into action our strategy to empower young people to take action on the climate emergency.

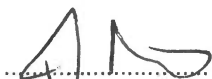
We have followed up our pilot funding round with a UK wide round of funding and by the end of the 2023/24 financial year we have committed £670,000 of funding to 18 organisations who are doing great work to support and empower young people in communities across Wales, Scotland, North East England, North West England and the West Midlands.

Also, during the last year, we have continued to learn and adapt as we work with partners and delivery organisations across the UK. Our strategy set out our ambitions to be a modern grant maker, to be flexible, open and trusting in the way we operate. We're proud to have signed up to IVAR's open and trusting grantmaking principles and continue to engage with others working in this space to help develop our practice and ensure we are continually improving what and how we do things.

We've also made progress in other areas of our work. Our Trustee Board has continued to provide valuable expertise and guidance to the Head of Foundation and been actively involved in our grant making decisions. We have identified gaps in our knowledge and training needs and actively addressed these through working with organisations such as Franks & Associates Ltd who supported the induction of new trustees, helped clarify legal and regulatory responsibilities for Trustees and helped us achieve clarity and focus for our priorities.

We also worked with Impatience Earth who helped build on the work we did in the development of the strategy in 2022. We participated in a number of sessions to help broaden our knowledge on the youth climate action space and were challenged to think about how our role in this space can evolve.

All this work has helped us establish a strong foundation for the year ahead as we continue to make progress against our strategic goals. Our priorities for the year ahead will focus on supporting our grantees in their work, learning what works (and what doesn't), sharing best practice with our community of fellow grant makers and partners in this space and unlocking further support to enable more young people to take action on the climate emergency.



J E Metcalfe
Chair of trustees

Date: 17/07/24

THE ENERGY SAVING TRUST FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

The Trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Foundation's Articles of Association, 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 (FRS 102)" (effective 1 January 2019).

Objectives and activities

The Energy Saving Trust Foundation's objectives are "to promote and to advance the education of the public in the conservation, protection, and improvement of the physical and natural environment so as to further the protection of the world's climate systems, including reducing and making sustainable the use of energy and water and ensuring the prudent use of non-renewable resources for public benefit".

The Foundation's strategy

The Energy Saving Trust Foundation is the charitable arm of Energy Saving Trust and was established in 2014. The Foundation shares Energy Saving Trust's mission to address the climate emergency and is a component of its growth plans for the future, focusing on supporting the UK to meet the 2050 carbon targets recommended by the Committee for Climate Change.

Our vision: A sustainable future for every child and young person.

Our mission: We will help provide access, opportunities and support to children and young people experiencing inequality to enable them take direct action in addressing the climate emergency.

Our goals

- Children and young people experiencing inequality will be empowered and supported to act on the issues that matter to them that positively contribute to tackling the climate emergency.
- Children and young people experiencing inequality will have made a measurable difference in their community in relation to tackling the climate emergency.
- Organisations supporting and empowering children and young people experiencing inequality, are equipped to thrive for the future.

Our approach: Children and young people care passionately about the climate emergency and want to act. But lots don't feel empowered to, or lack the access, resources, and support to do so. We hope the support of the Foundation will help remove those barriers by:

- Providing longer term grant funding directly to local organisations who are best placed to empower and support children and young people experiencing inequality to act.
- Providing additional non-monetary support to the organisations we partner with to help them overcome the challenges they are facing as we want them to be around in the future to continue their good work.
- Committing to sharing best practice, learning and evidence to advance the progress in tackling the climate emergency.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Foundation should undertake.

THE ENERGY SAVING TRUST FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance

In January 2023 Lindsay Marsden (Head of Foundation) went on maternity leave and following a robust recruitment process we appointed Matt Little as Interim Head of Foundation for a 12-month period. Trustees would like to thank Matt for his hard work establishing our grant making activity during this 12-month period. We welcomed Lindsay Marsden back in January 2024.

