

**Registration Number 2219673**  
**Charity number : 298740**

**Centre for Sustainable Energy**  
**Directors' and Trustees' Report and Financial Statements**  
**for the year ended 31 March 2007**



## Centre for Sustainable Energy

### Company Information

Directors and Trustees	Peter Lipman - Chairman Robin Copeland - Vice Chairman Roger Levett Andrew Garrad Alison Stenton Pat Meehan Colin Palmer Cheryl Hiles Catherine Mitchell Brenda Boardman	resigned 2 April 2007
Secretary	Robin Copeland	
Company Number	2219673	
Registered Office	Create Centre B-Bond Warehouse Smeaton Road Bristol BS1 6XN	
Auditors	Elliott Bunker Limited 3-8 Redcliffe Parade West Bristol BS1 6SP	
Bankers	HSBC Bank plc PO Box 120 49 Corn Street Bristol BS99 7PP	
Registered charity	298740	

## Centre for Sustainable Energy

### Contents

	<b>Page</b>
Directors' and Trustees' Report	<b>1 - 9</b>
Auditors' Report	<b>10 - 11</b>
Balance Sheet	<b>12</b>
Statement of financial activities	<b>13</b>
Notes to the Financial Statements	<b>14 - 21</b>

## **Centre for Sustainable Energy**

### **Directors' and Trustees' Report for the year ended 31 March 2007**

#### **Constitution**

Centre for Sustainable Energy (CSE) is a registered charity and company limited by guarantee without share capital.

#### **Principal activity**

CSE's mission as an independent charity is to advance sustainable energy policy and practice. CSE seeks energy solutions that engage people and communities to meet real needs for both environmentally sound and affordable energy services. Ending the misery of cold homes and enabling action to tackle the threat of climate change are core objectives.

CSE aims to achieve this mission by:

- delivering effective projects, mainly in our locality, which enable individuals and organisations to make their energy supply and use more sustainable;
- empowering and supporting effective action by others in their organisations and communities across the UK, and;
- using our experience and evidence to shape local, regional and national policy through expert analysis and research.

Work is delivered in partnership with national and local government and associated agencies, the energy industry, business, community groups, schools and the general public on a range of initiatives that include:

- the development of pilot projects identifying new ideas and approaches to dealing with the constraints facing sustainable energy development
- the delivery of a range of community based energy projects encouraging greater local awareness of, and engagement with, the issues relating to energy including health, comfort, housing, fuel poverty, and the environment
- the delivery of both telephone and face-to-face energy advice to householders and community groups as part of the national network of Energy Efficiency Advice Centres
- education work with schools and colleges that emphasises the role of the pupil/student as an environmental decision maker
- the production of teaching resources that encourage a questioning approach to problem solving within the environment
- the delivery of energy awareness training projects aimed at the energy industry, local authorities and the wider business sector
- technical consultancy services which help clients understand and implement low carbon solutions appropriate to their energy needs
- action orientated research work that develops understanding of energy and environmental issues and fuel poverty
- influencing policy makers locally, regionally and nationally with the experience and results gained from delivering practical projects.

At any given time, CSE may have some 60 – 70 different and separately funded projects underway. More than 100 projects were delivered during 2006/07.

## **Centre for Sustainable Energy**

### **Directors' and Trustees' Report for the year ended 31 March 2007**

#### **Policies and Structure**

The charity operates with a board of trustees that meets on a quarterly basis. Trustees have overall responsibility for financial management, organisation and compliance with the purposes of the charity. However this responsibility is devolved on a day to day basis to the Chief Executive and the Senior Management Team within a clearly documented framework of delegated powers. The Chief Executive reports to the trustees at each quarterly meeting.

The Board of Trustees also has one sub-committee – the Finance and Development Committee – which meets quarterly with relevant staff members to explore the financial results and development activity in more depth and report to the full Board. Individual Trustees provide occasional support and expertise to particular staff, for example on policy matters and development.

The charity has an equal opportunities officer, health and safety officer and environment officer, and makes every effort to ensure that the policies are positively implemented.

#### **Trustees**

The trustees of the charitable company (who are directors for the purposes of company law) during the year were as follows:

Peter Lipman – Chair  
Robin Copeland – Vice Chair & Company Secretary  
Brenda Boardman  
Andrew Garrad  
Cheryl Hiles  
Roger Levett (resigned 2 April 2007)  
Pat Meehan  
Catherine Mitchell  
Colin Palmer  
Alison Stenton (née Pilling)

#### **Review of the Year**

CSE had a successful year in 2006/07, achieving a combination of growth as an organisation and significant impact and influence on the development of effective sustainable energy policies and practices at local, regional and national level.

