

PS
MF

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013
FOR
THE ENERGY SAVING TRUST LIMITED**

WEDNESDAY



L2F7LP36

LD3

21/08/2013

#89

COMPANIES HOUSE

THE ENERGY SAVING TRUST LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

	Page
Company Information	1
Report of the Directors	2
Independent Auditor's Report	6
Profit and Loss Account	8
Balance Sheet	9
Cash Flow Statement	10
Notes to the Cash Flow Statement	11
Notes to the Financial Statements	12

THE ENERGY SAVING TRUST LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2013

DIRECTORS: Edward Forrest Brown (Chairman)
Philip Sellwood (Chief Executive)
Michael Fahey
Judith Hackitt CBE
Sir Hayden Philips GCB

REGISTERED OFFICE: 21 Dartmouth Street
London
SW1H 9BP

REGISTERED NUMBER: 02622374 (England and Wales)

AUDITOR: Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants
25 Moorgate
London
EC2R 6AY

THE ENERGY SAVING TRUST LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2013

The directors present their annual report on the affairs of the Energy Saving Trust Limited ("EST") together with the financial statements and auditors report for the year ended 31 March 2013

PRINCIPAL ACTIVITY

The Energy Saving Trust Limited ("EST") is one of the UK's leading independent bodies working with households, communities and businesses to help save energy and reduce carbon emissions to address the damaging effects of climate change

EST is wholly controlled by the Energy Saving Trust Foundation, a registered charity. The Parent objects 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 by reducing and making sustainable the use of energy and water and ensuring the prudent use of non-renewable resources for public benefit". EST's Principal activity is to support the Charity in achieving its objects by delivering impartial, authoritative and evidence based advice on how to save energy and reduce carbon emissions.

EST focuses on delivering practical solutions for households, communities, businesses and the road transport sector - solutions which reduce carbon emissions and can save money. It works with a wide range of partners: government, energy suppliers, manufacturers, retailers, local authorities, installers and converters, energy advisers, non-governmental organisations ("NGOs"), trade associations and the EU.

REVIEW OF BUSINESS

I am pleased to report a return to profitability across our new Group and that we have come through a difficult and transitional year in good shape. Much of our focus has necessarily been concentrated on re-positioning EST to meet the challenges of operating in an increasingly competitive arena following Government's reduction in funding in recent years. The substantive parts of the restructuring we have had to undertake are now largely complete and we are well positioned to operate more effectively as we seek to expand our support of the energy saving and carbon reduction agenda alongside supporting our Parent Foundation in ensuring the public have access to free information and tools to make informed, evidence based decisions.

Specific areas of our business experienced a mixed year. We have experienced a continuing reluctance however from the commercial sector to move into the space created by Westminster government through the Green Deal initiatives and this has led to a disappointing performance within our Assurance and Local Delivery businesses.

Our Government funded programmes performed well and we continued to deliver multiple energy saving programmes on behalf of DECC, DfT, Scottish Government and the Welsh Government, winning new contracts throughout the year. These have ranged from the energy saving advice service and Renewable Heat Premium Payment plan to the Scottish Government Boiler Scrappage Scheme, where installation targets have all been met within budget and two years ahead of forecast. In addition we have moved into new areas through commercial partnerships, including the Resource Efficiency Service and the Supply of Domestic Energy Efficiency Systems.

DIVIDENDS

The Trust is incorporated as a company limited by guarantee and has no power to pay dividends. Members have the right to vote at annual general meetings of the Trust and the obligation to contribute a maximum of £1 on a winding-up should there be a call on the guarantee they provide.

THE ENERGY SAVING TRUST LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2013

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2012 to the date of this report

Edward Forrest Brown (Chairman)
Philip Sellwood (Chief Executive)
Michael Fairey
Judith Hackitt CBE
Sir Hayden Philips GCB

At 31 March 2013, in addition to the Chairman and Chief Executive, there were three independent non executive Directors

STATEMENT OF COMPLIANCE WITH THE COMBINED CODE ON CORPORATE GOVERNANCE

Whilst the company is not a listed company, it has complied to the extent relevant throughout the last financial year with the provisions of the Combined Code on Corporate Governance

The Company applies the relevant Supporting Principles as set out in Section A of the Code Provisions