Progress against our goals

Grant making

2023/24 really saw the start of our active grant making after launching the pilot funding round in the West Midlands in March 2023 where we awarded £164,500 grant funding to five organisations:

- Craftspace, based in Birmingham, believe in craftivism - the power of arts and crafting - to create social change. They have over 30 years' experience of developing innovative, socially engaged work on a range of issues. With this funding, they will engage D/deaf and LGBTQ+ young people in climate action through their 'Making the Climate Change' programme. Craftspace have experience of working with these two groups and understand the barriers to participation in social action that they can face.
- Handsworth Association of Schools works with children, young people and families in north Birmingham. This funding will support a 'Green Mentor' who will work across a network of schools with up to 800 students over the next two years. Students will learn about carbon reduction and how they can make practical changes in their schools. They will present and agree proposals with their schools and are supported by the Green Mentor to secure resources and co-operation to implement their ideas.
- Kingstanding Regeneration Trust works with young people who often have little opportunity to engage in nature and the climate emergency due to the immediacy of the personal issues they face. The Trust provides accredited entry level qualifications, work experience and one-to-one support for NEET (not in education, employment or training) young people to secure jobs. They will partner with the Birmingham & Black Country Wildlife Trust to provide practical outdoor conservation training for young people looking to jumpstart their careers in the environment sector.
- West Bromwich-based charity Multistory will work with local organisations in Sandwell to use creativity and the arts to get young people involved in climate activism. Multistory will expand their 'Green Roots' programme, which engages young people and racially minoritised communities with their local environment. The project will aim to reach young people who face barriers to engaging in, and leading work on, climate change. Activities will include practical conservation activities, such as wood carving and planting, creative sessions on storytelling and photography, and workshops on eco-activism and environmental justice.
- Birmingham & Black Country Wildlife Trust will support the four grantee organisations by providing advice, connecting to other suitable organisations and providing introductions to the expertise available within the Wildlife Trust. This funding will part fund a Youth Action for Nature Manager for 12 days of work between November 2023 and April 2024.

THE ENERGY SAVING TRUST FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Following a period of feedback and learning, in the Autumn of 2023, we then launched our UK funding round focusing on the geographical areas of Wales, Scotland, Northern Ireland, North East England and North West England. These areas were chosen for a number of reasons including looking at the level of need including ONS data which highlighted that the most deprived regions are North East, West Midlands, Wales and North West. Combined data sets from all four nations on indices of multiple deprivation also showed 84% of the top 100 most deprived local authorities (out of 382) are in the suggested target regions. We also looked at data related to the availability of funding including:

- 'Left behind' neighbourhoods with few civic assets and lower community engagement. These are often in the North, the West Midlands, or coastal areas.
- England regions with fewest charities per population – predominantly the North East and North West.
- Levels of funding provided in relation to levels of deprivation – highlighting the need in the North West.

Trustees awarded £505,059 to 13 organisations in total:

North West England

- Action for Conservation, working across Greater Manchester and Merseyside, inspires and empowers young people from diverse backgrounds to become the next generation of environmental leaders. They will be delivering a programme of workshops, inspiration days, residential camps, and ambassador programmes to over 300 young people.
- Made by Mortals CIC, based in Manchester will work with three primary schools in Tameside to co-produce interactive audio stories/podcasts that explore environmental themes such as recycling, food waste, reuse and reduction and shopping alternatively.
- More Music in Morecambe is a community music, arts and education charity. They will deliver workshops in schools and support young people to deliver a climate change festival.

North East England

- Austismable based in South Shields, Tyne and Wear, will be delivering a series of workshops designed to raise environmental awareness, promote energy efficiency and knowledge of clean energy with autistic young people in their community. Young people will have the opportunity to set up a small-scale renewable energy project within their community.
- Building Self Belief CIO based in County Durham, will deliver the 'Tow Law Eco-Youth Ambassadors' project to enable and empower young people to preserve and enhance their shared environment, culminating in a community celebration event and documentary film to educate the wider community around environmental issues.
- Three 13 Training and Enterprise Ltd, based in Tees Valley will provide vocational training in the circular economy to care experienced young people. Each year eight young people will engage in a work-based training programme to gain vocational qualifications as they establish a new circular economy loop in their neighbourhood, to improve local soil quality and reduce waste.
- Triangular CIO will deliver a two-year initiative to educate and empower young people age 16-25 from refugee backgrounds in Tyne and Wear. Focusing on climate change and displacement, they will deliver a range of workshops and support and empower the young people to undertake community outreach work.

