

Company registration number: 3897720

Charity registration number: 1078994

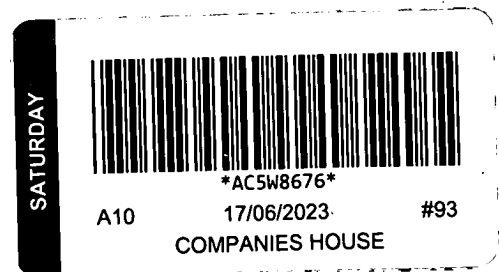
# Sustainability First

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2022

Community Accounting Plus  
Units 1 & 2 North West  
41 Talbot Street  
Nottingham  
NG1 5GL



## **Sustainability First**

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## **Sustainability First**

### **Reference and Administrative Details**

<b>Patrons</b>	Edward Cante Lord Larry Whitty Baroness Anne McIntosh Lord Robin Teverson
<b>Trustees</b>	Philip Barton, Chair Professor Gordon Mackerron, Vice Chair Xiao Yu, Treasurer Sarah Deasley David Sigsworth Derek Lickorish Joe Perkins
<b>Secretary</b>	Claire Williams
<b>Senior Management Team</b>	David Murray, Executive Director Zoe McLeod, Policy Director
<b>Charity Registration Number</b>	1078994
<b>Company Registration Number</b>	3897720
<b>Registered Office</b>	85 Great Portland Street First Floor London W1W 7LT
<b>Independent Examiner</b>	John O'Brien, employee of Community Accounting Plus Units 1 & 2 North West 41 Talbot Street Nottingham NG1 5GL

## **Sustainability First**

### **Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2022.

#### **Trustees and officers**

The trustees and officers serving during the year and since the year end were as follows:

Trustees:	Philip Barton, Chair
	Professor Gordon Mackerron, Vice Chair
	Xiao Yu, Treasurer
	Sarah Deasley
	David Sigsworth
	Derek Lickorish
	Joe Perkins
	Frederic Osborn, retired 16/06/2022
	Tracey Cotterill, resigned 23/03/2022

Secretary: Claire Williams

#### **Structure, governance and management**

##### ***Nature of governing document***

The charity is a company limited by guarantee and registered charity. It is operated under the rules of its memorandum and articles of association dated 21st December 1999 and recently amended 30th June 2016. It has no share capital and the liability of each member in the event of winding-up is limited to £1.

##### ***Recruitment and appointment of trustees***

Overall 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. New trustees are sought by recommendation or through advertisement and interviewed, selected candidates are appointed with the agreement of the Board. Day to day project activity is managed and carried out by employees, paid associates and unpaid trustees.

#### **Objectives and activities**

##### ***Objects and aims***

The principal objects of the charity are:

- To advance the knowledge and understanding of the environmental, economic and social dimensions of sustainability;
- To undertake and procure research and study, publishing any useful results;
- To promote ideas, actions and changes to further the integration of the quality of life with environmental protection. This includes the combating of climate change and global warming, at a community, regional, national and international level.

# Sustainability First

## Trustees' Report

### **Public benefit**

The main activities undertaken to benefit the public are to procure research on sustainability, promote wider education on sustainability and public interest issues, particularly in water and energy, and publish useful results.

These activities benefit the public by advancing the knowledge and understanding of the environmental, economic and social dimensions of sustainability. This is achieved by engaging in research and analysis, publishing the results freely and using research for discussion for key players in the fields of sustainable energy and water. The beneficiaries are the users and future users of energy and water supplies in the UK and the environment in which they live.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

### **Achievements and performance**

The breakout of war in the Ukraine brought energy security starkly into focus at the start of 2022. Coupled with a wider energy and cost-of-living crisis this created a perfect storm for energy consumers in the UK. At the same time, in this decisive decade for the climate, there remains an urgent need to turn net zero commitments into action, and so arguably Sustainability First's expertise and independent voice for people and planet has never been more important.

