

ANNUAL REPORT & CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2012

FOR

**ENERGY PROJECTS PLUS LIMITED
(LIMITED BY GUARANTEE)
AND ITS SUBSIDIARY**

**McLINTOCKS LIMITED
CHARTERED ACCOUNTANTS**

**56 Hamilton Street
Birkenhead
Merseyside
CH41 5HZ**

**ENERGY PROJECTS PLUS LIMITED
(LIMITED BY GUARANTEE)
AND ITS SUBSIDIARY**

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for the year ended 31 March 2012**

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**ENERGY PROJECTS PLUS LIMITED
(LIMITED BY GUARANTEE)
AND ITS SUBSIDIARY**

**REPORT OF THE TRUSTEES
for the year ended 31 March 2012**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity and the group for the year ended 31 March 2012. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03176917 (England & Wales)

Registered Charity number

1080137

Registered Office

Wirral Environment Centre
The Sandon Building
Falkland Road
Wallasey
Merseyside CH44 8ER

Trustees

M Bebbington
A L Hughes
S L Thompson
T Upton
E Whitworth (Resigned 7 December 2011)

Company Secretary

D A Pye

Auditors

McLintocks Limited
Chartered Accountants
Hamilton House
56 Hamilton Street
Birkenhead
Merseyside CH41 5HZ

Bankers

The Cooperative Bank Ltd
Lyceum Building
1 Bold Street
Liverpool L1 4NW

Solicitors

David Roberts & Co.
Victoria House
96-98 Victoria Road
New Brighton CH45 2JF

**ENERGY PROJECTS PLUS LIMITED
(LIMITED BY GUARANTEE)
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**REPORT OF THE TRUSTEES
for the year ended 31 March 2012**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a charitable company limited by guarantee, as defined by the Companies Act 2006. The company was incorporated on 25 March 1996 and registered as a charity on 30 March 2000. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new trustees

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association the trustees are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting. The trustees due to retire by rotation will be as per the member's AGM notification.

The Board has the power to appoint additional trustees as it considers fit and continues to seek to appoint further additional trustees in order to widen the Boards' overall breadth of experience. Such appointments would be subject to confirmation at the AGM following. During the current year no such appointments have been made.

All trustees gave their time as trustees voluntarily and received no benefits or expenses in connection with that work.

Induction and training of new trustees

All existing trustees had pre-existing knowledge of Energy Projects Plus and its activities and, as part of their appointment as trustees, were given an induction by the Company Secretary in their role as a trustee. Any further trustee without pre-existing involvement with Energy Projects Plus would also receive a full induction in the organisation and its activities.

Organisational structure

The charity is organised so that the trustees meet quarterly to manage its affairs. The full-time Chief Executive reports to and consults with members of the trustees regularly in between quarterly meetings. He is assisted in the day to day administration of the charity and successful delivery of projects and events by a management team made up of individual department heads who meet together formally on a monthly basis and informally in between.

Related parties

David Pye, Energy Projects Plus' Company Secretary, is also Company Secretary of Wirral Environmental Network, a separate charity with which Energy Projects Plus shares premises at Wallasey plus some related overhead costs.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

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**REPORT OF THE TRUSTEES
for the year ended 31 March 2012**

Risk management (continued)

A full risk assessment procedure was carried out by members of the management team following the appointment of a Finance Manager in 2004 and this was reported to the trustees. This procedure continues to be repeated on an annual basis and resultant system improvements continue to be instigated as part of an on-going process. These are aimed to mitigate any significant business or operational risk. The trustees will continue to review all risk assessments on an annual basis and believe that maintaining reserves, combined with an annual review of the controls over key financial and operational systems, will provide sufficient resources in the event of adverse operating conditions arising.

OBJECTIVES AND ACTIVITIES

Purposes and aims

Our charity's purposes as set out in the objects contained in the company's Memorandum of Association are the:

- Education of the public about energy efficiency and other environmental issues
- Promotion of energy efficiency
- Alleviation of fuel poverty
- Minimisation of waste from electricity generating stations

The aims of our charity are to reduce carbon emissions and fuel poverty and to achieve health improvements by facilitating the installation of insulation, heating, renewable technologies and other appropriate measures, in addition to the provision of advice, information and training. Historically, we have concentrated our activity within the counties of Cheshire and Merseyside operating with an ethos of collaboration and partnership working.