THE ENERGY SAVING TRUST FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Scotland

- SCORE Scotland is a multi-cultural, anti-racist, Black and minority ethnic community led organisation based in Edinburgh. They will engage 160 local black and minority ethnic young people to enhance their climate literacy through workshops, inspirational visits, volunteering, and support with campaigning.
- Scottish Youth Film Foundation based in Edinburgh will be working with a small group of young people to train them as journalists at the Scottish Parliament Festival of Politics focusing on the climate emergency.

Wales

- South Riverside Community Development Centre, based in Cardiff, will work with young people and their families through a series of visits that will inspire the young people to design and develop a bilingual climate change computer game for schools.
- SWANSEA MAD will deliver a range of creative workshops to educate, inspire and support young people experiencing inequality to take action on the climate emergency.
- Windswept CIC is a non-profit water sports centre based in South Pembrokeshire. They will deliver a marine conservation programme enabling young people to learn new skills in conservation and seagrass restoration, helping kickstart careers in the outdoor and environmental sector.
- Youth Cymru is a Wales wide youth work charity. They will engage young people in sustainability workshops, youth led social action projects and digital campaigns in Newport and Wrexham.

We were unable to fund any applications in Northern Ireland, so Trustees made the decision to retain some funding and launch a specific grant funding round in Spring 2024. On 12 March 2024, we opened for applications from organisations in Northern Ireland. We are working in partnership with Ulster Wildlife who were commissioned by the Education Authority to create the Environment and Sustainability Curriculum. Through this funding round we will support organisations to deliver the Sustainable Youth Framework which educates and empowers young people to take action on the climate emergency. We expect to make funding decisions in June 2024.

Cross organisational areas of progress

During 2023/24 we also made significant progress across other areas of our work.

Our approach to equity, diversity, and inclusion

Trustees approved a Foundation statement on our approach to equity, diversity, and inclusion.

As a Foundation, we commit to being a transparent and responsive grant-maker. We want to ensure that all organisations who share our mission to support young people in addressing the climate emergency have an equal opportunity to apply for grant funding.

Our approach to equity, diversity and inclusion:

We know that equity, diversity and inclusion are vital to addressing the climate emergency.

We recognise that as a grant-maker we hold power. We commit to using this in an equitable way to further our mission.

We understand the need to listen and evolve our approach. We'll regularly review our approach based on feedback from our grant partners and the communities we aim to support, as well as the latest information and guidance.

In this statement we made a commitment to be transparent about our progress towards achieving our objectives. Please see the first review of our work which is based on less than 12 months' activity.

THE ENERGY SAVING TRUST FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Governance

Action	Progress
When recruiting trustees, we commit to reviewing and improving the diversity and representation on our board.	Since developing this statement, we have not undertaken any recruitment. We are aware that our Board lacks diversity in some key areas and this will be specifically addressed in our next recruitment round.
Trustees will be provided with training on equity, diversity, and inclusion in relation to their work on the board.	Training took place in May 2024 working with the Social Justice Collective.
We aim to ensure that the people involved in grant-making represent a diverse range of identities, perspectives and backgrounds.	We are seeking to improve the diversity of those individuals supporting our grant-making in the assessments of Northern Ireland applications.
Energy Saving Trust's diversity and inclusion lead will support and advise the board of trustees on their approach to equity, diversity and inclusion	Daisy Crowfoot has supported the Foundation to develop its own statement, source training and offers guidance and advice through their role as Trustee.

Grant making

Action	Progress
We'll provide flexibility to organisations submitting grant applications to increase access for all. We'll aim to support a range of different submission methods, utilising the same set of standard questions, such as phone calls or video applications.	With each funding round we have improved our processes and approaches. In the latest funding round for Northern Ireland, we have made this option even clearer at the beginning of all documents and actively encouraging applicants to contact us for alternative ways to apply.
We'll promote our grant funding through a wide variety of media channels, networks and partners to ensure that we're reaching as broad an audience as possible. We'll reach out to prospective applicants that are underrepresented in the sector to encourage and support them to apply.	With each funding round we have developed a bespoke approach to this. For example, in Northern Ireland we opted to work with Ulster Wildlife, who are a trusted and knowledgeable local partner. As well as our own promotional routes (media etc) we relied on utilising their networks to promote the funding opportunity.
Our grant making processes will be reviewed after each funding round, incorporating feedback from applicants and the communities we aim to support, to ensure that our processes are proportionate and fair.	We have undertaken this process after every funding round to date and a summary of our learning is captured below.
People involved in grant making decisions will be provided with relevant training on unconscious bias and diversity and inclusion.	This training for Trustees is planned for April/May 2024 so will influence the decision making for the Northern Ireland funding applications.