This year saw the arrival of our new Executive Director, David Murray (April), and the creation of a new post of Policy Director; Zoe McLeod, a former Associate at Sustainability First was appointed to this role (April). We also welcomed Sophie Grinnell to the Policy Researcher post (November).

Throughout 2022, Sustainability First (SF) continued to build on its two plus decades of research expertise to develop practical solutions to better deliver social, environmental and economic wellbeing in UK utilities such as energy, water and communications. Our work was focused on delivering three external aims: shaping agendas in essential services for a sustainable future; connecting, engaging and inspiring people on sustainability; and embedding sustainability in practice.

This annual report starts with some highlights in numbers of our impact in the last year before looking at each of our aims in more detail, both in terms of what we have achieved in 2022 and what we plan for the future.

### **Sustainability First in numbers - highlights of our impact in 2022**

<b>13 Consultation responses driving substantive change</b>	Sustainability First is often one of the only independent voices / NGOs that responds to technical consultations and calls for evidence from government and regulators. Our responses are 'open source' and widely disseminated. They provide detailed proposals on how to make sustainability mainstream.
<b>8 Expert viewpoints and briefings shared</b>	These cutting-edge outputs provide thought leadership and technical insights in key areas for sustainability in utilities such as the energy crisis and nexus where energy and water meet. Where appropriate we commission these from external thought leaders.
<b>80% of sponsoring companies reported greater innovation</b>	80% of companies who responded to our annual impact survey reported that our work with them had a significant impact on the development of new ideas and innovation in their company. And overall, Our stakeholders have a very positive view of Sustainability First, with the majority of respondents reporting their working relationship with us as 'very good' (71%) or 'fairly good' (21%).

## **Sustainability First**

### **Trustees' Report**

<b>North Sea art residencies</b>	Our North Sea artist residencies saw 134 applications, with work of a generally very high calibre. Our Instagram account, which is a main portal for our art/creative content output has risen from less than 1,000 followers before the residency to around 1200 now. Unable to choose between applicants, National Grid agreed to sponsor three artists not two as had originally been planned.
<b>Growth in social media followers</b>	The significant increase in our reach from a very low base has led us to have an active presence on YouTube, Twitter, Instagram and LinkedIn. This has been organic growth – we have not paid for advertising, so while our numbers are relatively low compared with competitors, we are being read and watched by key industry and regulatory players.
<b>23 sponsors</b>	Our work is sponsored by most of the main UK utility companies, along with key stakeholders such as Ofgem and the Energy Systems Catapult. We would like to thank them for all their support; without them this work would not be possible.
<b>3.4 staff and 5 associates</b>	Our small staff team and network of senior associates with deep expertise in essential services punch well above their weight.

**Below are some highlights of the impacts delivered by staff and Associates at Sustainability First over 2022.**

#### **Shaping agendas in essential services for a sustainable future**

In the last year, Sustainability First has made a significant impact in ensuring that the agenda in the energy, water and communications sectors is focused on delivering environmental, social and economic wellbeing, for both today and tomorrow.

We participated in a number of working groups and made formal and informal representations to influence the shape of the next water price control (PR24) at senior and operational levels. We had a direct influence over Ofwat's approach to long-term strategies via consultancy support to Ofwat. And via advocacy and collaboration we shifted Ofwat to move away from consideration of just customers to citizens and communities (building on our Fair for the Future work); we helped the regulator to put greater focus on measuring social value, alongside cost efficiency and environmental value and we highlighted the importance of fair recovery of costs through different generations of customers. Learning from Project Inspire prompted interest in tariff innovation to support affordability. We also promoted a greater focus on biodiversity, and pollution in the final methodology; and pressed for new rules around financial resilience and senior leaders rewarded proportionate to service deliver. We encouraged Ofwat to set clear early expectations of how companies should support customers in vulnerable situations and improve monitoring of performance and compliance with rules.

Ofwat invited Sustainability First to participate in discussions on a potential new customer facing Licence Condition, because of our repeated calls for more accessible and inclusive products and services. This may require firms to treat customers fairly, which we will advocate should include a requirement to meet customers' different needs.