Our impact in terms of carbon emission reductions, fuel poverty alleviation, supporting effective work by other organisations, and policy influence – four key targets for our new three year organisational strategy – is described at the end of this section.

Highlights of our activities in 2006/07 include:

- We delivered energy efficiency advice to some 25,000 households in the Avon and Somerset area, cutting their lifetime carbon dioxide emissions by 154,000 tonnes.
- Somerset Warm and Well – which we developed for a consortium of local authorities – provided a streamlined service to improve insulation levels in over 1,700 households, a 70% increase on the previous year.

## Centre for Sustainable Energy

### Directors' and Trustees' Report for the year ended 31 March 2007

- Our local projects targeting assistance on fuel poor households, particularly elderly householders struggling to keep warm in winter, helped them to secure grant-aided insulation, new heating systems and additional income from successful benefits claims worth more than £0.5 million over the next 5 years.
- We kicked off 'Our Big Energy Challenge' with public sector organisations in Bath and North East Somerset – from the Council to the universities and hospital. Funded by HM Treasury's 'Invest to Save' programme over three years, the goal is to cut energy use through a programme of improved monitoring and energy management practices and staff engagement.
- We helped 50 schools improve their teaching of energy issues, with a programme of teacher training and 'Solar Kits' to put renewable energy at the heart of the primary school science curriculum and through the Eco-schools programme in Bristol. These initiatives reached more than 2,500 school pupils, with 2 schools achieving the coveted Green Flag Eco-school status.
- As managing agent of the national Community Action for Energy (CAfE) programme of the Energy Saving Trust, we grew the membership by more than a third to more than 3,500 community activists and energy professionals. We delivered advice, expert support and training directly to more than 2,800 members during the year.
- We estimate that community-engaged renewable initiatives supported by us led directly to the installation of some 500kW of small-scale renewable energy technologies locally during 2006/07. This included the 2006 South West Green Energy Award-winning biomass heating system for Bristol City Council's Blaise plant nursery which is principally fuelled by wood waste from trimming street trees around the city.
- Our work supporting the introduction of renewable wood-fuelled heating across the South West was boosted by securing funding during the year to provide technical advice and funding support to individual households, community buildings, and businesses of all sizes. The 'Bioheat' programme we are delivering with engineering consultancy Black and Veatch on behalf of Regen SW is aiming to achieve a five-fold increase in wood heating in the region by mid 2008.
- We continued our DTI-funded training programme on planning and renewable energy for planning officers and councillors from across England, training more than 600 of these key local decision-makers on wind power planning issues and on micro-renewables. We also launched the first national web-based resource bank providing access to hundreds of relevant sources of information and policy documents at [www.planningrenewables.org.uk](http://www.planningrenewables.org.uk).
- The DTI and Renewables Advisory Board published the Protocols on Public Engagement with Wind Energy Developments (for England and Wales) and the Community Benefits from Wind Energy Toolkit. Developed by teams led by CSE, these are designed to enable project developers, local planning authorities and local communities develop more effective relationships with one another, improve the planning process, and make the most of those local wind energy developments which are given the go ahead.

## Centre for Sustainable Energy

### Directors' and Trustees' Report for the year ended 31 March 2007

- Our pioneering work to enable local authorities and regional agencies to improve their performance in supporting local action to cut carbon emissions was made available in late 2006 as an electronic self-assessment tool – the Local and Regional Carbon Management Matrix (at [www.cse.org.uk/matrix](http://www.cse.org.uk/matrix)). This was applied directly in strategy development with the London Borough of Islington and in an assessment for the Energy Saving Trust of progress on sustainable energy in the nine English regions.
- Research we led for Defra exposed the opportunities and issues associated with personal carbon allowances and the potential role of community initiatives in mobilising individuals to take action to tackle climate change. Both areas of work have been taken forward by Defra into 2007/08 for further study and policy influence.
- With funding from DTI, Ofgem, EAGA Charitable Trust, the Energy Retail Association and Department for Health, we launched the updated English Fuel Poverty Indicator (in May 2007). Working with researchers from University of Bristol, the indicator shows how fuel poverty is distributed across England at ‘small area’ level, enabling improved programme targeting. The data for every council ward and Census ‘super output area’ in England, plus county-level maps, are available free to download at [www.fuelpovertyindicator.org.uk](http://www.fuelpovertyindicator.org.uk).
- Our work on so-called ‘social tariffs’, offered by some energy suppliers to vulnerable households, exposed the poor value for money which many represent (particularly when compared with other tariffs available on the market). The issue was taken forward by both the Government and the energy regulator Ofgem, leading to a commitment in the 2007 Energy White Paper to review the quality of such offerings, with the threat of regulatory intervention if they prove sub-standard.
- We were appointed by the energy regulator, Ofgem, to lead the evaluation of the 3 year government-funded trials of ‘smart’ meters, improved billing and a range of other techniques for stimulating households to understand and cut their electricity and gas consumption. Our evaluation team, which will be reviewing trials in more than 50,000 homes by 4 energy suppliers, includes researchers from the Universities of Surrey and Oxford and metering experts.

