

**REGISTERED NUMBER: 02622374 (England and Wales)**

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018  
FOR  
THE ENERGY SAVING TRUST LIMITED**



**THE ENERGY SAVING TRUST LIMITED (REGISTERED NUMBER: 02622374)**

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FOR THE YEAR ENDED 31 MARCH 2018**

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**THE ENERGY SAVING TRUST LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2018**

**DIRECTORS:**

P H G Sellwood  
M Fairey  
Sir H Phillips GCB  
R Ponting  
M C Thornton OBE

**REGISTERED OFFICE:**

30 North Colonnade  
Canary Wharf  
London  
E14 5GP

**REGISTERED NUMBER:**

02622374 (England and Wales)

**AUDITOR:**

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

**THE ENERGY SAVING TRUST LIMITED (REGISTERED NUMBER: 02622374)**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2018**

The directors present their strategic report for the year ended 31 March 2018.

The Energy Saving Trust's (EST) mission is to "help everyone save energy every day". We work with all groups across society - businesses, governments, third sector organisations, communities and individuals - delivering programmes and schemes aimed at reducing energy and water use whilst improving efficiency. Our work addresses some of the anthropogenic causes of climate change whilst supporting reductions in fossil fuel based solutions, promoting renewable energy solutions and the move to a lower carbon society.

**REVIEW OF BUSINESS**

The Company's principal activities during the year continued to be focused on supporting initiatives which reduce energy and water usage. Activities include the provision of impartial consumer advice, supporting businesses with customer engagement, certification, accreditation and field trials of technologies, consultancy and data analysis. We also support and undertake research into practical solutions to reduce society's reliance upon carbon intensive energy and water solutions. Key financial and other performance indicators were as follows:

	2018	2017
	£'000	£'000
Gross transaction value	29,999	34,161
Turnover	29,243	33,108
Gross profit	3,133	2,963
Operating profit	284	430
Profit/(Loss) after tax	291	439
Loan funds under management	103,181	85,923
Estimated advice cost of CO2 saved	10.18	11.69

Turnover decreased in the year by £3.9 million primarily as a consequence of the continued shift by Governments away from using grant funding to support programme delivery. The reduction in grant funding for EST totalled £4.8 million. Consistent with the previous year, the reduction in funding coincides with the increased use of loans to support policy-led energy efficiency and transport programmes. During the year the Company increased net loans under management by £17.3 million, including schemes to support home energy efficiency (£12.7m) and low carbon transport initiatives (£4.9m). These are offset by recovery of historic loans supporting community and rural energy efficiency schemes (£0.9m). Net income from other contract activity increased during the year by £0.9 million, driven by new contracts secured supporting research into Ultra-Low Emission vehicle schemes, air quality solutions, the promotion of active travel and low carbon transport hubs.

EST assesses the impact of funded energy saving advice for a number of stakeholders. These assessments include advice delivered through advice centres and via our website covering household advice, renewable technologies and consumer transport. EST applies the following methodology for evaluating the estimated lifetime tonnes of carbon dioxide saved (tCO2). Datasets of customers who are recorded as having received advice are made available to an independent evaluation contractor or to Energy Saving Trust's evaluation team as appropriate who assess on a sample basis via survey, the impact of advice given and conversion of advice into energy efficiency measures and low carbon behaviours. Where the advice is considered as either crucial or beneficial the lifetime savings associated with the measure are attributed to the advice; where measures are not yet installed but only planned EST's data for the conversion of planned measures is applied (latest assessment - 28%).

**THE ENERGY SAVING TRUST LIMITED (REGISTERED NUMBER: 02622374)**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2018**

Analysis of the results of the survey enables the average attributed CO2 savings per customer to be calculated, by taking the total savings achieved by those in the sample and dividing by the total number of customers interviewed in the sample.