THE ENERGY SAVING TRUST FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Data and transparency

Action	Progress
We'll publish all of our grants online on 360Giving and in our annual reports.	All our grants are online on 360 Giving and a document is also uploaded on our website pages.
We'll collect relevant demographic information about the organisations that we support and the young people that they work with. This will help us to review if we're reaching our target partner organisations and communities.	We have collated this for the organisations we have funded to date, and will continue to do so. At Trustee meetings this information will be reviewed and discussed, with learnings influencing future decisions.

Feedback and Learning

Over the last year we have learnt a great deal and implemented a number of practical changes to the application process including:

- Introducing a two-stage process with a short expression of interest and then full application.
- Ensuring a PDF of the application questions was available for applicants to view before starting an online application.
- Making it clear that we are open to other methods of applications if a written application is not suitable.
- Reflecting on and developing our articulation of what we mean by organisations being youth led.
- Extending the application window to allow organisations to carry out sufficient youth engagement.
- Created a FAQs that are continually updated throughout the application process.
- Being clear about all timelines and decision-making points.
- Being open and honest about success rates at each stage of the application process.
- Providing support to organisations who require help during the application process.
- Revised the application questions each funding round to ensure we secured the most relevant information to help us make a funding decision.
- Updated the guidance each funding round to improve understanding of what we are looking to fund.
- Ensured all applicants invited to submit full application have access to Head of Foundation to discuss application before submitting.

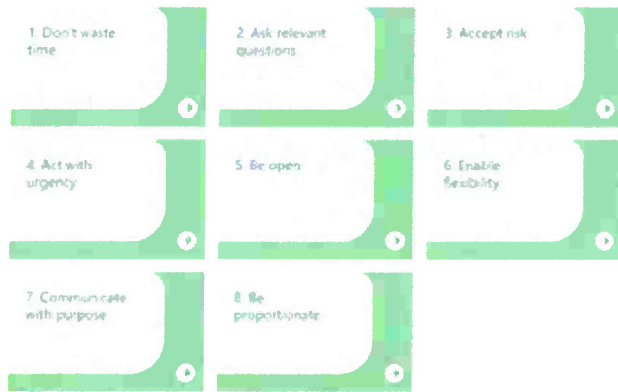
We will continue to capture feedback from applicants and grantees as we deliver our funding rounds, as well as looking to other funders delivering best practice.

THE ENERGY SAVING TRUST FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Commitment to becoming an open and trusting grant maker

When developing the strategy, we learnt on the work of [IVAR](#) to help shape our approaches and we have signed up to these eight commitments to funding charities in an open and trusting way.



Energy Saving Trust Foundation has also signed up to the following organisations/ networks:

- Member of [Association of Charitable Funders](#)
- Member of [NCVO](#)
- Member of [Environmental Funders Network](#)
- [Funder Commitment on Climate Change](#)

Training and Development

During 2023 we undertook some work with philanthropic consultants [Impatience Earth](#) to help us to continue to refine our approach and improve our climate expertise. They ran a series of six sessions that helped us to better understand where we fit into the climate funding landscape in the UK and helped further our understanding and knowledge of youth climate action. Key takeaways from these sessions included:

We heard that applying traditional grant-making approaches in the context of funding youth-led climate action could become a recipe for potential failure, both for the grantees and the grant-making organisations. For us, three key areas of work came up:

- Funders need to have a more trust-based approach to fully understand the needs of grantees. For positive impacts from funding to be sustained in the long term, engagement and dialogue with the community is essential up front.
- Funders need to help with capacity building and bringing a care-based approach to their funding. It's important to fund the support systems that help sustain the motivated and driven young people working in the climate movement.
- Funders need to have a more inclusive and accessible grant process. You need to show more flexibility when engaging with young people as grantees because they cannot and should not be expected to have the same fundraising or monitoring and evaluation experience as an adult. To truly make a difference, your definition of impact and risk needs to change.