Our website at [www.cse.org.uk](http://www.cse.org.uk) has details of all of our activities. It now routinely enjoys more than 7,000 ‘unique visitors’ a month, many of whom sign up for the monthly e-news about our work. The number of subscribers to this free service grew in the year by a further 15% to over 1,800. We publish all of our project reports and studies on the website, making them available for free download.

CSE works to promote its charitable aims at local, regional and national level, particularly through activities to influence policy. We are well represented and active in: the Energy Minister’s Renewables Advisory Board, the DTI’s Regional Energy Group (as South West representative), the Energy Efficiency Partnership for Homes, the National Right to Fuel Campaign, the Fuel Poverty Advisory Group Communities and Local Government Committee, the Government’s Fuel Poverty Monitoring and Technical Group, the Public Utilities Access Forum (as chair of the Energy Group), the Board of Regen SW (the South West’s Renewable Energy Agency), and other initiatives in Bristol and the South West.

During the year, we were summoned to give evidence to two committees of the House of Commons on two occasions: firstly on climate change and citizen engagement to the Environment, Food and Rural Affairs Committee; then to the Treasury Select Committee on the policy implications of the Stern Review of Climate Change. We also provided input to an initial assessment by the National Audit Office of the effectiveness of local authorities in tackling the threat of climate change.

## Centre for Sustainable Energy

### Directors' and Trustees' Report for the year ended 31 March 2007

In 2006/07, CSE successfully secured over £1.5 million for its activities from national and local government and associated agencies, industry and charitable sources. Some activities were grant funded whilst others were, in effect, paid as project or consultancy services. However, this distinction between 'funder' and 'client' is not particularly germane since all of the activities are designed to meet CSE's charitable purposes, irrespective of funding source. The trustee body would like to thank all CSE's major funding partners and clients (listed below) for their support for projects undertaken during the year:

Action Renewables  
AEA Energy & Environment  
Association for the Conservation of Energy  
Bath & North East Somerset Council  
Big Lottery Fund  
Bristol City Council  
The Carbon Consultancy Ltd  
Central Office of Information  
The Cobb Charity  
Department of Health  
Devon County Council  
Department for Environment, Food and Rural Affairs (Defra)  
Department for Trade & Industry (DTI)  
Devon Wildlife Trust  
EAGA Partnership Charitable Trust  
EDF Green Energy Fund  
Energywatch  
Energy Efficiency Partnership for Homes  
Energy Saving Trust  
Every Action Counts  
Forestry Commission (SW Conservancy)  
Government Office for the South West  
Greater London Authority  
HM Treasury  
Learning Southwest  
London Borough of Islington  
Mark Insulations Ltd  
Mendip District Council  
Millfold Group Ltd  
National Assembly for Wales  
The National Trust  
National Energy Action (NEA)  
North Devon District Council  
nPower  
North Somerset Council  
Ofgem  
Plymouth City Council  
Quartet Community Foundation  
Regen SW  
Scottish Power Energy People Trust  
Sedgmoor District Council  
Silvanus Trust  
South Gloucestershire Council  
South Somerset District Council  
South West Regional Development Agency



## Centre for Sustainable Energy

### Directors' and Trustees' Report for the year ended 31 March 2007

Severn Wye Energy Agency  
Taunton Deane Borough Council  
Tenant Participation Advisory Service (TPAS)  
UK Public Health Association  
Unison  
Wakefield Metropolitan District Council  
Wear Valley District Council  
West Somerset District Council  
WWF UK  
Yeo Valley Group

CSE also worked with approximately 100 other local authorities, energy agencies and organisations on a smaller scale through education, training, advice and strategic guidance.

The Trustees would like to thank the staff and volunteers for their commitment and dedication to CSE through this successful year and for the continuing excellent and vital work they are delivering, day in, day out, in pursuit of our charitable objectives.