The Company is led by the Board of Directors which meets regularly and for which there is a schedule of matters specifically reserved for its decision

There is a clear division of responsibilities between the non executive Chairman and the Chief Executive

The Board considers that the non executive Directors are able to operate independently of the Energy Saving Trust

The Senior Independent Director is Judith Hackett CBE

New directors are offered induction on joining the Board

AUDIT COMMITTEE

The committee is made up of three members chaired by Mike Fairey, Tom Flood CBE and Ray Macfarlane (Energy Saving Trust Foundation Trustees) The main responsibilities of the Audit Committee are to oversee the effectiveness of the system of internal control and risk management including the top level risk register, and the accuracy of reporting, making recommendations to the Board as appropriate The Audit Committee meets at least three times each year

THE ENERGY SAVING TRUST LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2013

MAINTENANCE OF A SOUND SYSTEM OF INTERNAL CONTROL

The Board is responsible for the Energy Saving Trust's system of internal control and for reviewing its effectiveness. The system is designed to manage risk to a reasonable limit rather than to eliminate all risk of failure to achieve the Trust's policies, aims and objectives. The Audit Committee assists the Board in discharging these responsibilities. The Audit Committee Chair reports the outcome of Audit Committee meetings to the Board.

The Board, supported by the Audit Committee, has reviewed the effectiveness of the Energy Saving Trust's systems of internal control for the financial year 2012/13 and up to the date of approval of the Annual Report and Accounts.

The main features of the Energy Saving Trust's risk and control framework are set out below:

- " A control environment is in place for all aspects of the business defined in a framework of policies, procedures and organisational structures
- " Risk is managed at corporate, project and operational level
- " Information assurance is subject to appropriate risk arrangements to ensure confidentiality, integrity and availability of data assets which are overseen by the Senior Information Risk Officer and the Audit Committee
- " Risks to achieving strategic objectives are articulated in the top level risk register which is considered by the Board on a quarterly basis
- " The Internal Audit function reviews a number of internal control and risk management areas each year using a risk based approach
- " Performance and financial management
- " The continuing ISO 9001 and ISO 14001 accreditations for the Energy Saving Trust's quality and environmental management systems
- " Annual review and testing of the business continuity plan

REMUNERATION COMMITTEE

The Board has delegated responsibility for determining and agreeing the framework or broad policy for the remuneration of the Chief Executive, the Chairman and other members of the executive management to the Remuneration Committee. This Committee meets regularly and reports to the Board of Directors. Membership during the year consisted of Judith Hackitt (Chair) and Elizabeth Morgan.

EQUAL OPPORTUNITIES

The EST is an equal opportunity employer, committed to ensuring that our workplace and employment practices are free from discrimination, harassment or victimisation on the grounds of colour, race, nationality, ethnic or national origin, sex (including gender reassignment), marital status, sexual orientation, disability, religion or religious beliefs, political beliefs and age. Recruitment and employment decisions are always made on the basis of fair and objective criteria.

The requirements of job applicants and existing members of staff who have or have had a disability are reviewed to ensure that reasonable adjustments that can be made to enable them to enter into or remain in employment with us, including training and career development.

EMPLOYEE CONSULTATION

The EST places great value on the involvement of its staff, and continues to keep them informed on matters affecting them as employees and on the performance and work of the Trust. This is achieved through both formal and informal meetings and staff satisfaction surveys.

THE ENERGY SAVING TRUST LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

The auditors, Nexia Smith & Williamson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Philip Sellwood (Chief Executive) - Director

Date

1st August 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ENERGY SAVING TRUST LIMITED

We have audited the financial statements of The Energy Saving Trust Limited for the year ended 31 March 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes on pages 8 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE ENERGY SAVING TRUST LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Nexia Smith & Williamson

Andrew Bond (Senior Statutory Auditor)
for and on behalf of Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants
25 Moorgate
London
EC2R 6AY

Date

15 / 8 / 13

THE ENERGY SAVING TRUST LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013**