## **Sustainability First**

### **Trustees' Report**

In Energy, we played an important role in shaping the Electricity Distribution Network Operators (ED2) Business Plans programme of work at Ofgem, in particular looking at losses in the energy system. We had a letter published in the Financial Times and the Sunday Times (Sept 2022), written by Maxine Frerk, about the monetary cost of losses to consumers. We hosted a roundtable to raise the profile of losses (including Ofgem representation at director level and Alan Whitehead MP), and we held meetings held with both the Ofgem engineering team and the price control lead to help shape the ED2 agenda.

The Department for Business, Energy and Industrial Strategy (BEIS) response of 6th April 2022 reflected many of the issues raised by SF including the net-zero duty of the Future Systems Operator (FSO); a recommendation that the FSO should be a public body and have power to ask for data from licenced energy companies. SF's recommendation on access to smart meter data was adopted by BEIS and Ofgem and we continue to advise on this issue through the Public Interest Advisory Group (PIAG).

#### **Connecting, engaging and inspiring people on sustainability**

We instigated a North Sea artists' residency, supported by National Grid. Resident artists explored the changing role for coastal communities and opportunities provided by renewable energy in the North Sea - building on the heritage of these communities, engaging them in the art-making process and helping share their visions for a sustainable future.

We had a terrific response to the open call from artists along the East Coast, with 134 applications; from the Orkney Islands to Margate, in every discipline. From sea shanties and poetry; to community initiatives and oral histories; to walking, drawing and sculpting with natural materials. Covering coastal wildlife, sustainable energy, fishing, and industrial & maritime heritage. We shared some of the wider entries in a series of Instagram takeovers to showcase the breadth of talent put forward to support our work on this project. We were so impressed by the calibre of the applicants that we decided with National Grid to select three artists for the residencies, not two as originally planned. The three artists are: Joanne Coates, Isabella Martin and Alison Cooke. We plan to host a virtual gallery in the spring of 2023 to celebrate and conclude this work.

We featured in The Water Report (Sept) with a two-page article on the aquatic environment and the Supplementary Policy Statement (SPS), written with Martin Hurst, Zoe McLeod and Clare Davidson. The same publication also included a well received briefing on challenges facing the new Ofwat chair, written by Martin Hurst.

#### **Embedding sustainability in practice**

Ofwat published its Paying Fair Guidelines - guidelines for water companies in supporting residential customers pay their bill, access help and repay debts. This reflects our ongoing calls over the last few years for water companies to be required to treat customers in debt fairly and to ensure that company practices enable bills that are affordable. It was a recommendation in the 'Covid-19, what next' report. We were particularly pleased to see guidance to improve billing frequency and payment options including the retention of cash payment options; and inclusive design of financial services. Consideration to be given to customers' ability to pay when setting debt repayment levels. These were all recommendations in our Covid-19 report. The next stage will be to push for effective monitoring of these guidelines (as is the case in energy firms) and making them mandatory.

Zoe McLeod participated in UKPN's CEO panel discussion on vulnerability - we were pleased that our suggestions were being taken forward, including that the company is developing a package of support for its own staff; the need to consider small businesses who may be struggling to reduce bills and become more energy efficient; the importance of cross-sectoral resilience and cross-utility solutions that are affordable. We will monitor the company's activity going forwards.

## **Sustainability First**

### **Trustees' Report**

Zoe McLeod became a facilitator supporting the Energy Innovation Centre's working group of transmission network companies on vulnerability. This will enable companies to work better together and think more strategically about how they help customers and communities. The outputs will be a series of collaborations on key topics.

As of December 2022, SF launched a new annual corporate membership to improve stability of income, and income growth, as well as to maintain high level relationships in water, energy and telecoms businesses.