Ensuring our work delivers our aims

We review our activities each year in line with our overall aims and objectives and periodically review those aims and objectives. The annual review looks at what we have achieved and the outcomes of our work in the previous 12 months. It looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our work for the past year, planning our future activities and ensuring all planned activities contribute towards our stated aims and objectives.

The focus of our work

Our main objectives for the year continued to be the reduction in carbon emissions, elimination of fuel poverty and support of health improvements primarily across Merseyside and Cheshire. The methods we used to meet these objectives included:

- (i) Influencing local, regional and national statistics through leadership and membership of steering groups, information sharing groups and forums.
 - (ii) Working with partners including local authorities, housing associations and utilities to promote the range of support available to individuals and communities to take action.
-

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**REPORT OF THE TRUSTEES
for the year ended 31 March 2012**

The focus of our work (continued)

- (iii) Undertaking project management of programmes for local authorities and other funders, including administration of funds to assist householders to improve the insulation and/or heating of their homes. Many of these projects link directly the reduction of fuel poverty and achievement of health improvement targets.
- (iv) Continuing to provide under contract to Energy Saving Trust the Energy Saving Trust advice centre service for Merseyside and Cheshire (ceased 31 March 2012).

Significant activities

The principal activity of the charity was that of educating the public about energy efficiency and fuel poverty linked to direct access to measures by delivering a range of energy efficiency related projects including the Energy Saving Trust advice centre for Merseyside and Cheshire plus, increasingly during the year, other energy efficiency related projects in the same geographical area.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

How our activities deliver public benefit

Our main activities and who we are trying to help are described below. All our activities achieve the objectives of the charity detailed previously and directly achieve public benefit by increasing knowledge and understanding, reducing both fuel poverty and the environmental effects of energy use.

Equal access to our services is an important issue for us. As detailed below we undertake a number of projects aimed specifically at reducing fuel poverty and assisting people with chronic ill health and/or disability. We also undertake regular surveys of users to ensure that our various projects reach all sections of society and that a good quality service is provided both by ourselves and by contractors who carry out work under the schemes.

Our main areas of activity during the year to 31st March 2012 were:

- (i) Continuing to provide the Energy Saving Trust advice centre for Merseyside and Cheshire until 31 March 2012 when all advice centre services were centralised as part of a national advice centre
- (ii) Continuing the innovative Wirral Free Insulation scheme into its first full year and, in collaboration with Wirral Council, British Gas and Hillserve Ltd, offering free insulation to the vast majority of Wirral residents and thus aiming to achieve a much higher level of take-up over a 3 year period
- (iii) Undertaking a number of area-based schemes on behalf of local authorities and other funders such as RWE NPower providing financial support for people to improve both heating and insulation. Some of these e.g. Health through Warmth and HEARTH are directly health related. Other, such as SEARCH are not exclusively health related but often link in to this aim, whilst also funding more general insulation/heating measures, with a concentration still on vulnerable residents in disadvantages areas.

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**REPORT OF THE TRUSTEES
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How our activities deliver public benefit (continued)

- (iv) Community engagement and support is a key area of activity aimed at achieving sustained action by communities of geography or interest. In support of this we worked with local authorities and other partners including the communities of Lymm, Eastham and Wilmslow on their LEAF projects, Parish Power, Cheshire and Warrington Low Carbon Communities and Cheshire and Warrington Green Deal Support Group.

- (v) Another key activity included continuing to act as the accountable body for the North West Domestic Energy Alliance. This programme continued to increase the knowledge of, and access to, support, information and funding for reducing carbon emissions and fuel poverty across the North West and was highlighted as an important part of the delivery of the North West Climate Change Action Plan.

At the same time the charity's wholly owned subsidiary, Sustainable Community Services Limited, continued to trade during the year on a similar basis to 2010/11.

FINANCIAL REVIEW

In reviewing the overall financial standing of the charity, there was a net reduction in total assets of £47,918. This resulted from a reduction during the year of £79,133 on restricted grant funds etc held for distribution to/for householders but, with the aid of sound financial management and the support of both its staff and partner agencies, this was offset by a surplus of £31, 215 achieved on unrestricted funds.