#### **CSE's impact during 2006/07**

2006/07 was the first year of CSE's new 3 year business strategy. The strategy identified four types of impact from our work and set specific targets – key performance indicators – to achieve by 2009:

- To be responsible for projects which have cut carbon dioxide emissions by 150,000 tonnes CO<sub>2</sub> per year by 2009
- To be responsible for projects which have significantly improved the affordability of energy services for 10,000 people in fuel poverty
- To support more than 10,000 people to take action through their own organisations to deliver sustainable energy
- To secure specific policy changes to focus effort on energy demand reduction, behavioural change (and education) and the need for community-engaged renewables

We are still developing straightforward ways of measuring the carbon emission reductions caused by our projects against the first of these targets. This has proved difficult since nationally available figures (e.g. from the Energy Saving Trust and Defra) tend to use 'lifetime' (rather than 'annual') carbon emission reductions. In addition, it is sometimes impossible to trace the impact of a project. For example, we are aware of several renewable energy installations completed in 2006/07 where our involvement was highly instrumental but 2 or 3 years ago (e.g. Tellisford Mill hydropower, Blaise Nursery biomass).

In spite of these caveats, we have been able to make calculations which we consider provide a reasonable picture of our impact during 2006/07 against these 3 year targets.

## Centre for Sustainable Energy

### Directors' and Trustees' Report for the year ended 31 March 2007

Carbon emission reductions resulting from CSE projects in 2006/07

255,000 'lifetime' tonnes of CO<sub>2</sub>

*(From energy advice activities and known energy efficiency and renewable energy installations. Estimated to be equivalent to annual reduction of 11,000 tonnes of CO<sub>2</sub>)*

= 7% of 3 year target after 1 year

Numbers of households assisted during 2006/07 to improve the affordability of their energy services and reduce the risk of fuel poverty

7,517

*(Includes qualifying Warm Front referrals, direct installations through Warm & Well, and households provided with benefits claims assistance)*

= 75% of 3 year target after 1 year

Number of people assisted during 2006/07 to take action on sustainable energy in their own organisations

4,675

*(Includes support through training, Community Action for Energy, local authority strategic input, technical advice on site, and schools activities. This figure does not include additional 3,780 attendees at events and 2500 school pupils involved in education projects)*

= 46% of 3 year target after 1 year

Specific policy changes secured principally through CSE research and policy analysis in 2006/07

- Government commitment to require specific information on energy bills to enable householders to see at a glance how their energy consumption compares with their historical use
- Inclusion of specific performance indicators on climate change mitigation and fuel poverty alleviation in the Government's proposed new performance framework for local governments in England
- Ministerial endorsement of DTI-published Protocols on Public Engagement and Community Benefit Toolkit to encourage and enable greater local involvement in wind energy developments

We will review our methodology for this impact assessment during 2007/08. While the carbon emission reduction target currently appears to be 'behind schedule', there are several projects initiated during 2006/07 which should result in a significant increase in this figure over the next 12 months. We are satisfied with our progress against the other targets.

## **Centre for Sustainable Energy**

### **Directors' and Trustees' Report for the year ended 31 March 2007**

#### **Commentary on Accounts**

These accounts cover the 12 month period from April 2006 to March 2007. The organisation made a profit of £99,668 during the year (£49,213 in 2005/06). This has been added to reserves, increasing them from £488,802 to £588,470. The profit for the year represents a healthy financial performance, combined with a growth in turnover of 20%.

We continued to see growth in funding from government departments and agencies (national and regional). This sector provides a significant proportion of our total funding but represents a diverse range of public sector funding sources and programmes, including DTI, Defra, Department for Health, DWP, GOSW, HM Treasury, SWRDA, Ofgem, Energy Efficiency Partnership for Homes and, most significantly, the Energy Saving Trust.

#### **Future strategy**

2006/07 was the first year of the charity's new three year business strategy, taking us to March 2009. The strategy identifies significant opportunities for the charity to continue to grow in influence and impact, many of which have already been acted upon during this first year.

Over the next two years we will sustain this good start by building on our existing strengths and, in addition, by:

- i. monitoring and evaluating our own impact more routinely and systematically and being clearer about the evidence of costs and benefits of our initiatives;
- ii. being clearer about our messages and more sophisticated in communicating with those we seek to influence (householders, clients, funders, policy-makers);
- iii. being smarter in our lobbying and policy input, promoting our evidence and analysis more widely to expand our influence;
- iv. identifying and delivering the full range of activities which are needed to deliver step changes in individual and organisational engagement with sustainable energy issues, and;
- v. making sure we continue to recruit and, particularly, retain resourceful, skilled and committed staff, improve our prediction and management of workloads, and having a working environment that gives us space to expand and thrive.

We will continue to report our impact against the key performance indicators described earlier in this report.

Following a review of options, we decided in 2006/07 to move to a new office to provide additional space, an improved working environment and a location better served by public transport. This relocation will take place during 2007/08.