#### **Building our capacity**

##### **Associate and staff changes**

At the end of April, after five years leading the organisation, Sustainability First's Director Sharon Darcy stepped down. We are very grateful to Sharon for her fantastic leadership and for building the organisation up over this time. She left on a high, having successfully grown the charity and most recently delivered the ground-breaking "Fair for the Future" project and in partnership with National Grid launched the innovative "Together for a Fair Climate Future" Programme, which has reached out to younger, creative, educational and more diverse NGO communities, and whose work was represented at COP26 in Glasgow. Sharon has continued to work with us as a senior fellow supporting an effective transition to the new senior management team.

We were delighted to welcome David Murray as Executive Director, starting 25 April 2022. David brings a wealth of experience from the third sector and wider sustainability issues.

We were also extremely pleased that our long-time Associate Zoe McLeod joined our small staff team as our first ever Policy Director. Zoe's expertise and deep sectoral insights help to ensure Sustainability First is able to maintain momentum for change at this crucial time for people and planet. David and Zoe, working closely with our fantastic staff and associate teams, are together providing the leadership and vision to take Sustainability First to a new level.

In the Autumn we were sad to say goodbye to Alice Cross our Research Officer. We thank her for her contribution to Sustainability First and for all her hard work. We were very pleased to welcome Sophie Grinnell to our small staff team as Research Officer.

##### **Trustee changes**

Derek Osborn retired from the Trustee Board at the end of June 2022. We thank him for his many years of service and support to Sustainability First.

Tracey Cotterill resigned as a trustee in March 2022. We thank her for her insightful contribution to the charity.

After a successful recruitment process we are pleased to announce that we will be appointing six new trustees in 2023. Details will be available in the accounts for 2023 and on our web site.



# **Sustainability First**

## **Trustees' Report**

### **Plans for 2023**

Over the course of 2023, we aim to:

1. Proactively contribute innovative ideas to the energy and cost of living crisis (and share them with other charities, government and businesses).
2. Grow and nurture our new Corporate Members Network, to ensure we build and maintain our influence with senior leaders working in the water and energy sectors.
3. Deliver a successful Sustainability Futures Forum for Ofgem, ensuring young people have a voice in shaping the future of the energy market.
4. Help National Grid to positively engage with the general public to explore what a fair transition to a low-carbon energy system should look like.
5. Create new opportunities for unheard voices to become an integral part of sustainability discussion and thinking.
6. Seek opportunities to diversify and grow income sources to better enable a long-term sustainable financial footing for the charity.
7. Create new opportunities for creative people to help set the sustainability agenda through art and other creative mediums and disseminate our work with National Grid on the North Sea residencies.
8. Increase our media coverage in both the mainstream and specialist press and pro actively seek coverage of our work.
9. Collaborate with other charities and civil society organisations to spread our messages further.

### **Financial review**

Sustainability First reports a net movement in funds for the year ended 31 December 2022 of £254 inflow (2021: £96,790 outflow). The income for the year of £356,897 (2021: £258,503) was mainly generated from a series of projects involving research and analysis as described above. We were also pleased to receive a significant donation via CAF which has allowed us to pursue work as described above. Some of the projects were completed during the year, others were on-going at the end of the year. The total expenditure on charitable activities during the year was £356,643 (2021: £355,293). The reserves carried forward at the end of the period were £305,862 (2021: £305,608). As indicated last year several projects funds which had been received in 2021 were designated for the completion of projects. The trustees also designated funds for the strategic development of Sustainability First. In completing projects and developing the organisation it was necessary to utilise the designated reserves and in the year Sustainability First therefore showed a reduction in the designated funds. The trustees recognise and anticipate that there will be some further expenditure out of the reserves to complete the projects that were on-going at the end of the year. The trustees have also decided, given the successful appointment of the new Executive Director and the Policy Director that funds for strategic development were not needed for the year ahead. In recognition of these decisions the trustees have decided to designate £17,000 (2021: £160,500) of General funds to cover delayed project activities (workshops, conferences, travel and sub-contractors) which will be delivered in 2023. Details will be provided in the Financial Statements to 31 December 2023 in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations at that date. Reserves will also be used to develop new income streams to allow for an increase in the range of activities undertaken by Sustainability First including dissemination, research and communications.