The CO2 savings for each measure have been estimated using Energy Saving Trust's standard savings factors. The savings factors are calculated using a number of metrics which are updated annually by Energy Saving Trust's data insight team including: energy prices (£/kWh), fuel CO2 factors (kgCO2/kWh or kgCO2 per km), heat loss rates (U-values), fuel economy (mpg), heating system efficiencies and housing type characteristics. In addition, EST assesses strategic carbon dioxide lifetime savings. These are defined as savings from measures which have or will be installed as part of a local authority or housing association project where the organisation confirms in writing that the strategic advice provided was either crucial or of some help in securing funding for the project. The variations in the cost of carbon saved from advice provided are attributable to changes in the advice provided and to the mix of measures installed.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Directors assess the risk to the Company through a Risk Group and address them via the Audit Committee which meets twice a year. The principal risks and uncertainties that the Company faces are as follows:

**SHORT TERM GOVERNMENT GRANT FUNDED PROGRAMMES**

Whilst the Company has diversified in recent years, it continues to benefit from a significant level of Government grant funded activity, either directly or indirectly. Funding on this basis is commonly provided for single fiscal years only. It is not always possible to agree an indemnity with the funder to cover potential close down costs and therefore a redundancy risk exists for the Company where there is no demand elsewhere within the Company for similar skills once a programme concludes.

**COMPETITIVE MARKETS**

EST operates in competitive markets, which requires the commitment of financial and human resource towards securing work with no guarantee of success. There will always remain a risk that this investment is not recovered by securing new work.

**GOVERNMENT POLICY**

Many of the markets that EST operates in are influenced by Government policy on energy efficiency, climate change and environmental protection. There will always remain a risk that differing governments may or may not continue to support policies that are aligned with EST's mission and core objectives. This may in turn give rise to a reduction in activity which could lead to the Company making a loss.

**FOREIGN EXCHANGE RISK**

EST delivers a number of programmes on behalf of the European Union and in doing so has to bid for and accept work paid for in Euros. These programmes typically run for three year periods with funding released during the life of the programme based upon pre-agreed delivery milestones. Whilst the Company seeks to manage all programmes profitably, exposure to currency fluctuations could lead to losses being incurred.

**BREXIT**

UKG policy in support of climate change mitigation is currently heavily influenced by our membership of the European Union. Post Brexit there can be no certainty as to the level of continued support from UK Government in these areas and the resultant impact on UK policy upon which the Company relies to support the markets it operates in.

**THE ENERGY SAVING TRUST LIMITED (REGISTERED NUMBER: 02622374)**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2018**

**FUTURE PLANS**

EST seeks to continue working at the heart of the movement towards a low carbon economy, reducing the UK's dependency on fossil fuels and raising awareness of energy and water saving methods. Our future plans are being developed with an over-riding aim, to influence the way the UK consumes energy and water and include a range of activities with this as the common goal.

We continue to expand our online advice services and anticipate that we will see an increase in the level of investment required in our IT infrastructure to meet the businesses and our clients ongoing requirements. We are working with partners to develop solutions that address and mitigate transport emissions, including solutions to improve air quality. We provide information on energy saving behaviours, insulation and energy efficiency, generating energy, sustainable transport and water. By collaborating with other organisations in the energy and water sectors, we continue to engage with hard-to-reach audiences, including those on lower incomes, helping to remove the barriers that prevent vulnerable customers from getting the energy efficiency support needed to save money and reduce energy consumption. Furthermore, we encourage community engagement in energy efficiency measures and facilitate co-ordinated access to funding for all by providing free tools linking consumers to funding.

For businesses we continue to develop programmes to support our aspiration of becoming the 'go to' organisation, driving the low carbon economy. We continue to focus on four key areas; Smart and Efficient Homes, Consumer Behaviours, Transport and Local Energy Generation.

We actively seek opportunities outside of the UK where these clearly align with our core objectives and mission. We develop these opportunities primarily through existing and developing relationships with those Government departments concerned with overseas development.

**ON BEHALF OF THE BOARD:**



.....  
P H G Sellwood - Director

Date: 10 September 2018

**THE ENERGY SAVING TRUST LIMITED (REGISTERED NUMBER: 02622374)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2018**

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 period from 1 April 2017 to 31 March 2018.