#### **Reserves policy**

The trustees have operated a policy of retaining sufficient funds in order to create a reserve to cover six months direct running costs, which currently amounts to approximately £550,000. As a result of the healthy growth in reserves over the last 5 years, the reserves now exceed this figure. A proportion of these reserves have previously been designated for particular purposes (Research & Development and Accommodation).

With the imminent relocation bringing a different structure of liabilities (eg for rent and some aspects of building up-keep), it was identified that the reserves policy needs to be reviewed. In keeping with recent developments in good practice by charitable organisations, we need to consider in a more sophisticated way the implications for our reserve policy of the range of risks across our diverse funding base and other operational risks. We intend to undertake this review following the relocation during the second half of 2007/08.

## Centre for Sustainable Energy

### Directors' and Trustees' Report for the year ended 31 March 2007

All cash reserves are held in an interest-bearing deposit account to minimise risk whilst earning a reasonable return in the current investment climate. Improvements to our banking arrangements made in 2005/06 have more than doubled our earnings from interest on these cash reserves by maximising interest bearing deposits on a daily basis.

#### **Risk review**

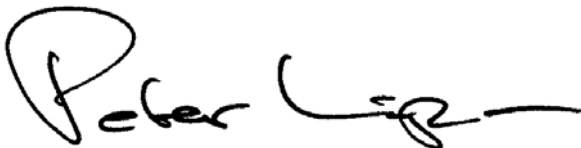
The trustees routinely review the major risks to which the charity is exposed and systems are in place to mitigate those risks. Significant external risks to funding have led to a strategic approach to project development and fundraising to allow for a broader range of activities, project size and funding sources. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charity. The key external and funding risks for the charity were reviewed and addressed in detail as part of the process for developing the new business strategy. A similarly detailed review of key internal risks and procedures for managing them will be undertaken during 2007/08, linking with the review of our reserves policy.

#### **Auditors**

Elliott Bunker Ltd were reappointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 1 October 2007 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Peter Lipman', with a long horizontal flourish extending to the right.

**Peter Lipman**  
**Chair of Trustees**

## **Centre for Sustainable Energy**

### **Auditors' Report to the Shareholders of Centre for Sustainable Energy**

We have audited the financial statements of Centre for Sustainable Energy for the year ended 31 March 2007 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

#### **Respective responsibilities of trustees and auditors**

The trustees' (who are also the directors for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' and Trustees' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Trustees' Annual Report and consider whether it is consistent with the audited financial statements.

We consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors and trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Centre for Sustainable Energy

### Auditors' Report to the Shareholders of Centre for Sustainable Energy *continued*

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provision Available for Small Entities, in the circumstances set out in Note 1 to the financial statements.

#### **Opinion**

In our opinion:

- \* the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities of the state of the charitable company's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- \* the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- \* the information given in the Trustees' Report is consistent with the financial statements.



**Elliott Bunker Limited**  
**Chartered Accountants and**  
**Registered auditors**  
**3-8 Redcliffe Parade West**  
**Bristol**  
**BS1 6SP**

**Centre for Sustainable Energy**

**Balance Sheet  
as at 31 March 2007**

		2007		2006	
Notes	£	£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	<b>13</b>		46,469		52,427
Investments	<b>14</b>		6		6
			46,475		52,433
<b>Current Assets</b>					
Stocks		182,853		44,902	
Debtors	<b>15</b>	314,988		481,992	
Cash at bank and in hand		614,299		336,211	
		1,112,140		863,105	
<b>Creditors: amounts falling due within one year</b>	<b>16</b>	(570,145)		(426,736)	
<b>Net Current Assets</b>			541,995		436,369
<b>Total Assets Less Current Liabilities</b>			588,470		488,802
<b>Capital and Reserves</b>					
Unrestricted funds	<b>18</b>		588,470		488,802
			588,470		488,802

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective Jan 2005).