## **Sustainability First**

### **Trustees' Report**

#### ***Policy on reserves***

The trustees of Sustainability First keep the financial reserves for the charity under regular review. The desired level of reserves is discussed by trustees at least annually. Our current aim is to retain sufficient reserves to meet core overhead costs for one year ahead. In line with Charity Commission guidance, Sustainability First will always maintain sufficient reserves to cover core costs for a minimum of six months. The level of Sustainability First reserves is noted each quarter via the finance report to trustees.

At the end of 2022 the level of reserves was £305,862, however as mentioned above £17,000 was designated from the General fund to cover costs to complete projects that were on-going at the end of the year. This effectively left General reserves, not designated, of £288,862 which represented 13.0 months' worth of core operating and development costs, other than those covered by designated funds. Whilst this level is slightly higher than the target, the trustees have examined the projected reserves level in years to come and anticipate that the level will reduce as current income sources come to an end and projects are completed and will therefore allow time for the development of new projects and income sources.

#### ***Principal risks and uncertainties***

##### ***Main risks***

The trustees have reviewed the risks to the charity during the year and have identified the main risks as relating to: key staff and associates (identifying, keeping and dealing with resignation or sudden loss); future projects and project funding; and quality assurance (especially on short-term / one-off pieces of work). Of moderate risk the trustees included the on-going transition to the new director and possible breaches of sponsor confidentiality / IP and breaches of GDPR, IT and data security. Other risks considered to be more minor, such as political risks, were also discussed.

The trustees consider that suitable actions are being taken and controls have been put in place to control and mitigate these risks. These include: maintaining involvement of a range of Associates and having more core staff available; maintaining close dialogue with staff and Associates and developing new personnel and Associates where relevant; ensuring quality control of reports and publications by review processes; holding regular team discussions and sharing project outputs and increasing the methods of communicating with our audiences, sponsors and the public; continuing to develop new ideas to broaden the reach of our work eg via the corporate membership scheme, ensuring sponsors remain satisfied with work produced by discussion with them; seeking new sponsors; allocating resources to allow for the strategic development of Sustainability First including its sources of funding and communication strategy; ensuring comprehensive transition support which helped the new director establish himself and appointing a new policy director, ensuring all staff and associates are aware of the need for confidentiality relating to IP and GDPR; keeping an up to date register of interests for trustees, staff and associates; ensuring suitable insurance policies are in place; maintaining IT capability to store data safely.

In addition to the review of risks which took place during the year, the trustees considered the various Sustainability First policies and procedures and updated these and added to them to reflect the nature of work undertaken. The trustees reviewed the plans for the organisation and regularly considered how these plans needed to be adapted to deal with the development of the charity and considered what action should be taken as the situation evolved.

## **Sustainability First**

### **Trustees' Report**

#### **Implications of COVID 19**

The trustees continued to consider the implications of COVID 19 on the charity and the actions taken to deal with the situation during the year and continue to do so. Some of the implications and arrangements are detailed below.

Staff - at every stage the health and safety of staff has been a priority. Arrangements were made for staff to work from home. Guidance on home working had been issued and regular keep-in-touch arrangements, using virtual meetings in addition to electronic communication, were continued. Due to the nature of the charity's work and the plans implemented, no staff contracts were affected and no staff needed to be furloughed due to the pandemic.

Meetings - from the start of the first lock down in March 2020 arrangements were made to hold meetings virtually to avoid unnecessary travel by staff, trustees and other stakeholders. The main changes included on-line weekly meetings for staff and associates, conferences and discussion sessions held virtually and, in line with the provisions of the articles of association, holding trustees' meetings and the AGM virtually.

Impact on the charity's development during the year and its position at the reporting date - the charity was able to continue to fulfil its various projects successfully. Planned conferences were switched to an on-line format. Some new projects were developed and started. Plans were adapted to the Covid situation.