Reserves policy

The trustees have examined the charity's requirement for reserves in the light of the main risks to the organisation. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be equal to at least 6 months unrestricted expenditure. Budgeted unrestricted expenditure for 2012/13 is £647,000 and therefore the current target is for £337,000 in general funds after allowing for net book value of fixed assets. Unrestricted funds as at 31st March 2012 (£590,869) achieve this target. The reserves are considered necessary to meet the working capital requirements of the charity and the trustees are confident that at this level they would be able to continue the current activities of the charity for a sufficient period to carry out any necessary reorganisations in the event of a significant drop in funding.

Principal funding sources

The majority of funding has been received during the year from two sources – Energy Saving Trust and Wirral Council. During the year these two organisations together accounted for 84.3% of Energy Projects Plus Limited's funding. Against a difficult financial climate, particularly in the area of local authority funding, Energy Projects Plus continues to try and diversify its sources of funding both by funding provider and value and to reduce its reliance on public sector funding.

Investment policy and objectives

The retention of funds ready for use in support of projects and compliance with the charity's reserves policy means that currently there are few funds for long or medium term investment. Having considered the options available and taking into account recent volatility on financial markets, the trustees have decided to invest the small amount that it has available in short-term notice accounts with building societies and similar 'not for profit' financial institutions.

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**REPORT OF THE TRUSTEES
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FUTURE DEVELOPMENTS

The charity continues to explore new opportunities to deliver programmes that are consistent with its charitable aims within the context of significant changes to funding and operations being introduced through the proposed Green Deal and ECO programmes.

The Energy Saving Trust advice centre service for Merseyside and Cheshire ceased activity on 31 March 2012 and was replaced by a nationally run Green Deal advice service operated directly by the Energy Saving Trust. Unfortunately, this necessitated a staff reorganisation and some members of staff leaving the organisation, though some staff retention was achieved through delivery of a new local advice service, and new community-based engagement.

However, a number of other projects continued and some new projects have also started since the year end. Amongst these is a two year project funded by the Scottish Power's Energy People Trust called Warmth4All which started in April 2012 in Merseyside and Halton. We have also continued as a partner in an ERDF funded project in Cheshire and several other projects working with local authority partners in Cheshire and Merseyside.

The second year of the Wirral Free Insulation Scheme, the four year £7m scheme successfully won through a tender process from Wirral Council, was again successfully delivered in 2011/12 and continues into 2012/13.

The charity has successfully continued its BS8555 Environmental Management System accreditation and is now actively seeking IS14001 Environmental accreditation together with Investors In People.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Energy Projects Plus Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and

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- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, McLintocks Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD

.....
A L Hughes – Trustee

Date

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ENERGY PROJECTS PLUS LIMITED
(LIMITED BY GUARANTEE)
AND ITS SUBSIDIARY**

We have audited the financial statements on Energy Projects Plus Limited and its subsidiary for the year ended 31 March 2012 on pages 10 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with these Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group and the charitable parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our next report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company as at 31 March 2012 and of its incoming resources and application of resources, including income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ENERGY PROJECTS PLUS LIMITED
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Opinion on other matter prescribed by Companies Act 2006

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

Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees.

M W Caputo (Senior Statutory Auditor)
for and on behalf of McLintocks Limited
Hamilton House
56 Hamilton Street
Birkenhead
Merseyside
CH41 5HZ

Date

**ENERGY PROJECTS PLUS LIMITED
(LIMITED BY GUARANTEE)
AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
for the year ended 31 March 2012**

| | Notes | Unrestricted £ | Restricted £ | 2012 £ | 2011 £ |
|---|---------|-------------------|-----------------|-----------|-----------|
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated funds | | | | | |
| Voluntary income | 5 | 83 | - | 83 | 47 |
| Activities for generating funds: | | | | | |
| Commercial trading operations | 6 | 157 | - | 157 | 45,933 |
| Investment income | 7 | 2,268 | - | 2,268 | 851 |
| Incoming resources from charitable activities | | | | | |
| Charitable activities | 8 | 1,015,094 | 1,471,776 | 2,486,870 | 1,839,278 |
| Total incoming resources | | 1,017,602 | 1,471,776 | 2,489,378 | 1,886,109 |
| RESOURCES EXPENDED | | | | | |
| Costs of generating funds | | | | | |
| Commercial trading operations | 9 | 7,808 | - | 7,808 | 47,821 |
| Charitable activities | 10 | 912,553 | 1,576,690 | 2,489,243 | 1,764,663 |
| Governance costs | 11 | 40,705 | - | 40,705 | 39,452 |
| Total resources expended | | 961,066 | 1,576,690 | 2,537,756 | 1,851,936 |
| NET INCOME/EXPENDITURE BEFORE TRANSFERS AND TAXATION | | | | | |
| Gross transfers between funds | 22 & 23 | (25,781) | 25,781 | - | - |
| Taxation | 13 | (460) | - | (460) | 2,057 |
| NET MOVEMENT IN FUNDS | | 31,215 | (79,133) | (47,918) | 32,116 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 560,354 | 261,627 | 821,981 | 789,865 |
| Total funds carried forward | | 591,569 | 182,494 | 774,063 | 821,981 |