	Notes	31 3 13 £'000	31 3 12 £'000
TURNOVER	2	45 676	58,163
Cost of sales		<u>40,267</u>	<u>54,065</u>
GROSS PROFIT		5,409	4,098
Administrative expenses		<u>4,832</u>	<u>5,021</u>
OPERATING PROFIT/(LOSS)	4	577	(923)
Interest payable and similar charges	5	<u>-</u>	<u>11</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		577	(934)
Tax on profit/(loss) on ordinary activities	6	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>577</u>	<u>(934)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year

The notes form part of these financial statements

THE ENERGY SAVING TRUST LIMITED

**BALANCE SHEET
31 MARCH 2013**

	Notes	31 3 13 £'000	£'000	31 3 12 £'000	£'000
FIXED ASSETS					
Tangible assets	7		167		372
CURRENT ASSETS					
Debtors	8	33,163		30,499	
Cash at bank	9	<u>21,005</u>		<u>11,806</u>	
		54,168		42,305	
CREDITORS					
Amounts falling due within one year	10	<u>18,856</u>		<u>16,021</u>	
NET CURRENT ASSETS			<u>35,312</u>		<u>26,284</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			35,479		26,656
CREDITORS					
Amounts falling due after more than one year	11		(31,116)		(22,661)
PROVISIONS FOR LIABILITIES	13		<u>(816)</u>		<u>(1,025)</u>
NET ASSETS			<u>3,547</u>		<u>2,970</u>
CAPITAL AND RESERVES					
Capital contributions	14		3,703		3,703
Profit and loss account	14		<u>(156)</u>		<u>(733)</u>
	18		<u>3,547</u>		<u>2,970</u>

The financial statements were approved by the Board of Directors on
signed on its behalf by

1 August 2013

and were

Phil. Sellwood

Philip Sellwood (Chief Executive) - Director

M. Fahey

Michael Fahey - Director

The notes form part of these financial statements

THE ENERGY SAVING TRUST LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2013**

	Notes	31 3 13 £'000	31 3 12 £'000
Net cash inflow/(outflow) from operating activities	1	9,267	(3,868)
Returns on investments and servicing of finance	2	-	(11)
Capital expenditure	2	<u>(68)</u>	<u>(257)</u>
Increase/(decrease) in cash in the period		<u>9,199</u>	<u>(4,136)</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase/(decrease) in cash in the period		<u>9,199</u>	<u>(4,136)</u>
Change in net funds resulting from cash flows		<u>9,199</u>	<u>(4,136)</u>
Movement in net funds in the period		9,199	(4,136)
Net funds at 1 April		<u>11,806</u>	<u>15,942</u>
Net funds at 31 March		<u>21,005</u>	<u>11,806</u>

The notes form part of these financial statements

THE ENERGY SAVING TRUST LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2013**

1 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	31 3 13 £'000	31 3 12 £'000
Operating profit/(loss)	577	(923)
Depreciation charges	273	276
Increase in debtors	(2,664)	(15,163)
Increase in creditors	<u>11,081</u>	<u>11,942</u>
Net cash inflow/(outflow) from operating activities	<u>9,267</u>	<u>(3,868)</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31 3 13 £'000	31 3 12 £'000
Returns on investments and servicing of finance		
Interest paid	<u>-</u>	<u>(11)</u>
Net cash outflow for returns on investments and servicing of finance	<u>-</u>	<u>(11)</u>
 Capital expenditure		
Purchase of tangible fixed assets	<u>(68)</u>	<u>(257)</u>
Net cash outflow for capital expenditure	<u>(68)</u>	<u>(257)</u>

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 4 12 £'000	Cash flow £'000	At 31 3 13 £'000
Net cash			
Cash at bank	<u>11,806</u>	<u>9,199</u>	<u>21,005</u>
	<u>11,806</u>	<u>9,199</u>	<u>21,005</u>
 Total	<u>11,806</u>	<u>9,199</u>	<u>21,005</u>

The notes form part of these financial statements

THE ENERGY SAVING TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

1 ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention on a going concern basis and are in accordance with applicable accounting standards

TURNOVER

Turnover is recognised when the Trust has entitlement to the revenues, there is reasonable certainty of receipt and the amount can be measured reliably. Turnover represents all grant income, including that received from government sources, invoiced services and fees receivable in the period net of value added tax. The Trust is entitled to grant revenue when it has made the related expenditure and any amounts received in advance of this point are treated as deferred income.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold improvements	- in accordance with the property lease
Fixtures and fittings	- 20% on cost
Computer equipment	- 50% on cost

DEFERRED TAX

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

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

HIRE PURCHASE AND LEASING COMMITMENTS

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

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

RENEWABLE HEATING PREMIUM PAYMENT SCHEME

The Company administers the Renewable Heating Premium Payment scheme on behalf of the Department of Environment and Climate Change. The scheme is designed to incentivise the uptake of renewable heat generating technologies by making grants available to householders and social landlords across Great Britain to subsidise the costs incurred by them in purchasing and installing renewable heat generating equipment. Grant funding received not distributed at the balance sheet date is accounted for as a deferred item.