THE ENERGY SAVING TRUST FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Following the sessions, we're considering our position on:

- If we should and how we can fund young people directly
- pooled funding models
- how young people are more explicitly involved as we develop and grow
- offering more capacity building support and starting a community of support for grantees
- offering unrestricted funding.

We also worked with Franks & Associates Ltd in May 2023 who undertook some development work with our Board of Trustees including:

- Light touch board skills and effectiveness review
- Discussion around the Foundation's new strategy and implementation plan
- A review of the Foundation's grant making processes and plans
- Supported Trustees to understand their legal and regulatory responsibilities.

Financial review

The total income received by the Energy Saving Trust Foundation during the 2023/24 financial year was £238k (2022/23 £521k).

The Energy Saving Trust Foundation's expenditure for the year was £825k (2022-23 - £136k).

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Reserves policy

In December 2022 the board of trustees approved a new reserves policy. The policy states that the Foundation will hold back £5,000 as reserves. The reasons for this decision are based on a judgement of low risk, and only needing to hold back reserves to support the wind-up costs of the Foundation, should this ever be needed. The Foundation will work within confirmed budgets and only commit grant funding based on funds available. As at 31 March 2024 the reserves amounted to £232k. The reserves policy is reviewed annually.

Risk management

The Trustees have assessed the major risks to which the Foundation is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

We have a risk register that is reviewed and updated by the Head of Foundation each quarter and is reviewed by the board of trustees every six months. Risks are proactively managed and mitigation plans put in place.

THE ENERGY SAVING TRUST FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Plans for future periods

In summer 2024 we plan to select and announce the grantees from our Northern Ireland round of funding.

As the year progresses and our grantees (from all funding rounds) continue with delivery we will be working with them to capture stories of their impact and learning from their work.

We'll also begin to make progress against our other objectives.

- **Providing additional non-monetary support to the organisations we partner with to help them overcome the challenges they are facing as we want them to be around in the future to continue their good work.**

This work is already underway with some initial conversations with grantees to better understand their needs and where we might add value. Alongside this we are working with internal teams within Energy Saving Trust to identify and unlock opportunities to deliver on this commitment.

- **Committing to sharing best practice, learning and evidence to advance the progress in tackling the climate emergency.**

As we capture impact and learning we will begin to openly share this. We are already members of some environmental and climate change networks and will continue to build our connections across the sector to identify opportunities to deliver on this commitment.

Structure, governance and management

Constitution

The Energy Saving Trust Foundation is registered as a Charitable Company limited by guarantee and was set up by a Memorandum and Articles of Association.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

M A Cobbold
G Collinson
D Crowfoot
J E Metcalfe
C L Nelkon
J H Olivier

Methods of appointment or election of trustees

The management of the Charity is the responsibility of the trustees who are elected and co-opted under the terms of the Memorandum and Articles of Association.

The Foundation has policies to recruit trustees who have an appropriate level of skill and experience to enable them to fulfil the role and provide appropriate trustee training as required.

THE ENERGY SAVING TRUST FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Trustee board and organisational structure

According to the Foundation's Articles of Association, trustees also hold the office of director. The Trustee Board must be made up of a minimum of three non-executive trustees.

One third (or the number nearest one third) of the Trustees must retire after their first term (of three years). Returning Trustees are eligible for reappointment save that no Trustees shall serve for more than three consecutive terms each term comprising three years (nine years in total).

The Board of Trustees is responsible for the strategic direction, policy and overall governance of the charity. The implementation of strategy and the day to day running and management of the charity's activities is delegated to the Head of Foundation. The Board of Trustees meets four times a year, with two of those meetings in person.

For their induction, trustees are provided with the Foundation's agreed strategy and implementation plan and any other necessary documents. New trustees meet with the Head of Foundation to discuss the Foundation's plans for the coming period, and the Head of Foundation aims to catch up 1-2-1 with each Trustees at several points throughout the year.

Trustees are made aware of changes to Charity Commission guidance and updates as well as developments in the sector and applied practice.

Training is provided specifically on being a trustee for a corporate foundation. Trustees are surveyed about their experience and skills to inform further training and development.