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

All incoming resources and resources expended derive from continuing activities.

These notes form part of these financial statements

**ENERGY PROJECTS PLUS LIMITED
(LIMITED BY GUARANTEE)
AND ITS SUBSIDIARY
BALANCE SHEET AS AT 31 MARCH 2012**

| | Notes | Group 31 March 2012 £ | Group 31 March 2011 £ | Charity 31 March 2012 £ | Charity 31 March 2011 £ |
|--|---------|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 14 | 15,327 | 24,672 | 15,257 | 21,651 |
| Investments | 15 | - | - | 501 | 501 |
| | | 15,327 | 24,672 | 15,758 | 22,152 |
| CURRENT ASSETS | | | | | |
| Stock | | 1,637 | 2,435 | 1,637 | 2,435 |
| Debtors | 16 | 1,083,021 | 641,679 | 1,092,519 | 651,178 |
| Cash at bank and in hand | | 432,424 | 396,391 | 429,030 | 391,944 |
| | | 1,517,082 | 1,040,505 | 1,523,186 | 1,045,557 |
| CREDITORS: | | | | | |
| amounts falling due within one year | 17 | (757,982) | (242,212) | (765,231) | (247,766) |
| NET CURRENT ASSETS | | 759,100 | 798,293 | 757,955 | 797,791 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 774,427 | 822,965 | 773,713 | 819,943 |
| CREDITORS: | | | | | |
| amounts falling due after one year | 18 | (350) | (350) | (350) | (350) |
| PROVISIONS FOR LIABILITIES | 19 | (14) | (634) | - | - |
| NET ASSETS | | 774,063 | 821,981 | 773,363 | 819,593 |
| FUNDS | | | | | |
| Unrestricted funds | 22 & 23 | 591,569 | 560,354 | 590,869 | 557,966 |
| Restricted funds | 22 & 23 | 182,494 | 261,627 | 182,494 | 261,627 |
| Total funds | | 774,063 | 821,981 | 773,363 | 819,593 |

The trustees have prepared group accounts in accordance with section 404 of the Companies Act 2006 and Schedule 5A of the Charities Act 1993. These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes at pages 12 to 26 form part of these accounts.

ON BEHALF OF THE BOARD

.....
A L Hughes – Trustee
Approved by the Board on

The notes form part of these financial statements

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**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012**

1. Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Exemption from preparing a cash flow statement

The charitable company and its subsidiary has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cashflow statement.

Consolidation

The group financial statements consolidate the financial statements of the charitable company and of its subsidiary undertakings made up to 31 March 2012. The surpluses and deficits of the subsidiary undertakings are consolidated from the date of acquisition to the date of disposals. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the separable net assets acquired is written off to reserves in the year in which it arises. As a consolidated group income and expenditure account is published, a separate one for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Fixed assets are stated at cost less depreciation.

Depreciation has been provided at the following annual rates in order to write down the cost or valuation of all tangible fixed assets, less their estimated residual value, over their expected useful lives on the following basis.

| | |
|---------------------------------|-------------|
| Fixtures and fittings – charity | 15% on cost |
| Office equipment – charity | 20% on cost |
| Computer equipment – charity | 25% on cost |
| Computer equipment – subsidiary | 25% on cost |
| Motor vehicles – subsidiary | 25% on cost |

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**NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items.

Investments

Investments held as fixed assets are included at cost, see note 18 for explanation.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Value added tax

As the majority of the Charity's activities are classified as exempt or non-business activities for the purposes of value added tax, Energy Projects Plus Limited is unable to reclaim all the value added tax that it suffers on its purchases. Where relevant, expenditure in these financial statements is therefore shown inclusive of value added tax.