THE ENERGY SAVING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2013

1 ACCOUNTING POLICIES - continued

EXPENDITURE

Cost of sales includes grants payable and direct grant related expenditure for which conditional terms have been met, as defined by the funder. Grants are paid at the point at which installation has occurred and supporting paperwork has been submitted and verified. Distribution costs relate to direct marketing activities. All other expenditure relates to indirectly provided services, administration costs and support costs and is included within administrative expenses. Expenditure is recognised in the accounts as incurred.

Certain property costs, depreciation, insurance and other similar costs are apportioned to costs of sales, distribution costs and administrative expenses on the basis of the total direct costs associated with each area of expenditure each year.

SCOTTISH GOVERNMENT LOANS SCHEMES

The Scottish Government has assigned responsibility for administering the Energy Saving Scotland Small Business Loans Scheme and Energy Saving Scotland Home Loans Scheme to the Trust.

The Trust recognises revenue grants to fund the administration of the schemes as income in accordance with the accounting policy for turnover on page 12.

Under the schemes, funding has been provided to enable the Trust to make loans available to small businesses and home owners in Scotland. On receipt of funding, cash is recognised by the Trust together with a matching creditor. As new loans are advanced to businesses and individuals a debtor is recognised in the accounts of the Trust. Loan repayments are utilised to reduce the scheme debtors. The Trust understands that whilst the lending risk is, in the first instance, borne by the Trust the Scottish Government recognises that any losses can be funded from the un-utilised cash loan pool and following appropriate authorisation releases the Trust from any obligation to return or transfer the relevant matching funding.

Accordingly, where a bad debt is incurred the Trust will recognise this as an expense which is matched, following appropriate authorisation, by a release from the creditor held for the overall loan pool for the scheme held by the Trust, up to the level of funding held for the scheme. Interest earned on loan pool funds held by the Trust are credited directly to the loan pools for making future loans and are therefore not recognised as income by the Trust.

PAY AS YOU SAVE ("PAYS") LOAN SCHEME

The Department for Energy and Climate Change ("DECC") has assigned responsibility for administering the PAYS loan scheme to the trust. This scheme provides interest free loans to householders to install energy saving measures in their homes. The loans are repayable over a period of 25 years. The Trust recognises revenue grants to fund the administration of the schemes as income in accordance with the accounting policy for turnover on page 12.

The administration of this scheme is outsourced to third party service providers who partner with the Trust to administer the loans to householders and collect the loan repayments. All repayments collected by our partners are paid back to the Trust on an annual basis. Following receipt, the Trust has an obligation to repay to DECC these amounts less any agreed administration fees owing.

The Trust accounts for cash, debtors and creditors arising under the scheme on a gross basis, reflecting the amounts due from householders as debtors and amounts ultimately repayable to DECC as a creditor on its balance sheet.

THE ENERGY SAVING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2013

2 TURNOVER

The turnover and profit (2012 - loss) before taxation are attributable to the one principal activity of the company

An analysis of turnover by geographical market is given below

	31 3 13	31 3 12
	£'000	£'000
UK	45,114	58,005
EU	515	158
Rest of the world	<u>47</u>	<u>-</u>
	<u>45,676</u>	<u>58,163</u>

3 STAFF COSTS

	31 3 13	31 3 12
	£'000	£'000
Wages and salaries	7,360	7,776
Social security costs	775	859
Other pension costs	<u>500</u>	<u>573</u>
	<u>8,635</u>	<u>9,208</u>

The average monthly number of employees during the year was as follows

	31 3 13	31 3 12
Administration	22	23
Operations	<u>196</u>	<u>223</u>
	<u>218</u>	<u>246</u>