  
**Robin Copeland**  
**Director and Trustee**

**Centre for Sustainable Energy**

**Statement of financial activities**

**For the year ended 31 March 2007**

	Notes	Unrestricted funds £	Restricted funds £	2007 Total £	2006 Total £
<b>Incoming resources</b>					
<u>Incoming resources from charitable activities</u>					
Projects	5	1,202,453	331,337	1,533,790	1,285,843
<u>Incoming resources from generated funds</u>					
Investment income	8	21,134	-	21,134	8,917
<b>Total incoming resources</b>		<u>1,223,587</u>	<u>331,337</u>	<u>1,554,924</u>	<u>1,294,760</u>
<b>Resources expended</b>					
<u>Charitable Activities</u>					
Project Costs	7	1,026,290	331,337	1,357,627	1,126,803
Governance costs	10	23,406	-	23,406	36,902
<u>Costs of generating funds</u>					
Fundraising & Publicity		74,223	-	74,223	81,842
<b>Total resources expended</b>		<u>1,123,919</u>	<u>331,337</u>	<u>1,455,256</u>	<u>1,245,547</u>
<b>Net movement in funds</b>		<u>99,668</u>	<u>-</u>	<u>99,668</u>	<u>49,213</u>
Total funds brought forward		488,802	-	488,802	439,589
<b>Total funds carried forward</b>		<u>588,470</u>	<u>-</u>	<u>588,470</u>	<u>488,802</u>



## Centre for Sustainable Energy

### Notes to the Financial Statements for the year ended 31 March 2007

#### 1. Accounting Policies

##### 1.1. Accounting convention

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards, the Companies Act 1985 and follow the recommendations in Statement of Recommended Practice - Accounting and Reporting by Charities issued in 2005 and in accordance with the Financial Reporting Standard for Smaller Entities (effective Jan 2005).

In common with many other charities of our size and nature we use our auditors to prepare the financial statements and to provide returns for the taxation authorities.

##### 1.2 Incoming resources

Incoming resources from the project sales and from investments is included when receivable. Funds received in the period which are relevant to future periods are deferred

##### 1.3 Resources expended

Resources expended are recognised in the period in which they are incurred and include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

##### 1.4 Fixed assets and depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual over their estimated useful lives as follows:

Office Equipment	25% - 50% Straight Line
Fixtures & Fittings	20% - 25% Straight Line

Where assets are purchased for use for a specific project they are written off in the year of purchase.

##### 1.5 Funds analysis

Unrestricted Funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purposes and are available as general funds.

Designated Funds are unrestricted funds earmarked by the management committee for particular purposes. The Trustees operate a policy of retaining sufficient funds in order to create an Operating Reserve to cover six months running costs.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

## Centre for Sustainable Energy

### Notes to the Financial Statements for the year ended 31 March 2007

#### 1.6. Work in progress

The cost of work in progress includes all overheads, depreciation and the attributable proportion of indirect overheads based on the normal level of activity

#### 1.7. Staff costs

Staff costs and overhead expenses are allocated to activities on the basis of staff time spent on those activities.

The charity operates a defined Contribution Pension Scheme. Contributions are charged to the income and expenditure as they become payable in accordance with the rules of the scheme.

#### 1.8. Governance costs

Governance costs relate to the costs of running the charity not applicable to a project such as audit and statutory compliance. These costs include any costs which cannot be specifically identified to another expenditure classification

#### 2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

In the opinion of the directors none of the turnover of the company is attributable to geographical markets outside the UK (2006 NIL).

<b>3. Operating surplus</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Operating surplus is stated after charging:		
Depreciation and other amounts written off tangible assets	20,262	18,124
Loss on disposal of tangible fixed assets	12,187	2,524
Auditors' remuneration	5,600	4,750
	<u>          </u>	<u>          </u>

**Centre for Sustainable Energy**

**Notes to the Financial Statements  
for the year ended 31 March 2007**

4. Grants receivable	Unrestricted funds £	Restricted funds £	2007 £
<u>Grants received in year:</u>			
Bristol City Council	-	5,785	5,785
EDF - other	-	5,000	5,000
DEFRA	-	146,567	146,567
DTI (Regen SW)	-	60,000	60,000
South West Regional Development Agency	-	20,000	20,000
Department for Work and Pensions	-	4,937	4,937
National Assembly for Wales	-	10,356	10,356
Lottery Fund	-	42,827	42,827
Community Development Foundation (Every Action Counts)	-	14,663	14,663
Silvanus Trust	-	23,567	23,567
EAGA Charitable Trust	-	36,000	36,000
Scottish Power Energy People Trust	-	65,310	65,310
Other grants, etc, under £5,000	3,660	1,782	5,442
Movements on Deferred Income	-	(105,457)	(105,457)
	3,660	331,337	334,997
	3,660	331,337	334,997

5. Project Sales	Unrestricted funds £	Restricted funds £	2007 £	2006 £
<u>Incoming resources by project</u>				
Education projects	25,760	1,000	26,760	43,016
Training projects	225,900	782	226,682	345,967
Technical projects	236,820	48,567	285,387	114,194
Policy and research projects	201,112	111,293	312,405	238,034
Advice and community projects	179,299	275,152	454,451	347,871
Managing as agent	216,365	-	216,365	177,295
Others	11,740	-	11,740	19,466
Adjust deferred income	105,457	(105,457)	-	-
	1,202,453	331,337	1,533,790	1,285,843
	1,202,453	331,337	1,533,790	1,285,843