**PRINCIPAL ACTIVITIES**

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 EST (Holdings) Limited. As part of the 'EST Group', EST's principal activity is to support the Group 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 European Commission and Member States.

**DIVIDENDS**

EST is incorporated as a company limited by guarantee and has no authority 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.

**RESEARCH AND DEVELOPMENT**

EST continually commits resource to the research and development of solutions that support online tools to aid customer engagement around solutions for reducing energy and water use.

**DIRECTORS**

The Directors shown below have held office during the whole of the period from 1 April 2017 to the date of this report.

P H G Sellwood  
M Fairey  
Sir H Phillips GCB  
R Ponting  
M C Thornton OBE

Other changes in directors holding office are as follows:

Dame J Hackitt DBE CBE

Resigned 27 July 2017

**EQUAL OPPORTUNITIES**

EST is 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, 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 ENERGY SAVING TRUST LIMITED (REGISTERED NUMBER: 02622374)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2018**

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors are responsible for preparing the Strategic report, 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 AUDITOR**

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/she ought to have taken as a director in order to make himself/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:**



P H G Sellwood - Director

Date: 10 September 2018



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

### **Opinion**

We have audited the financial statements of The Energy Saving Trust Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 "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 company's affairs as at 31 March 2018 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.

### **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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **Other information**

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

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

We have nothing to report in this regard.

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

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Report of the Directors.

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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page six, the directors 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 directors determine 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 directors are responsible for assessing the company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' 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 for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

**Use of our report**

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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*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: **26** September 2018

**THE ENERGY SAVING TRUST LIMITED (REGISTERED NUMBER: 02622374)**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	31.3.18 £'000	31.3.17 £'000
Gross transaction value		29,999	34,161
Less: grants received as agent		<u>756</u>	<u>1,053</u>
<b>TURNOVER</b>	<b>3</b>	<b>29,243</b>	<b>33,108</b>
Cost of sales		<u>26,110</u>	<u>30,145</u>
<b>GROSS PROFIT</b>		<b>3,133</b>	<b>2,963</b>
Administrative expenses		<u>2,849</u>	<u>2,628</u>
		284	335
Other operating income		<u>-</u>	<u>95</u>
<b>OPERATING PROFIT</b>	<b>6</b>	<b>284</b>	<b>430</b>
Interest receivable and similar income		<u>9</u>	<u>11</u>
<b>PROFIT BEFORE TAXATION</b>		<b>293</b>	<b>441</b>
Tax on profit	<b>8</b>	<u>2</u>	<u>2</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>291</b>	<b>439</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>291</u></b>	<b><u>439</u></b>

The notes form part of these financial statements

**THE ENERGY SAVING TRUST LIMITED (REGISTERED NUMBER: 02622374)**

**BALANCE SHEET  
31 MARCH 2018**

	Notes	31.3.18 £'000	£'000	31.3.17 £'000	£'000
<b>FIXED ASSETS</b>					
Intangible assets	9		99		131
Tangible assets	10		<u>327</u>		<u>394</u>
			426		525
<b>CURRENT ASSETS</b>					
Debtors: amounts falling due within one year	11	24,720		22,249	
Debtors: amounts falling due after more than one year	11	56,799		52,798	
Cash at bank	12	<u>37,515</u>		<u>27,045</u>	
		119,034		102,092	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>(10,815)</u>		<u>(11,521)</u>	
<b>NET CURRENT ASSETS</b>			<u>108,219</u>		<u>90,571</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			108,645		91,096
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(103,181)		(85,923)
<b>PROVISIONS FOR LIABILITIES</b>	16		<u>(154)</u>		<u>(154)</u>
<b>NET ASSETS</b>			<u>5,310</u>		<u>5,019</u>
<b>CAPITAL AND RESERVES</b>					
Capital contributions	17		3,703		3,703
Retained earnings	17		<u>1,607</u>		<u>1,316</u>
			<u>5,310</u>		<u>5,019</u>

The financial statements were approved and authorised for issue by the Board of Directors on 10 September 2018 and were signed on its behalf by:

  
 .....  
 P H G Sellwood – Director

The notes form part of these financial statements

**THE ENERGY SAVING TRUST LIMITED (REGISTERED NUMBER: 02622374)**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018**

	Retained earnings £'000	Capital contributions £'000	Total equity £'000
<b>Balance at 1 April 2016</b>	877	3,703	4,580
<b>Changes in equity</b>			
Total comprehensive income	439	-	439
<b>Balance at 31 March 2017</b>	1,316	3,703	5,019
<b>Changes in equity</b>			
Total comprehensive income	291	-	291
<b>Balance at 31 March 2018</b>	1,607	3,703	5,310

The notes form part of these financial statements

**THE ENERGY SAVING TRUST LIMITED (REGISTERED NUMBER: 02622374)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**1. STATUTORY INFORMATION**

The Energy Saving Trust Limited is a private company, limited by guarantee, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**BASIS OF PREPARING THE FINANCIAL STATEMENTS**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on the going concern basis. Financial forecasts are set to ensure that the organisation can continue to operate as a going concern for at least a year.

The Company is limited by guarantee (see report of the Directors for further details) and considers it appropriate to take exemptions applicable to a public benefit entity.

The Company has taken advantage of the exemption to prepare a Statement of Cash Flows on the basis that group financial statements are prepared.

**FINANCIAL INSTRUMENTS AND CASH AND CASH EQUIVALENTS**

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and recorded at the initial transaction cost. A provision for non-recovery of debtors is made where management consider that a risk exists that the company will not be able to recover fully amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank.

**TURNOVER**

Turnover is recognised when the Company 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 Company 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.

**GROSS TRANSACTION VALUE**

Gross transaction value represents the total amount invoiced to customers and is stated net of VAT where applicable.

**GOVERNMENT GRANTS**

Government grants receivable are recognised as income when there is reasonable assurance that the Company will receive the grant and be able to comply with the terms of the grant. These are recognised in the Statement of Comprehensive Income as the associated cost to which the grant relates is recognised.

**THE ENERGY SAVING TRUST LIMITED (REGISTERED NUMBER: 02622374)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**2. ACCOUNTING POLICIES - continued**

**INTANGIBLE FIXED ASSETS - WEBSITE**

Website costs are amortised on a straight line basis over a period of five years this being the estimated useful life of the website. Expenditure on website development is capitalised to the extent that the website will generate income or will be used to deliver social benefit from within the group. These are included in administrative expenses. Other costs are written off as incurred.

**TANGIBLE FIXED ASSETS**

Fixed assets are recognised at cost on acquisition and 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 - 20%-50% on cost

**TAXATION**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**DEFERRED TAX**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**OPERATING LEASES**

Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term.

**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.



**THE ENERGY SAVING TRUST LIMITED (REGISTERED NUMBER: 02622374)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**2. ACCOUNTING POLICIES - continued**

**PROVISIONS**

Provisions for future liabilities are recognised when the Company has a legal or constructive financial obligation that can be reliably estimated and for which there is an expectation that payment will be made.

**EMPLOYEE BENEFITS**

The Company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans. The Company makes contributions directly to the providers of employees' personal pension schemes. Contributions are charged in the income and expenditure account when payable. The Company contributes a defined sum to pension schemes for the benefit of employees. Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

**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. 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.

**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 Company.

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

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

Accordingly, where a bad debt is incurred the Company 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 Company, up to the level of funding held for the scheme. Interest earned on loan pool funds held by the Company are credited directly to the loan pools for making future loans and are therefore not recognised as income by the Company.

**THE ENERGY SAVING TRUST LIMITED (REGISTERED NUMBER: 02622374)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**2. ACCOUNTING POLICIES - continued**

**PAY AS YOU SAVE ("PAYS") LOAN SCHEME**

The Department for Business, Energy and Industrial Strategy ("BEIS"), formerly the Department for Energy and Climate Change ("DECC"), has assigned responsibility for administering the PAYS loan scheme to the Company. 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 Company recognises revenue grants to fund the administration of the schemes as income in accordance with the accounting policy for turnover.