As at the 31st March 2013 there were £58,167 employer pension contributions due in respect of the current reporting period (2012 £51,705)

4 OPERATING PROFIT/(LOSS)

The operating profit (2012 - operating loss) is stated after charging

	31 3 13	31 3 12
	£'000	£'000
Property rentals paid under operating leases	805	841
Depreciation - owned assets	273	276
Auditors' remuneration	28	33
Non-audit services-Tax	2	9
Non-audit services-Other	<u>2</u>	<u>18</u>

THE ENERGY SAVING TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013**

4 OPERATING PROFIT/(LOSS) - continued

	31 3 13	31 3 12
	£	£
Directors' remuneration	261,636	299,136
Directors' pension contributions to money purchase schemes	<u>-</u>	<u>18,626</u>

The number of directors to whom retirement benefits were accruing was as follows

	<u>1</u>	<u>1</u>
Money purchase schemes		

Information regarding the highest paid director is as follows

	31 3 13	31 3 12
	£	£
Emoluments etc	179,553	170,969
Pension contributions to money purchase schemes	<u>-</u>	<u>18,626</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	31 3 13	31 3 12
	£'000	£'000
Bank interest	<u>-</u>	<u>11</u>

6 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2013 nor for the year ended 31 March 2012

FACTORS AFFECTING THE TAX CHARGE

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	31 3 13	31 3 12
	£'000	£'000
Profit/(loss) on ordinary activities before tax	<u>577</u>	<u>(934)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2012 - 20%)	115	(187)
Effects of Expenses not deductible for tax purposes in excess of depreciation difference	(115)	187
Current tax charge	<u>-</u>	<u>-</u>

THE ENERGY SAVING TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013**

6 TAXATION - continued

A potential deferred tax asset of £231k (2012 £149k) arising primarily on differences between the timing of depreciation in the accounts and capital allowances for tax purposes has not been recognised in these accounts

7 TANGIBLE FIXED ASSETS

	Leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
COST				
At 1 April 2012	56	847	2,068	2,971
Additions	<u>-</u>	<u>-</u>	<u>68</u>	<u>68</u>
At 31 March 2013	<u>56</u>	<u>847</u>	<u>2,136</u>	<u>3,039</u>
DEPRECIATION				
At 1 April 2012	19	660	1,920	2,599
Charge for year	<u>16</u>	<u>127</u>	<u>130</u>	<u>273</u>
At 31 March 2013	<u>35</u>	<u>787</u>	<u>2,050</u>	<u>2,872</u>
NET BOOK VALUE				
At 31 March 2013	<u>21</u>	<u>60</u>	<u>86</u>	<u>167</u>
At 31 March 2012	<u>37</u>	<u>187</u>	<u>148</u>	<u>372</u>

8 DEBTORS

	31 3 13 £'000	31 3 12 £'000
Amounts falling due within one year		
Trade debtors	4,739	11,060
Loan Fund Debtors	2,785	2,073
Prepayments and accrued income	<u>885</u>	<u>1,535</u>
	<u>8,409</u>	<u>14,668</u>
Amounts falling due after more than one year		
Amounts owed by group undertakings	991	-
Loan Fund Debtors	<u>23,763</u>	<u>15,831</u>
	<u>24,754</u>	<u>15,831</u>
Aggregate amounts	<u>33,163</u>	<u>30,499</u>

THE ENERGY SAVING TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2013

8 DEBTORS - continued

The Loans Schemes Loan Fund Debtors balance includes loans falling due after more than one year totalling £23,763k (2012 £15,831k)

The directors do not consider the amounts due from group undertakings to be repayable within one year

9 CASH AT BANK

The cash balance includes the following fund balances

£4,576k (2012 £4,189k) which relates to the Scottish Government Loans Schemes This amount is restricted for this purpose and can only be used to make loans in Scotland

£766k (2012 £nil) Funding for grants payable on behalf of Scottish Government Green Homes cashback scheme

£1,683k (2012 £768k) Funding for the Boiler Scrappage Scheme

£10,376k (2012 £1,309k) Funding received to be applied to the Renewable Heat Premium Payment Scheme on behalf of DECC