Use of reserves and viability - as mentioned in the accounts, the charity had reserves at the end of 2022 and plans to use part of these to complete existing projects. The trustees have considered that reserves will be sufficient to cover these costs and cover predicted expenditure in 2023 and part of 2024. The trustees have considered the availability of reserves and the on-going plans for the future and are confident that the charity remains viable.

Impact on wider stakeholders - the delivery of projects and our contact with our wider stakeholders have been considered and adapted to the circumstances and restrictions of the pandemic. Use has been made of virtual events and our communications strategy implemented to ensure continued and wider communication with our various stakeholders. When possible some meetings and an exhibition were held in person rather than virtually, recommended COVID 19 precautions were followed.

IT systems and office arrangements - software and IT systems and data security have been kept under review and upgraded as thought necessary. Our website continues to be developed and social media programme increased. We decided to temporarily cease the use of office premises in 2020 for staff and meetings and made alternative arrangements. Some ad hoc use of office space for staff meetings was introduced in 2021 during periods when the advice was that it was safe to do so. More regular meetings in person were re-introduced in 2022 as COVID 19 risks were reduced.

On-going review - the director of Sustainability First and the trustees meet quarterly and discussed all aspects of the charity and have kept arrangements to deal with the impact of the COVID 19 pandemic under review.

## **Sustainability First**

### **Trustees' Report**

#### **Statement of Trustees' Responsibilities**

The trustees (who are also the directors of Sustainability First for the purposes 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

#### **Small companies provision statement**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 22/03/2023 and signed on its behalf by:

Philip Barton  
Trustee

## **Sustainability First**

### **Independent Examiner's Report to the trustees of Sustainability First ('the Company')**

#### **Independent examiner's report to the trustees of Sustainability First ('the Company')**

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2022.

#### **Responsibilities and basis of report**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

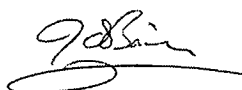
#### **Independent examiner's statement**

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member and Fellow of the Association of Charity Independent Examiners, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



John O'Brien MSc, FAIA, FCCA, FCIE, employee of Community Accounting Plus  
Fellow of the Association of Charity Independent Examiners

Units 1 & 2 North West  
41 Talbot Street  
Nottingham  
NG1 5GL

Date: 08.06.2023

## Sustainability First

### Statement of Financial Activities for the Year Ended 31 December 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2022 £	Total 2021 £
<b>Income and Endowments from:</b>				
Donations and legacies	2	65,800	65,800	3,190
Charitable activities	3	290,096	290,096	254,909
Investment income	5	1,001	1,001	404
Total income		<u>356,897</u>	<u>356,897</u>	<u>258,503</u>
<b>Expenditure on:</b>				
Charitable activities	6	<u>(356,643)</u>	<u>(356,643)</u>	<u>(355,293)</u>
Total expenditure		<u>(356,643)</u>	<u>(356,643)</u>	<u>(355,293)</u>
Net income/(expenditure)		<u>254</u>	<u>254</u>	<u>(96,790)</u>
Net movement in funds		254	254	(96,790)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>305,608</u>	<u>305,608</u>	<u>402,398</u>
Total funds carried forward	13	<u><u>305,862</u></u>	<u><u>305,862</u></u>	<u><u>305,608</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for the period is shown in note 13.

The notes on pages 15 to 23 form an integral part of these financial statements.

## Sustainability First

### Statement of Financial Activities for the Year Ended 31 December 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

These are the figures for the previous accounting period and are included for comparative purposes

	Note	Unrestricted funds £	Total 2021 £
<b>Income and Endowments from:</b>			
Donations and legacies	2	3,190	3,190
Charitable activities	3	254,909	254,909
Investment income	5	404	404
Total income		<u>258,503</u>	<u>258,503</u>
<b>Expenditure on:</b>			
Charitable activities	6	<u>(355,293)</u>	<u>(355,293)</u>
Total expenditure		<u>(355,293)</u>	<u>(355,293)</u>
Net expenditure		<u>(96,790)</u>	<u>(96,790)</u>
Net movement in funds		(96,790)	(96,790)
<b>Reconciliation of funds</b>			
Total funds brought forward		<u>402,398</u>	<u>402,398</u>
Total funds carried forward	13	<u><u>305,608</u></u>	<u><u>305,608</u></u>

The notes on pages 15 to 23 form an integral part of these financial statements.