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

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

**CRITICAL JUDGEMENTS AND ESTIMATES REQUIRED IN DETERMINING AND APPLYING  
GROUP ACCOUNTING POLICIES**

Revenue recognition - Revenue is recognised based on the policies set out in these financial statements. An element of judgement may be required when determining whether the Company should recognise as Turnover various forms of pass through grant income and the corresponding charge to profit and loss.

Provisions - The quantum of provisions requires an element of estimation based on future outcomes from uncertain events.

**3. TURNOVER**

The turnover and profit before taxation are attributable to the principal activities of the Company.

An analysis of turnover by class of business is given below:

	31.3.18	31.3.17
	£'000	£'000
Grant income	24,254	29,042
Other contract income	<u>4,989</u>	<u>4,066</u>
	<u>29,243</u>	<u>33,108</u>

**THE ENERGY SAVING TRUST LIMITED (REGISTERED NUMBER: 02622374)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**3. TURNOVER - continued**

An analysis of turnover by geographical market is given below:

	31.3.18	31.3.17
	£'000	£'000
UK	28,532	32,383
EU	<u>711</u>	<u>725</u>
	<u>29,243</u>	<u>33,108</u>

Grant income has been received to carry on public benefit activities in respect of energy efficiency and water saving initiatives.

**4. EMPLOYEES AND DIRECTORS**

	31.3.18	31.3.17
	£'000	£'000
Wages and salaries	5,455	4,784
Social security costs	507	476
Other pension costs	<u>433</u>	<u>384</u>
	<u>6,395</u>	<u>5,644</u>

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

	31.3.18	31.3.17
Administration	29	27
Operations	<u>163</u>	<u>170</u>
	<u>192</u>	<u>197</u>

The Company operates a defined contribution pension scheme for all employees, whereby the Company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts unpaid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

The Energy Saving Trust Limited is the group employer. The employee numbers reflect the total number of employees within EST (Holdings) Limited Group, whereas the costs reflect those borne by The Energy Saving Trust Limited only, with the balance of the employee costs being allocated to the other group entities. The total costs are disclosed in the Consolidated Financial Statements of EST (Holdings) Limited.

As at the 31st March 2018 there were £56,439 employer pension contributions due in respect of the current reporting period (2017: £107,522).

**THE ENERGY SAVING TRUST LIMITED (REGISTERED NUMBER: 02622374)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**5. DIRECTORS' EMOLUMENTS**

	31.3.18	31.3.17
	£	£
Directors' remuneration	479,894	478,589
Directors' pension contributions to money purchase schemes	<u>29,037</u>	<u>21,066</u>

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

Money purchase schemes	<u>2</u>	<u>2</u>
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Information regarding the highest paid director is as follows:

	31.3.18	31.3.17
	£	£
Total Emoluments	<u>193,102</u>	<u>240,556</u>

**6. OPERATING PROFIT**

The operating profit is stated after charging:

	31.3.18	31.3.17
	£'000	£'000
Rentals paid under operating leases	375	539
Depreciation - owned assets	210	161
Website amortisation	53	51
Foreign exchange losses	<u>10</u>	<u>7</u>

**7. AUDITOR'S REMUNERATION**

	31.3.18	31.3.17
	£'000	£'000
Fees payable to the company's auditor and its associates for the audit of the company's financial statements	23	22
Audit-related assurance services	13	-
Taxation compliance services	7	5
Other non- audit services	<u>38</u>	<u>3</u>

**THE ENERGY SAVING TRUST LIMITED (REGISTERED NUMBER: 02622374)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**8. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31.3.18 £'000	31.3.17 £'000
Current tax:		
UK corporation tax	<u>2</u>	<u>2</u>
Tax on profit	<u>2</u>	<u>2</u>

**RECONCILIATION OF TOTAL TAX CHARGE INCLUDED IN PROFIT AND LOSS**

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

	31.3.18 £'000	31.3.17 £'000
Profit before tax	<u>293</u>	<u>441</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	56	88
Effects of:		
Adjustments to tax charge in respect of previous periods	-	-
Non-taxable income or expenses not allowable for tax purposes	1	(45)
Unrecognised deferred taxation	<u>(55)</u>	<u>(41)</u>
Total tax charge	<u>2</u>	<u>2</u>

The Company has unabsorbed tax losses available for carry forward amounting to £798k (2017-£679k).