**Centre for Sustainable Energy**

**Notes to the Financial Statements  
for the year ended 31 March 2007**

<b>5. Project Sales - Cont</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>2007 £</b>	<b>2006 £</b>
<i><u>Incoming resources by source</u></i>				
General Private sector	128,552	782	129,334	46,415
Government Agencies & Departments	225,361	241,860	467,221	417,731
Adjust deferred income	105,457	(105,457)	-	-
Energy Saving Trust	478,845	-	478,845	565,841
Local Authority	203,929	5,785	209,714	165,632
Public Electricity Suppliers	25,199	70,310	95,509	90,224
Others	35,110	118,057	153,167	-
	<u>60,309</u>	<u>188,367</u>	<u>1,533,790</u>	<u>1,285,843</u>

**6. Directors**

No remuneration was paid to Directors and Trustees and no employee received emoluments of more than £50,000.

<b>7. Project Costs</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>2007 £</b>	<b>2006 £</b>
<i><u>Resources expended by project</u></i>				
Education projects	53,801	2,089	55,890	46,277
Training projects	200,067	793	200,860	295,323
Technical projects	212,586	49,866	262,452	111,525
Policy and research projects	175,274	75,118	250,392	193,042
Advice and community projects	207,595	203,471	411,066	346,561
Managing as agent	179,377	-	179,377	131,487
Other Sundry Projects	2,410	-	2,410	2,588
	<u>1,026,290</u>	<u>331,337</u>	<u>1,357,627</u>	<u>1,126,803</u>

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>2007 £</b>	<b>2006 £</b>
<i><u>Resources expended by funder</u></i>				
General private sector	123,155	-	123,155	-
Government agencies & depts.	236,046	-	236,046	-
Energy Saving Trust	441,305	-	441,305	-
Grant funded projects	-	331,337	331,337	-
Local authority projects	194,995	-	194,995	-
Public Electricity Supply projects	20,526	-	20,526	-
Other Sundry Projects	10,263	-	10,263	-
	<u>1,026,290</u>	<u>331,337</u>	<u>1,357,627</u>	<u>-</u>

Included in project costs are support costs per note 9 allocated on the basis of income receivable.  
No comparative figures are available from the previous year for this analysis.

**Centre for Sustainable Energy**

**Notes to the Financial Statements  
for the year ended 31 March 2007**

<b>8. Investment income</b>			<b>2007</b>	<b>2006</b>
			<b>£</b>	<b>£</b>
Bank interest			21,134	8,917
			<u>          </u>	<u>          </u>
<b>9. Other Support Costs</b>	<b>Unrestricted</b>	<b>Restricted</b>		
	<b>funds</b>	<b>funds</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff recruit, training & welfare	10,606	-	10,606	15,834
Premises costs	31,351	-	31,351	26,803
Communications	7,102	-	7,102	8,316
General office costs	13,732	-	13,732	18,462
Travel & Subsistence	3,833	-	3,833	2,306
Computer costs	20,277	-	20,277	13,191
Miscellaneous	671	-	671	9,929
Financial costs	69	-	69	102
Depreciation and asset disposal	32,449	-	32,449	20,648
	<u>118,748</u>	<u>-</u>	<u>118,748</u>	<u>115,591</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>10. Governance costs</b>			<b>2007</b>	<b>2006</b>
			<b>£</b>	<b>£</b>
Insurances			10,140	10,823
Bad debts			-	102
Trustees expenses			486	599
Staff welfare			3,558	3,384
Professional fees			3,622	2,244
Auditors remuneration			5,600	4,750
Legal fees			-	15,000
			<u>23,406</u>	<u>36,902</u>
			<u>          </u>	<u>          </u>
<b>11. Pension costs</b>				

The company operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £46,455 (2006 - £38,700).

**Centre for Sustainable Energy**

**Notes to the Financial Statements  
for the year ended 31 March 2007**

**12. Taxation**

The company is a registered charity (no.298740) and has no liability for taxation.