Taxation

No provision has been made for corporation tax or deferred tax for the Charity as it is a registered Charity and is therefore exempt. Provision has been made in the subsidiary company for both corporation tax and deferred tax.

Deferred tax

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

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**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012**

| | | |
|--|-------------------|-------------------|
| 2. Net incoming resources before transfers - group | 2012 | 2011 |
| | £ | £ |
| The net incoming resources before transfer is stated after charging: | | |
| Audit | 4,400 | 3,665 |
| Other operating leases | (79) | 2,736 |
| Depreciation (owned assets) | 11,088 | 11,239 |
| Professional Indemnity insurance | 988 | 1,364 |
| | <u> </u> | <u> </u> |

| | | |
|---|-------------------|-------------------|
| 3. Staff numbers and costs – group | 2012 | 2011 |
| | £ | £ |
| Staff costs were as follows: | | |
| Wages and salaries | 595,187 | 585,758 |
| Social security costs | 48,729 | 49,527 |
| Other pension costs | 5,031 | 6,328 |
| | <u> </u> | <u> </u> |
| | <u>648,947</u> | <u>641,613</u> |

Trustees' remuneration/benefits for the year ended 31 March 2012 totalled £Nil (2011: £10,673).

There were no trustees' expenses paid for the year ended 31 March 2012 nor for the year ended 31 March 2011.

No employee received remuneration over £60,000 (2011: nil).

The average number of staff, as expressed in full time equivalents, employed by the charity during the year was as follows:

| | | |
|-----------------------|-------------------|-------------------|
| | 2012 | 2011 |
| Charitable activities | 33 | 32 |
| | <u> </u> | <u> </u> |
| | <u>33</u> | <u>32</u> |

4. Taxation

The Charity (Registered Charity Number 1048990) is exempt from paying corporation tax. The subsidiary is subject to UK corporation tax the breakdown of which is in note 13.

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**NOTES TO THE FINANCIAL STATEMENTS
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| 5. Voluntary Income | Restricted £ | Unrestricted £ | 2012 Total £ | 2011 Total £ |
|---|-------------------------|---------------------------|-----------------------------|-----------------------------|
| Donations and gifts | - | 83 | 83 | 47 |
| | - | 83 | 83 | 47 |
| 6. Activities for generating funds | Restricted £ | Unrestricted £ | 2012 Total £ | 2011 Total £ |
| Commercial trading operations | - | 157 | 157 | 45,933 |
| | - | 157 | 157 | 45,933 |
| 7. Investment income | Restricted £ | Unrestricted £ | 2012 Total £ | 2011 Total £ |
| Interest receivable on cash deposits | - | 2,268 | 2,268 | 851 |
| | - | 2,268 | 2,268 | 851 |
| 8. Incoming resources from charitable activities | | | 2012 £ | 2011 £ |
| | Activity | | | |
| EST – Energy efficiency advice centres and other income | Charitable activities | | 591,193 | 481,541 |
| Local Authorities – service level agreements and projects | Charitable activities | | 1,548,852 | 726,375 |
| Other income – voluntary (inc. Sector and private sales and grants) | Charitable activities | | 346,825 | 631,362 |
| | | | <u>2,486,870</u> | <u>1,839,278</u> |

The notes form part of these financial statements

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| 9. Costs of generating funds - group | Unrestricted £ | 2012 Total £ | 2011 Total £ |
|---|---------------------------|-----------------------------|-----------------------------|
| Commercial trading operations | 7,808 | 7,808 | 47,821 |
| Total | 7,808 | 7,808 | 47,821 |

| 10. Charitable activities costs – group | 2012 Direct costs £ | 2011 Direct costs £ |
|--|------------------------------------|------------------------------------|
| Charitable activities | 2,489,243 | 1,764,663 |
| | <u>2,489,243</u> | <u>1,764,663</u> |

| 11. Governance costs | Unrestricted £ | 2012 Total £ | 2011 Total £ |
|-----------------------------|---------------------------|-----------------------------|-----------------------------|
| Staff costs | 32,195 | 32,195 | 30,776 |
| Legal and professional fees | 5,260 | 5,260 | 5,836 |
| Audit and accountancy | 3,250 | 3,250 | 2,840 |
| Total | 40,705 | 40,705 | 39,452 |