A potential deferred tax asset of £188k (2017: £190k) arising primarily on the tax losses has not been recognised in these financial statements due to the uncertainty over its future recovery. The movement in the potential asset includes adjustments in respect of previous years and the impact of a change in the future tax rate, as well as the movements arising from transactions in the year.

**THE ENERGY SAVING TRUST LIMITED (REGISTERED NUMBER: 02622374)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**9. INTANGIBLE ASSETS**

	Website £'000
<b>COST</b>	
At 1 April 2017	255
Additions	<u>21</u>
At 31 March 2018	<u>276</u>
<b>AMORTISATION</b>	
At 1 April 2017	124
Amortisation for year	<u>53</u>
At 31 March 2018	<u>177</u>
<b>NET BOOK VALUE</b>	
At 31 March 2018	<u>99</u>
At 31 March 2017	<u>131</u>

**10. TANGIBLE ASSETS**

	Leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
<b>COST</b>				
At 1 April 2017	113	125	707	945
Additions	<u>13</u>	<u>22</u>	<u>108</u>	<u>143</u>
At 31 March 2018	<u>126</u>	<u>147</u>	<u>815</u>	<u>1,088</u>
<b>DEPRECIATION</b>				
At 1 April 2017	11	80	460	551
Charge for year	<u>24</u>	<u>12</u>	<u>174</u>	<u>210</u>
At 31 March 2018	<u>35</u>	<u>92</u>	<u>634</u>	<u>761</u>
<b>NET BOOK VALUE</b>				
At 31 March 2018	<u>91</u>	<u>55</u>	<u>181</u>	<u>327</u>
At 31 March 2017	<u>102</u>	<u>45</u>	<u>247</u>	<u>394</u>

**THE ENERGY SAVING TRUST LIMITED (REGISTERED NUMBER: 02622374)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**11. DEBTORS**

	31.3.18 £'000	31.3.17 £'000
Amounts falling due within one year:		
Trade debtors	7,007	6,771
Amounts owed by group undertakings	1,922	2,283
Other debtors	216	198
Loan Fund Debtors	13,203	10,897
Prepayments and accrued income	<u>2,372</u>	<u>2,100</u>
	<u>24,720</u>	<u>22,249</u>
 Amounts falling due after more than one year:		
Loan Fund Debtors	<u>56,799</u>	<u>52,798</u>
 Aggregate amounts	<u>81,519</u>	<u>75,047</u>

Trade debtors are stated after provision for bad debts of £9k (2017-£2k). Loan fund debtors are concessionary loans and are repayable from 0 to 25 years at an interest rate between 0 - 5%. Any loss on loan debtors is borne by the funder.

**THE ENERGY SAVING TRUST LIMITED (REGISTERED NUMBER: 02622374)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**12. CASH AT BANK**

The cash balance includes amounts held on behalf of third parties including the following specific balances:

£33,191k (2017: £22,304k) 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.

£2,485k (2017: £3,484k) Funding for grants payable on behalf of Scottish Government grant schemes.

£nil (2017: £4k) Funding for grants payable on behalf of London Boilers Cashback Scheme.

£53k (2017: £nil) Funding for grants payable on behalf of the Welsh Government Renewable Energy Support Service.

£nil (2017: £6k) Funding for grants payable on behalf of the Welsh Government Ynni'r Fro.

£2k (2017: £nil) Big Energy Saving week prize on behalf of Energy UK.

£7k (2017: £12k) PAYS loan funding held on behalf of BEIS.

£298k (2017: £nil) Funding for grants payable on behalf of the OFGEM redress scheme.

All funding held on behalf of third parties is expected to be paid out within 12 months.

**Bank Security**

On 1 April 2014 the Company agreed a fixed and floating charge over its assets with HSBC bank in exchange for a bank guarantee facility totalling £1,200,000. As at 31 March 2018 no bonds remained under the facility to support EU funded programmes (three bonds at 31 March 2017- €366,683). The charge was satisfied on 23 March 2018.