## Sustainability First

(Registration number: 3897720)  
Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
<b>Current assets:</b>			
Debtors	8	102,656	40,044
Cash at bank and in hand		<u>310,193</u>	<u>453,839</u>
		412,849	493,883
<b>Creditors: Amounts falling due within one year</b>	9	<u>(106,987)</u>	<u>(188,275)</u>
<b>Net assets</b>		<u>305,862</u>	<u>305,608</u>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>305,862</u>	<u>305,608</u>
<b>Total funds</b>	13	<u>305,862</u>	<u>305,608</u>

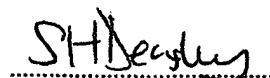
For the financial year ending 31 December 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

### Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 12 to 23 were approved by the trustees, and authorised for issue on 22/03/2023 and signed on their behalf by:



Sarah Deasley  
Trustee

The notes on pages 15 to 23 form an integral part of these financial statements.



## **Sustainability First**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **1 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

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

##### **Basis of preparation**

Sustainability First 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 notes.

##### **Going concern**

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

##### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### **Income and endowments**

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

##### **Donations and legacies**

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 by the charity 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 these conditions will be fulfilled in the reporting period.

## **Sustainability First**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### ***Deferred income***

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

#### ***Expenditure***

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### ***Taxation***

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### ***Depreciation and amortisation***

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
IT equipment	33.3% straight line

#### ***Trade debtors***

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### ***Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## Sustainability First

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### Fund structure

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

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

#### Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. Pension costs charges in the Statement of Financial Activities represent the contributions payable by the charity during the year.

#### 2 Income from donations and legacies

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Donations and legacies;			
Donations from individuals	65,800	65,800	3,190
	<u>65,800</u>	<u>65,800</u>	<u>3,190</u>

#### 3 Income from charitable activities

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Membership & sponsorship fees	290,096	290,096	254,909
	<u>290,096</u>	<u>290,096</u>	<u>254,909</u>

## Sustainability First

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 4 Grants & donations

	Unrestricted funds £	Total £
Nesta Enterprise Ltd	2,500	2,500
Donations via CAF	62,500	62,500
Sundry donations via CAF	800	800
	<u>65,800</u>	<u>65,800</u>

#### 5 Investment income

	Unrestricted funds General £	Total 2022 £	Total 2021 £
Interest receivable and similar income;			
Interest receivable on bank deposits	<u>1,001</u>	<u>1,001</u>	<u>404</u>

## Sustainability First

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 6 Expenditure on charitable activities

	Unrestricted General funds £	Total 2022 £	Total 2021 £
Communications	-	-	5,345
Company secretarial and bookkeeping service	12,000	12,000	17,100
Competition & exhibition costs	2,030	2,030	9,692
Consultancy fees	102,236	102,236	121,934
Depreciation	-	-	216
Donations made	-	-	1,000
Educational outreach	-	-	1,000
Insurance	5,023	5,023	4,447
Irrecoverable VAT	1,018	1,018	-
IT consultancy & software	6,682	6,682	12,360
Legal & professional	683	683	663
Meals & catering	613	613	-
Office accommodation	3,571	3,571	642
Payroll fees	599	599	488
Prizes	-	-	4,900
Printing & photocopying	307	307	892
Recruitment expenses	2,076	2,076	5,606
Subscriptions	4,762	4,762	3,263
Sundry expenditure	755	755	492
Travel, meetings & conference costs	790	790	16,133
Trustee travel & subsistence	290	290	-
Wages, NI & pension	213,208	213,208	149,120
	<u>356,643</u>	<u>356,643</u>	<u>355,293</u>

The figures in note 6 represent expenditure made and committed in the year. The trustees have identified £17,000 of expenditure relevant to projects which represent expected costs of delivery of certain projects in future periods which Sustainability First has indicated to sponsors will be incurred in the forthcoming periods. The trustees have chosen to designate these funds accordingly see notes 12 and 13.