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| 12. Contribution from trading subsidiary | 2012 | 2011 |
|--|----------------|---------------|
| | £ | £ |
| Turnover | 5,658 | 51,633 |
| Cost of goods sold | (988) | (36,569) |
| | <u>4,670</u> | <u>15,064</u> |
| Gross profit | 4,670 | 15,064 |
| Administration expenses | (6,821) | (11,253) |
| | <u>(2,151)</u> | <u>3,811</u> |
| Operating profit | (2,151) | 3,811 |
| Interest receivable and similar income | 4 | 6 |
| | <u>(2,147)</u> | <u>3,817</u> |
| Profit on ordinary activities before taxation | (2,147) | 3,817 |
| Tax on profit on ordinary activities (see note 13) | (460) | 2,057 |
| | <u>(1,687)</u> | <u>1,760</u> |
| Retained (loss)/profit for the year | <u>(1,687)</u> | <u>1,760</u> |

The consolidated accounts include the results of the charity and its wholly owned subsidiary Sustainable Community Services Limited acquired in February 2008. All intercompany transactions have been eliminated upon consolidation.

| 13. Taxation | 2012 | 2011 |
|--|--------------|--------------|
| | £ | £ |
| Analysis of tax charge | | |
| The tax charge on the profit on ordinary activities for the year was as follows: | | |
| Current tax: | | |
| UK Corporation tax | 160 | 1 |
| Deferred tax | (620) | 2,056 |
| | <u>(460)</u> | <u>2,057</u> |
| Tax on (loss)/profit on ordinary activities | <u>(460)</u> | <u>2,057</u> |

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14. Fixed assets

(a) Used by the charity – group

| | Office equipment £ | Fixtures & fittings £ | Computer equipment £ | Motor vehicles £ | Total £ |
|-----------------------|--------------------------|-----------------------------|----------------------------|------------------------|------------|
| Cost | | | | | |
| At 1 April 2011 | 33,861 | 14,712 | 20,859 | 11,040 | 80,472 |
| Additions | - | - | 1,743 | - | 1,743 |
| On disposal | - | - | - | - | - |
| At 31 March 2012 | 33,861 | 14,712 | 22,602 | 11,040 | 82,215 |
| Depreciation | | | | | |
| At 1 April 2011 | 21,391 | 7,764 | 18,365 | 8,280 | 55,800 |
| Charge for the year | 4,139 | 1,732 | 2,458 | 2,759 | 11,088 |
| On disposal | - | - | - | - | - |
| At 31 March 2012 | 25,530 | 9,496 | 20,823 | 11,039 | 66,888 |
| Net book value | | | | | |
| At 31 March 2012 | 8,331 | 5,216 | 1,779 | 1 | 15,327 |
| At 31 March 2011 | 12,470 | 6,948 | 2,494 | 2,760 | 24,672 |

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14. Fixed assets (continued)

(b) Used by the charity

| | Office equipment £ | Fixtures & fittings £ | Computer equipment £ | Total £ |
|-----------------------|--------------------------|-----------------------------|----------------------------|------------|
| Cost | | | | |
| At 1 April 2011 | 33,861 | 14,503 | 20,252 | 68,616 |
| Additions | - | - | 1,743 | 1,743 |
| At 31 March 2012 | 33,861 | 14,503 | 21,995 | 70,359 |
| Depreciation | | | | |
| At 1 April 2011 | 21,391 | 7,664 | 17,910 | 46,965 |
| Charge for the year | 4,139 | 1,690 | 2,308 | 8,137 |
| At 31 March 2012 | 25,530 | 9,354 | 20,218 | 55,102 |
| Net book value | | | | |
| At 31 March 2012 | 8,331 | 5,149 | 1,777 | 15,257 |
| At 31 March 2011 | 12,470 | 6,839 | 2,342 | 21,651 |

15. Investments

The charity holds 501 shares of £1 each in its wholly owned trading subsidiary company Sustainable Community Services Ltd which is incorporated in the United Kingdom. The activities and results of this company is summarised in note 12.