**13. Tangible fixed assets**

	<b>Plant and machinery</b>	<b>Fixtures, fittings equipment</b>	<b>Total</b>
	£	£	£
<b>Cost</b>			
At 1 April 2006	133,438	35,991	169,429
Additions	26,376	135	26,511
Disposals	(16,090)	(8,568)	(24,658)
At 31 March 2007	143,724	27,558	171,282
<b>Depreciation</b>			
At 1 April 2006	92,458	24,544	117,002
On disposals	(7,778)	(4,673)	(12,451)
Charge for the year	16,484	3,778	20,262
At 31 March 2007	101,164	23,649	124,813
<b>Net book values</b>			
At 31 March 2007	42,560	3,909	46,469
At 31 March 2006	40,980	11,447	52,427

**14. Fixed Asset Investments**

	<b>Other Unlisted Investments</b>	<b>Total</b>
	£	£
<b>Cost</b>		
At 1 April 2006		
At 31 March 2007	6	6
<b>Net book values</b>		
At 31 March 2007	6	6
At 31 March 2006	6	6

Investments comprise 60 Ordinary 10p shares in BioRegional Minimills (UK) Limited, a company registered in England that were donated to the charity. At 31 March 2007 the trustees consider that these are fairly stated at nominal cost.

**Centre for Sustainable Energy**

**Notes to the Financial Statements  
for the year ended 31 March 2007**

**15. Debtors**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Sundry trade debtors	309,401	475,089
Prepayments	5,587	6,903
	<u>314,988</u>	<u>481,992</u>

**16. Creditors: amounts falling due within one year**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Trade creditors	69,807	80,604
Other taxes and social security costs	113,775	106,149
Accruals and other creditors	386,563	239,983
	<u>570,145</u>	<u>426,736</u>

The charity also acts as an agent in administering and distributing funds provided to it for which the charity has no responsibility for their ultimate application and act on the direct instructions of the funds' donors. As at 31 March 2007 the charity held funds of £403,580 (2006: £202,815) which are not included in these accounts but are held in separate accounts for the original payer and are returnable on demand.

**17. Staff note**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Gross Wages and salaries	761,895	645,261
Other pension costs	92,910	77,400
	<u>854,805</u>	<u>722,661</u>

Average number of employees:

Project staff including freelance	28	25
Management and Admin staff	5	5
	<u>33</u>	<u>30</u>

## Centre for Sustainable Energy

### Notes to the Financial Statements for the year ended 31 March 2007

#### 18. Unrestricted reserves

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
a) General funds		
Brought forward	313,802	264,589
Retained surplus for year	99,668	49,213
Transfer to designated funds	-	-
At 31 March 2007	<u>413,470</u>	<u>313,802</u>
b) Designated funds		
	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Research & Development Investment Fund	75,000	75,000
Accommodation reserve	100,000	100,000
	<u>175,000</u>	<u>175,000</u>

The Research and Development Investment Fund has been designated by the Trustees for future investment in research and development activities in the organisation.

The Accommodation Reserve has been designated by Trustees to provide for future upgrading of current accommodation or for relocation.

#### 19. Liability of Members

The company is limited by guarantee. The liability of each member is limited to £1 in the event of the winding up of the company, whilst a member and for one year after ceasing to be a member. The number of members at 31 March 2007 was 10.

#### 20. Related party transactions

In the opinion of the Trustees there were no relevant related party transactions, during the year.



**Centre for Sustainable Energy**

**The following pages are for the directors and trustees only**

**Centre for Sustainable Energy**

**Detailed Trading Profit and Loss Account  
and Expenses Schedule  
for the year ended 31 March 2007**

	2007		2006	
	£	£	£	£
<b>Income</b>				
Grants Receivable				
Project Sales		1,533,790		1,285,843
		1,533,790		1,285,843
Project Costs	440,319		360,021	
	440,319		360,021	
		(440,319)		(360,021)
<b>Gross profit</b>	71%	1,093,471	72%	925,822
<b>Administrative expenses</b>				
Salaries and wages		808,350		683,961
Pension scheme contributions		46,455		38,700
Telephone & Internet Costs		7,102		8,316
Travel Costs		4,319		2,905
Fundraising and Publicity		2,978		10,372
Printing, Stationery & Postage		9,139		12,771
Computer Costs		20,277		13,191
Insurance		10,140		10,823
Subscriptions		3,807		4,355
Staff training and conferences		2,464		3,424
Staff recruitment & welfare		11,700		15,794
Repairs and renewals		786		1,336
Sundry expenses		7,141		17,072
Bank charges and interest		69		102
Bad debts		-		102
Legal and professional		3,622		2,244
Auditors remuneration		5,600		4,750
Development & Research		7,188		7,861
Rent and rates		31,351		26,803
Depreciation		20,262		18,124
Gains/losses on disposal of fixed assets		12,187		2,524
		1,014,937		885,530
<b>Other income and expenses</b>				
<b>Interest receivable</b>				
Bank deposit interest		21,134		8,917
		21,134		8,917
<b>Net profit for the year</b>		99,668		49,209