Company registration number: 3897720
Charity registration number: 1078994

Sustainability First

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2023

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

Sustainability First

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Sustainability First

Reference and Administrative Details

Patrons	Edward Cantle
	Lord Larry Whitty
	Baroness Anne McIntosh
	Lord Robin Teverson
Trustees	Philip Barton, Chair
	Professor Gordon Mackerron
	Sarah Deasley
	David Sigsworth
	Derek Lickorish
	Joe Perkins, Treasurer
	Jade McGhee
	Lucy Holdaway
	Steve Harman, Vice Chair
	Eugenio Lupi
	Amy Whitney
Secretary	Claire Williams
Senior Management Team	David Murray, Executive Director, Zoe McLeod, Policy Director, Martin Hurst, Policy Director, from April 2023
Charity Registration Number	1078994
Company Registration Number	3897720
Registered Office	85 Great Portland Street First Floor London W1W 7LT
Independent Examiner	John O'Brien, employee of Community Accounting Plus Units 1 & 2 North West 41 Talbot Street Nottingham NG1 5GL

Sustainability First

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 December 2023.

Trustees and officers

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

Trustees:	Philip Barton, Chair
	Professor Gordon Mackerron, Vice Chair until 07/12/23
	Sarah Deasley
	David Sigworth
	Derek Lickorish
	Joe Perkins, Treasurer from 21/09/23
	Steve Harman, appointed 15/06/23, Vice Chair from 07/12/23
	Jade McGhee, appointed 15/06/23
	Lucy Holdaway, appointed 15/06/23
	Eugenio Lupi, appointed 15/06/23
	Amy Whitney, appointed 15/06/23
	Xiao Yu, resigned 21/09/23
Secretary:	Claire Williams

Structure, governance and management

Nature of governing document

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

Recruitment and appointment of trustees

Overall management of the charity is the responsibility of the trustees who are elected and co-opted under the terms of the memorandum and articles of association. New trustees are sought by recommendation or through advertisement and interviewed, selected candidates are appointed with the agreement of the Board. Day to day project activity is managed and carried out by employees, supported by associates, who are contracted experts in sustainability, and unpaid trustees.

Objectives and activities

Objects and aims

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

Sustainability First

Trustees' Report

Public benefit

The main activities undertaken to benefit the public are to procure research on sustainability, promote wider education on sustainability and public interest issues, particularly in water and energy, and publish useful results.
These activities benefit the public by advancing the knowledge and understanding of the environmental, economic and social dimensions of sustainability. This is achieved by engaging in research and analysis, publishing the results freely and using research for discussion for key players in the fields of sustainable energy and water. The beneficiaries are the users and future users of energy and water supplies in the UK and the environment in which they live.

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

Achievements and performance

The cost of living crisis continues and while energy prices have come down, still remain considerably higher than in recent years. The war in Ukraine sees no end in sight and other geopolitical turmoil including the conflict in Israel/Palestine, means there remains considerable uncertainty over world economies including the price of energy. In 2024, nearly half the world will be voting for new leaders including the world's largest economy, the US, compounding this uncertainty. In the UK we will see an election sometime between now and 28 January 2025. This will add to public policy and business uncertainty. This is particularly hard for planning to mitigate climate change, which requires a long term view.

Public trust in both the energy and water sectors is lacking, prompted by high returns to shareholders and executives in oil and gas, and within water media coverage has focused on untreated sewage in our waters and rising bills for customers.

While the need to address climate change and reach net zero remains urgent, it is being pitted against affordability and vulnerability, in a way that damages long term sustainability goals.

In terms of staffing, former associate at Sustainability First Zoe McLeod successfully concluded her initial contract as Policy Director in the Spring 2023, continuing with the team as a part time Policy Director. Martin Hurst also joined the staff team as a part time Policy Director from April 2023. In addition, we have boosted our pool of experts, and recruited three expert associates: Martin Crouch (formerly an Ofgem director), George Day (Catapult and formerly an Ofwat director), and William Baker (fuel poverty expert).

A group of voluntary special advisors to the Executive Director have also joined to share their commercial acumen and knowledge with the charity. These individuals are: Kate Dutton (Ayala Advisors), Steve Phillips (founder, Zappi), Angie Ma (Faculty AI), Jo Knowles (Smedvig Capital), Edward de Salis Young (energy entrepreneur), Will Johnson (Herringbone), Christopher Fielding (HG Capital), Lina Arbelaez (Anglo Mining). We are indebted to these individuals for their support. Special thanks, in particular, are owed to Zappi for in kind office and meeting room space for staff, and to HG for introducing us to their charitable foundation.

We have refreshed and revised our strategy and have four ambitions for the energy and water sectors. These are to promote literacy through meaningful engagement with citizens; go beyond net zero and respect environmental limits; place affordability and equity at the centre of pricing and investment decisions; embed sustainability principles to positively transform business culture and operations.