Energy Saving Trust Group provide support for the Foundation through use of office space, IT equipment and associated administrative, financial, IT and HR staff as required.

Statement of Trustees' responsibilities

The Trustees, who are also the directors of The Energy Saving Trust Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation 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 Foundation 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 charity and financial information included on the Foundation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

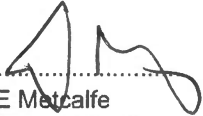
THE ENERGY SAVING TRUST FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.



J E Metcalfe
Chair of Trustees

Date: 17/07/24

THE ENERGY SAVING TRUST FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE ENERGY SAVING TRUST FOUNDATION

Opinion

We have audited the financial statements of The Energy Saving Trust Foundation (the 'Foundation') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 2024 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.

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 Foundation 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

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

THE ENERGY SAVING TRUST FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE ENERGY SAVING TRUST FOUNDATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Foundation 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 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Foundation for the purpose of company law, are responsible for the preparation of the 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 Foundation'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE ENERGY SAVING TRUST FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE ENERGY SAVING TRUST FOUNDATION

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Debra Saunders Bsc FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

25 July 2024

Chartered Accountants
Statutory Auditor

Ashcombe Court
Woolsack Way
Godalming
Surrey
United Kingdom
GU7 1LQ

THE ENERGY SAVING TRUST FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted funds 2024 £000's	Unrestricted funds 2023 £000's
	Notes		
<u>Income from:</u>			
Donations and legacies	2	230	521
Investments	3	8	-
Total income		<u>238</u>	<u>521</u>
<u>Expenditure on:</u>			
Charitable activities	4	798	130
Other	8	27	6
Total expenditure		<u>825</u>	<u>136</u>
Net (expenditure)/income for the year/ Net movement in funds		(587)	385
Fund balances at 1 April 2023		<u>819</u>	<u>434</u>
Fund balances at 31 March 2024		<u><u>232</u></u>	<u><u>819</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE ENERGY SAVING TRUST FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £000's	£000's	2023 £000's	£000's
Current assets					
Debtors	10	301		350	
Cash at bank and in hand		314		655	
		<u>615</u>		<u>1,005</u>	
Creditors: amounts falling due within one year	11	<u>(304)</u>		<u>(186)</u>	
Net current assets			311		819
Creditors: amounts falling due after more than one year	12		(79)		-
Net assets			<u>232</u>		<u>819</u>
Income funds					
Unrestricted funds			232		819
			<u>232</u>		<u>819</u>

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 17/07/24


.....
J E Metcalfe
Trustee

Company registration number 07703610

THE ENERGY SAVING TRUST FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £000's	£000's	2023 £000's	£000's
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	14		(349)		495
Investing activities					
Investment income received		8		-	
Net cash generated from/(used in) investing activities			8		-
Net (decrease)/increase in cash and cash equivalents			(341)		495
Cash and cash equivalents at beginning of year			655		160
Cash and cash equivalents at end of year			314		655

THE ENERGY SAVING TRUST FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

The Energy Saving Trust Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 223-231 Pentonville Road, London, N1 9NG, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Energy Saving Trust Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £000's.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The Foundation has more than adequate cash reserves relative to its budgeted expenditure and can meet its obligations as they fall due, hence the trustees believe that the organisation can continue to operate as a going concern for at least twelve months from the date these financial statements are approved.

1.3 Charitable funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

1.4 Income

All 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.

Cash donations are recognised on receipt. Other donations are recognised once the Foundation has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Foundation has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably.

Donated services and facilities are included in income at the estimated value of the gift to the charity when received, based on the amount that the charity would have been prepared to pay for these services or facilities had it been required to purchase them, with a corresponding entry in the appropriate expenditure heading for the same amount.

Donated fixed assets are similarly taken to income at the value to the charity with the other entry being capitalised in fixed assets.

THE ENERGY SAVING TRUST FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The Charity holds only basic financial instruments. Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs) and re-measured at amortised cost.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Foundation's contractual obligations expire or are discharged or cancelled.

1.8 Taxation

The Charity is exempt from corporation tax on its charitable activities.