## Sustainability First

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 7 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
<b>Staff costs during the year were:</b>		
Wages and salaries	186,689	136,209
Social security costs	15,963	10,749
Pension costs	10,556	2,162
	<u>213,208</u>	<u>149,120</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2022 No	2021 No
Average number of employees	<u>5</u>	<u>4</u>

3 (2021 - 3) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £10,556 (2021 - £2,162).

The number of employees whose emoluments fell within the following bands was:

	2022 No	2021 No
£60,001 - £70,000	1	-
£100,001 - £110,000	<u>-</u>	<u>1</u>

The total employee benefits of the key management personnel of the charity were £164,155 (2021 - £105,935).

## Sustainability First

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 8 Debtors

	2022 £	2021 £
Trade debtors	91,797	35,106
Prepayments	5,976	4,685
Accrued income	3,751	253
Other debtors	1,132	-
	<u>102,656</u>	<u>40,044</u>

#### 9 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	6,981	6,254
Other taxation and social security	21,144	16,693
Accruals	8,029	2,896
Deferred income	70,833	162,432
	<u>106,987</u>	<u>188,275</u>

#### 10 Charity status

The charity is a company limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

#### 11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

#### 12 Fees payable to independent examiner

During the period, the fees payable (excluding VAT) to the charity's independent examiner Community Accounting Plus are analysed as follows:

	2022 £	2021 £
Independent examination	670	650
Other financial services	599	488
	<u>1,269</u>	<u>1,138</u>

## Sustainability First

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 13 Funds

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2022 £
<b>Unrestricted funds</b>					
<i>General</i>					
General	145,108	356,897	(356,643)	143,500	288,862
<i>Designated</i>					
Activities	<u>160,500</u>	<u>-</u>	<u>-</u>	<u>(143,500)</u>	<u>17,000</u>
<b>Total funds</b>	<u>305,608</u>	<u>356,897</u>	<u>(356,643)</u>	<u>-</u>	<u>305,862</u>
	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2021 £
<b>Unrestricted funds</b>					
<i>General</i>					
General	271,398	258,503	(355,293)	(29,500)	145,108
<i>Designated</i>					
Activities	<u>131,000</u>	<u>-</u>	<u>-</u>	<u>29,500</u>	<u>160,500</u>
<b>Total funds</b>	<u>402,398</u>	<u>258,503</u>	<u>(355,293)</u>	<u>-</u>	<u>305,608</u>

The specific purposes for which the funds are to be applied are as follows:

The Designated activities fund is to cover activities (workshops, conferences, travel and sub-contractors) which will be delivered in future periods.



## Sustainability First

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 14 Analysis of net assets between funds

	Unrestricted funds		Total funds at 31 December 2022
	General	Designated	
	£	£	£
Current assets	395,849	17,000	412,849
Current liabilities	(106,987)	-	(106,987)
Total net assets	<u>288,862</u>	<u>17,000</u>	<u>305,862</u>

	Unrestricted funds		Total funds at 31 December 2021
	General	Designated	
	£	£	£
Current assets	333,383	160,500	493,883
Current liabilities	(188,275)	-	(188,275)
Total net assets	<u>145,108</u>	<u>160,500</u>	<u>305,608</u>

#### 15 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

##### **David Sigsworth**

£158 (2021: £Nil) of expenses were reimbursed to David Sigsworth during the year.

##### **Philip Barton**

£132 (2021: £Nil) of expenses were reimbursed to Philip Barton during the year.

No trustees have received any other benefits from the charity during the year.

#### 16 Related party transactions

There were no related party transactions in the year.