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.18	31.3.17
	£'000	£'000
Trade creditors	1,626	1,474
Corporation Tax	2	2
Social security and other taxes	330	161
Other creditors	1,135	4,096
Accruals and deferred income	<u>7,722</u>	<u>5,788</u>
	<u>10,815</u>	<u>11,521</u>



**THE ENERGY SAVING TRUST LIMITED (REGISTERED NUMBER: 02622374)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.3.18	31.3.17
	£'000	£'000
Loan Funds	<u>103,181</u>	<u>85,923</u>

Loan fund creditor balances of £103,181k (2017 - £85,923k) consist of £101,272k (2017 - £83,949k) to fund the Scottish Government Loans Schemes in Scotland and £1,909k (£1,974k) for the PAYS Pilot Scheme (Pay As You Save) in England. The aggregate amount repayable after more than five years is £78,818k (2017 - £66,864k).

These creditors are matched with loan debtors (see note 11) and restricted cash (see note 12). The amounts are interest free. Whilst the schemes continue to run, any loan debtor repayments are recycled into new loans rather than being repaid.

**15. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.18	31.3.17
	£'000	£'000
Within one year	360	316
Between one and five years	<u>751</u>	<u>953</u>
	<u>1,111</u>	<u>1,269</u>

Included in the above is a building rent commitment of £1,098,149 (2017-£1,231,841). Rental commitments are included in relation to non-cancellable operating leases. Where the company has the option to break the clause at a future date, lease payments have been included only up to this date.

**THE ENERGY SAVING TRUST LIMITED (REGISTERED NUMBER: 02622374)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**16. PROVISIONS FOR LIABILITIES**

	Dilapidations £'000	Total £'000
At 1 April 2017	154	154
Provision increase	<u>-</u>	<u>-</u>
At 31 March 2018	<u>154</u>	<u>154</u>

Dilapidations provisions have been made in respect of the Company's properties located in London and Edinburgh. These are reviewed and adjusted as necessary annually to reflect the best estimate of the liability.

During the prior year the Company entered into a lease for office premises in London. Under the terms of the lease the Company has an obligation to ensure the property is returned to the landlord in the same condition as when the lease commenced. The Company has estimated the cost for those works at £75k (2017: £75k) and in accordance with the accounting policies (Note 1) has recognised the full provision as an enhancement to the lease cost on acquisition.

**17. CAPITAL AND RESERVES**

	Retained earnings £'000	Capital contributions £'000	Totals £'000
At 1 April 2017	1,316	3,703	5,019
Profit for the year	<u>291</u>	<u>-</u>	<u>291</u>
At 31 March 2018	<u>1,607</u>	<u>3,703</u>	<u>5,310</u>

Capital contributions represent contributions from legacy Company members to fund the long term working capital requirements of the Company. The sums were paid in the early years following the establishment of the Company 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 Company to retain sufficient funding to support its working capital and risk management requirements.

**THE ENERGY SAVING TRUST LIMITED (REGISTERED NUMBER: 02622374)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**18. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to a director subsisted during the years ended 31 March 2018 and 31 March 2017:

	31.3.18 £'000	31.3.17 £'000
<b>P H G Sellwood</b>		
Balance outstanding at start of year	4	4
Amounts advanced	5	4
Amounts repaid	(5)	(4)
Balance outstanding at end of year	<u>4</u>	<u>4</u>

The loan to P H G Sellwood is interest free and is in respect of the purchase of a travel season ticket.

**19. RELATED PARTY DISCLOSURES**

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Key management personnel of the entity (in the aggregate)**

	31.3.18 £'000	31.3.17 £'000
Total Compensation	<u>872</u>	<u>836</u>

**20. ULTIMATE CONTROLLING PARTY**

The immediate and ultimate controlling party is EST (Holdings) Limited a company registered in England and Wales which prepares consolidated accounts which incorporate the company's results. These consolidated accounts may be obtained from the company's registered office shown on page 1.