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| 16. Debtors | Group 2012 £ | Group 2011 £ | Charity 2012 £ | Charity 2011 £ |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Amounts falling due within one year: | | | | |
| Trade debtors | 1,069,686 | 565,790 | 1,069,685 | 565,790 |
| Other debtors | 13,335 | 75,889 | 13,335 | 75,889 |
| Total | 1,083,021 | 641,679 | 1,083,020 | 641,679 |
| Amounts falling due after more than one year: | | | | |
| Amounts owed by group undertaking | - | - | 9,499 | 9,499 |
| Total | 1,083,021 | 641,679 | 1,092,519 | 651,178 |
| | | | | |
| 17. Creditors: amounts falling due within one year | Group 2012 £ | Group 2011 £ | Charity 2012 £ | Charity 2011 £ |
| Bank loans and overdrafts | - | 879 | - | 879 |
| Trade creditors | 279,559 | 48,930 | 279,559 | 48,929 |
| Amounts due to subsidiary undertakings | - | - | 8,408 | 6,393 |
| Taxation and social securities | 115,018 | 82,840 | 115,018 | 82,840 |
| Tax | 160 | 1 | - | - |
| Other creditors | 363,245 | 109,562 | 362,246 | 108,725 |
| Total | 757,982 | 242,212 | 765,231 | 247,766 |
| | | | | |
| 18. Creditors: amounts falling due within one year | Group 2012 £ | Group 2011 £ | Charity 2012 £ | Charity 2011 £ |
| Returned by solicitors as unbanked by recipient organisation | 350 | 350 | 350 | 350 |
| Total | 350 | 350 | 350 | 350 |

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| | | | | |
|---|-------------------------------|--|--|-------------------------------|
| 19. Provision for liabilities | | | Group 2012 £ | Group 2011 £ |
| Deferred tax | | | 14 | 634 |
| | | | | Deferred tax |
| Balance at 1 April 2011 | | | | 634 |
| Charge for year | | | | (620) |
| Balance at 31 March 2012 | | | | 14 |
| 20. Operating lease commitments | Group 2012 £ | Group 2011 £ | Charity 2012 £ | Charity 2011 £ |
| Expiring: | | | | |
| Within one year | 7,117 | - | 7,117 | - |
| Between one and five years | 16,500 | 25,990 | 16,500 | 25,990 |
| Total | 23,617 | 25,990 | 23,617 | 25,990 |
| 21. Movement in funds – Charity only | At 01.04.101 £ | Net movement in funds £ | Transfers between funds £ | At 31.03.12 £ |
| Unrestricted funds | | | | |
| General funds | 557,966 | 56,684 | (25,781) | 590,869 |
| Restricted funds | | | | |
| Prize money and other funds | 14,499 | - | - | 14,499 |
| RWE Npower Health Through Warmth | 57,526 | (1,446) | - | 56,080 |
| Wirral – Warm homes, DTC, HMRI, etc. | 33,709 | - | (8,212) | 25,497 |
| Halton HEARTH & Energy Zone projects | 38,013 | (5,068) | - | 32,945 |
| Sefton SEARCH & SEARCH+, Cosy Homes | 31,085 | 7,393 | - | 38,478 |
| Cheshire East Cashbacks | 14,995 | - | - | 14,995 |
| Wirral Grants & New Brighton Cosy Homes | 33,346 | (41,558) | 8,212 | - |
| Wirral Free Insulation Project | 38,454 | (64,235) | 25,781 | - |
| Total restricted funds | 261,627 | (104,914) | 25,781 | 182,494 |
| TOTAL FUNDS | 819,593 | (46,230) | - | 773,363 |

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22. Movement in funds (continued) – Charity only

Transfers between funds

With approval of the funding body (Wirral MBC) during the year £8,212 of remaining funding held for Wirral HMRI project was transferred to Wirral Grants project whilst maintaining its use of meeting ongoing expenditure under that project.

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---|-------------------------------------|-------------------------------------|------------------------------------|
| Unrestricted funds | | | |
| General fund | 1,017,440 | (958,756) | 58,684 |
| Restricted funds | | | |
| RWE Npower Health Through Warmth | 193,552 | (194,998) | (1,446) |
| Halton HEARTH & Energy Zone projects | - | (5,068) | (5,068) |
| Sefton SEARCH & SEARCH+, Cosy Homes | 60,477 | (53,084) | 7,393 |
| Wirral Grants & New Brighton Cosy Homes | 15,493 | (51,051) | (41,558) |
| Wirral Free Insulation Project | 1,202,254 | (1,266,489) | (64,235) |
| Total restricted funds | 1,471,776 | (1,576,690) | (104,914) |
| TOTAL FUNDS | 2,489,216 | (2,535,446) | (46,230) |