£nil (2012 £964k) Funding received to be applied to the Local Energy Assessment Scheme on behalf of DECC

£182k (2012 £nil) relates to restricted funds held under guarantee for European projects

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 13	31 3 12
	£'000	£'000
Trade creditors	2,347	3,827
Social security and other taxes	271	108
Accruals and deferred income	<u>16,238</u>	<u>12,086</u>
	<u>18,856</u>	<u>16,021</u>

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 3 13	31 3 12
	£'000	£'000
Loan Funds	<u>31,116</u>	<u>22,661</u>

Loan fund creditor balances of £31,116k (2012- £22,661k) consists of £28,712k (2012-£19,689k) to fund the Scottish Government Loans Schemes in Scotland and £2 404k (2012-£2,404k) for the PAYS Pilot Scheme (Pay As You Save) in England

THE ENERGY SAVING TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013**

12 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	31 3 13 £'000	31 3 12 £'000	31 3 13 £'000	31 3 12 £'000
Expiring				
Within one year	58	37	7	-
Between one and five years	<u>663</u>	<u>801</u>	<u>33</u>	<u>18</u>
	<u><u>721</u></u>	<u><u>838</u></u>	<u><u>40</u></u>	<u><u>18</u></u>

13 PROVISIONS FOR LIABILITIES

	Legal	Onerous Lease	Dilapidations	Total
	£'000	£'000	£'000	£'000
At 1 April 2012	15	683	327	1,025
Provision release	-	(195)	-	(195)
Utilisation	<u>-</u>	<u>-</u>	<u>(14)</u>	<u>(14)</u>
At 31 March 2013	<u><u>15</u></u>	<u><u>488</u></u>	<u><u>313</u></u>	<u><u>816</u></u>

During the year £195k was released in respect of the onerous lease provision arising on the vacant offices at Dartmouth Street, London in line with the time outstanding on the unexpired lease

14 CAPITAL AND RESERVES

	Profit and loss account £'000	Capital contributions £'000	Totals £'000
At 1 April 2012	(733)	3,703	2,970
Profit for the year	<u>577</u>	<u>-</u>	<u>577</u>
At 31 March 2013	<u><u>(156)</u></u>	<u><u>3,703</u></u>	<u><u>3,547</u></u>

Capital contributions represent contributions from legacy members to fund the long term working capital requirements of the Trust. The sums were paid in the early years following the establishment of the Trust and the directors are aware of no ongoing rights or obligations arising from the receipt of these funds. However, the directors consider it appropriate to maintain the contributions as a separate reserve in recognition of the original intention behind the contributions and the ongoing necessity for the Trust to retain sufficient funding to support its working capital and risk management requirements.

THE ENERGY SAVING TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013**

15 TRANSACTIONS WITH DIRECTORS

The following loan to directors subsisted during the years ended 31 March 2013 and 31 March 2012

	31 3 13 £'000	31 3 12 £'000
Philip Sellwood (Chief Executive)		
Balance outstanding at start of year	3	3
Amounts advanced	4	3
Amounts repaid	(4)	(3)
Balance outstanding at end of year	<u>3</u>	<u>3</u>

The loan to Philip Sellwood is interest free and is in respect of the purchase of travel season tickets

16 RELATED PARTY DISCLOSURES

	Value of services	Balance as at 31 March 2013	Value of services	Balance as at 31 March 2012
Scottish Power plc	-	-	3	3

The Trust has taken advantage of the exemption in FRS 8 regarding disclosure of the relationship and transactions with governmental departments and bodies

During the year the Trust did not make a charitable donation to the controlling member, The Energy Saving Trust Foundation (2012- £10,000)

During the year amounts recharged to Energy Saving Trust Enterprises Limited in respect of overheads and administrative costs totalled £519,190 (2012 nil)

17 ULTIMATE CONTROLLING PARTY

The controlling party is The Energy Saving Trust Foundation

18 RECONCILIATION OF MOVEMENTS IN RESERVES

	31 3 13 £'000	31 3 12 £'000
Profit/(loss) for the financial year	<u>577</u>	<u>(934)</u>
Net addition/(reduction) to reserves	577	(934)
Opening reserves	<u>2,970</u>	<u>3,904</u>
Closing reserves	<u>3,547</u>	<u>2,970</u>