1.9 Retirement benefits

The Charity is part of the Energy Saving Trust Group which operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

THE ENERGY SAVING TRUST FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

2 Donations and legacies

	Unrestricted funds 2024 £000's	Unrestricted funds 2023 £000's
Donations and gifts	230	521

3 Investments

	Unrestricted funds 2024 £000's	Unrestricted funds 2023 £000's
Interest receivable	8	-

4 Charitable activities

	2024 £000's	2023 £000's
Staff costs	112	78
Other staff costs	1	1
Non-recoverable VAT	4	26
Travel and subsistence	3	-
IT and website costs	8	25
	<u>128</u>	<u>130</u>
Grant funding of activities (see note 5)	670	-
	<u>798</u>	<u>130</u>

THE ENERGY SAVING TRUST FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

5 Grants payable

	2024 £000's	2023 £000's
Grants to institutions (18 grants):		
Action for Conservation	40	-
Autismable	37	-
Birmingham & Black Country Wildlife Trust	6	-
Building Self Belief CIO	39	-
Craftspace	40	-
Handsworth Association of Schools	40	-
Kingstanding Regeneration Trust	39	-
Made by Mortals CIC	40	-
More Music	40	-
Multistory	40	-
SCORE Scotland	40	-
Scottish Youth Film Foundation	40	-
South Riverside Community Development Centre	40	-
Swansea MAD	40	-
Three13 Training and Enterprise Ltd	31	-
Triangular CIO	40	-
Windswept CIC	38	-
Youth Cymru	40	-
	<u>670</u>	<u>-</u>
	<u><u>670</u></u>	<u><u>-</u></u>

Details of the activities of the above institutions are included in the trustees' report.

Commitments

The grants payable above include amounts paid in the year and those committed to be paid in future periods.

6 Employees

Employment costs	2024 £000's	2023 £000's
Wages and salaries	92	63
Social security costs	10	8
Other pension costs	10	7
	<u>112</u>	<u>78</u>
	<u><u>112</u></u>	<u><u>78</u></u>

The Charity does not employ any staff. Staff costs relate to recharged employment costs from The Energy Saving Trust Limited, a fellow group company, for work completed on behalf of the Charity. All salary costs relate to key management personnel. Staff costs are provided as a donation in kind to the Charity.

THE ENERGY SAVING TRUST FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

6 Employees

(Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£60,001 - £70,000	1	-

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Foundation during the current or previous year.

8 Other

	2024 £000's	2023 £000's
Professional fees	27	6
	27	6

9 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

10 Debtors

	2024 £000's	2023 £000's
Amounts falling due within one year:		
Trade debtors	1	-
Amounts owed by fellow group undertakings	300	350
	301	350

THE ENERGY SAVING TRUST FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

11 Creditors: amounts falling due within one year

	2024 £000's	2023 £000's
Other taxation and social security	-	21
Amounts owed to fellow group undertakings	3	158
Other creditors	294	-
Accruals and deferred income	7	7
	<u>304</u>	<u>186</u>

Other creditors relate to grants payable commitments falling due within 12 months of the balance sheet date.

12 Creditors: amounts falling due after more than one year

	2024 £000's	2023 £000's
Other creditors	<u>79</u>	<u>-</u>

Other creditors relate to grants payable commitments falling due after 12 months from the balance sheet date.

13 Controlling party

The immediate parent undertaking and ultimate controlling party is EST (Holdings) Limited (registered number: 09246829), a company registered in England and Wales. EST (Holdings) Limited is a Member Organisation of the Charity and has the power to appoint or remove a representative who will vote at meetings of the Charity. The principal activity of EST (Holdings) Limited continued to be that of reduction of carbon emissions.

The largest and smallest group of undertakings in which the results of the Charity are consolidated is that headed by EST (Holdings) Limited. Copies of the group accounts are available from 223-231 Pentonville Road, London, N1 9NG.

14 Cash generated from operations

	2024 £000's	2023 £000's
(Deficit)/surplus for the year	(587)	385
Adjustments for:		
Investment income recognised in statement of financial activities	(8)	-
Movements in working capital:		
Decrease in debtors	49	-
Increase in creditors	197	110
Cash (absorbed by)/generated from operations	<u>(349)</u>	<u>495</u>

15 Analysis of changes in net funds

The Foundation had no debt during the year.