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| 23. Movement in funds – Group | At 01.04.11 | Net movement in funds | Transfers between funds | At 31.03.12 |
|---|------------------------|--------------------------------------|--|------------------------|
| | £ | £ | £ | £ |
| Unrestricted funds | | | | |
| General funds | 560,354 | 56,996 | (25,781) | 591,569 |
| Restricted funds | | | | |
| Prize money and other funds | 14,499 | - | - | 14,499 |
| RWE Npower Health Through Warmth | 57,526 | (1,446) | - | 56,080 |
| Wirral – Warm homes, DTC, HMRI, etc. | 33,709 | - | (8,212) | 25,497 |
| Halton HEARTH & Energy Zone projects | 38,013 | (5,068) | - | 32,945 |
| Sefton SEARCH & SEARCH+, Cosy Homes | 31,085 | 7,393 | - | 38,478 |
| Cheshire East Cashbacks | 14,995 | - | - | 14,995 |
| Wirral Grants & New Brighton Cosy Homes | 33,346 | (41,558) | 8,212 | - |
| Wirral Free Insulation Project | 38,454 | (64,235) | 25,781 | - |
| Total restricted funds | 261,627 | (104,914) | 25,781 | 182,494 |
| TOTAL FUNDS | 821,981 | (47,918) | - | 774,063 |

Transfers between funds

With approval of the funding body (Wirral MBC) during the year £8,212 of remaining funding held for Wirral HMRI project was transferred to Wirral Grants project whilst maintaining its use of meeting ongoing expenditure under that project.

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23. Movement in funds (continued) – Group

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---|-------------------------------------|-------------------------------------|------------------------------------|
| Unrestricted funds | | | |
| General fund | 1,017,445 | (960,909) | 56,536 |
| Restricted funds | | | |
| RWE Npower Health Through Warmth | 193,552 | (194,998) | (1,446) |
| Halton HEARTH & Energy Zone projects | - | (5,068) | (5,068) |
| Sefton SEARCH & SEARCH+, Cosy Homes | 60,477 | (53,084) | 7,393 |
| Wirral Grants & New Brighton Cosy Homes | 15,493 | (57,051) | (41,558) |
| Wirral Free Insulation Project | 1,202,254 | (1,266,489) | (64,235) |
| Total restricted funds | 1,471,776 | (1,576,690) | (104,914) |
| TOTAL FUNDS | 2,489,221 | 2,537,599 | (48,378) |

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24. Analysis of net assets by funds – group

| | Unrestricted funds £ | Restricted funds £ | Total 2012 £ | Total 2011 £ |
|--------------------|----------------------------|--------------------------|--------------------|--------------------|
| Fixed assets | 15,327 | - | 15,327 | 24,672 |
| Net current assets | 576,242 | 182,494 | 758,736 | 797,309 |
| Net assets | 591,569 | 182,494 | 774,063 | 821,981 |

25. Analysis of net assets by funds – charity

| | Unrestricted funds £ | Restricted funds £ | Total 2012 £ | Total 2011 £ |
|--------------------|----------------------------|--------------------------|--------------------|--------------------|
| Fixed assets | 15,758 | - | 15,758 | 22,153 |
| Net current assets | 575,111 | 182,494 | 757,605 | 797,440 |
| Net assets | 590,869 | 182,494 | 773,363 | 819,593 |

26. Contingent liabilities

The Trustees are aware that there remains a complex problem concerning VAT that may or may not be claimed on inputs relating to income that is classed as outside the scope for VAT purposes. On this issue professional advice has been sought and now it seems unlikely that HMRC will take any further action. Nonetheless, the Trustees consider that it is prudent to retain a contingent liability note in the Charity's Annual Financial Statements. They consider that, if any further VAT is payable in respect of the years ended 31 March 2006, 2007 or 2008 the liability would amount to no more than £35,000 (2010 - £35,000). Specific action was taken to mitigate any adverse effect on the Charity's finances beyond 31 March 2007.

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27. Guarantee

The membership of the company consists of trustees, staff with over 3 months service and individuals and groups who can demonstrate that they can comply with the general interests and aims of the charity. There were 27 members as at 31 March 2012 (2011 – 36). The liability of the members is limited to a maximum of £1 each.

28. Related Party Transactions

During the year Eric Whitworth, trustee received £Nil (2011: £10,673) for consultancy work he undertook in respect of bids on behalf of the group. Also during the year David Pye, Company Secretary received £17,373 (2011: £23,380) for IT and consultancy services provided to the group.