Sustainability First

Trustees' Report

We have made great strides in improving our financial sustainability through the introduction of our Sustainability Leaders subscription service. Special thanks go to the first four founding members: SSEN, UKPN, South Staffs Water and SEW. We are pleased to be able to report that, in 2024, we have renewed existing and secured new subscriptions for the Sustainability Leaders Network. In addition we have worked with staff and associates to secure funding for a series of projects which will be undertaken during 2024.

This annual report shows some highlights in numbers of our impact in the last year before looking at each of our aims in more detail, both in terms of what we have achieved in 2023 and what we plan for the future.

Sustainability First in numbers - highlights of our outputs and impact in 2023

Seventeen consultation responses driving substantive change	Sustainability First is often one of the only independent voices / NGOs that responds to technical consultations and calls for evidence from government and regulators. Our responses are 'open source' and widely disseminated. They provide detailed proposals on how to make sustainability mainstream.
Nine Expert Viewpoints and briefings shared	These cutting-edge outputs provide thought leadership and technical insights in key areas for sustainability in utilities such as the energy crisis and the nexus where energy and water meet. Where appropriate we commission these from external thought leaders.
Fair Transition	We ran a series of workshops with stakeholders and members of the public to ensure a fair and inclusive shift to clean energy, through effective engagement. Commissioned by National Grid we have published a report based on the six workshops and three roundtables. We are working with National Grid to help them consider how best to embed the recommendations. We ran a pilot project for 18-30 years old with Ofgem, to hear their views so that lesser heard voices are engaged to better inform decision-makers. We ran a teach-in with managers working across SSEN group, introducing sustainability principles to business leaders across the company.
Social value	We facilitated a workshop with National Grid group executives, to focus on developing a new social value strategy for their company. In parallel, we have contributed our thinking on what constitutes a return on investment tool that could help measure and report on social benefits within the energy sector.
Reform of electricity markets	As part of the shift to renewable energy, the electricity markets will undergo the most radical overhaul in the past decade. These changes aim to deliver a cost effective, resilient and secure electricity system by 2035. This work specifically addressed how everyone will be expected to pay for electricity in ten years' time. We put consumers interests' (households, businesses, communities) at the heart of this complex energy reform debate.
Affordability and vulnerability	A range of projects has looked at affordability and how to protect the most vulnerable customers. These have included: a review and refresh of social tariffs in water for South East Water; better protections for Economy 7 and other customers on 'time of use' tariffs.

North Sea art residencies	We concluded our North Sea artist residencies which culminated in an online exhibition, a series of blogs and a series of social media posts. The project in three different locations on the North Sea coast (Holderness Coast, Yorkshire; Wells next the Sea (Norfolk) and Lowestoft (Suffolk) used direct engagement with communities impacted by the shift to clean energy. The project underlined the urgent need for genuine public engagement on the climate crisis and the energy transition.
Sustainability Leaders	By year end, we were approaching 50% of our annual turnover coming from subscriptions to our new Sustainability Leaders' group. The roundtables that we hosted were on: the energy Strategic Policy Statement (SPS); the water environment; Ofgem 'Framework for Future Systems' regulation. We provided bi-lateral advice, insights and analysis to our members on topics including social value, social tariffs, effective public engagement, policy reform, future of regulation, the price review process, sustainability principles in practice.

Below are some highlights of the impacts delivered by staff and Associates at Sustainability First over 2023.

Shaping agendas in essential services for a sustainable future

In the last year, Sustainability First has made a significant contribution to the sustainability agenda in the energy, water sectors and wider regulatory and consumer landscapes. We continued to champion environmental, social and economic well-being within businesses, regulators, and the civil service, including through our responses to key consultations throughout the year.

We advocated the need to focus on Economy 7 customers in Ofgem's annual work programme (as they account for 10% of consumers but did not feature in the regulator's plans). Allied to this, we highlighted the lack of discussion of the impacts that the price cap provisions have for multi-rate customers (including Economy 7 consumers) compared with standard rate customers.

We promoted the important role that prepayment can play for vulnerable consumers, advocating it as a preferred payment method for many customers given the budgeting control it offers, helping to protect against further economic hardship, especially through the cost-of-living crisis. So we argued against a ban on prepayment in Ofgem's call for evidence, provided that suppliers behave responsibly, deliver a good service, treat customers fairly and comply with their licence obligations.

Looking at Distribution Network Operators (DNOs), Annual Environmental reports, we sought greater emphasis on the need for consistency in reported figures and asked for more detail on what companies are doing to tackle the risks associated with the potent greenhouse gas SF6, as well as tackling energy losses.

With regards to future local energy institutions and governance, we believe Ofgem should think more deeply about the practical reality that local actors face in delivering net-zero. This includes the regulator considering a wider range of positive outcomes in an energy world where location is important. We also asked for more discussion on how the Future System Operator is best-suited to the role of regional energy-system planner and market facilitator. On the Future Systems and Network regulation, we agreed that the pace and scale of investment needed in electricity networks means new approaches may be needed. However, we raised concerns that this sort of review also risks creating a hiatus when we do not have time to slow down when tackling climate change.

The Department of Energy Security and Net Zero (DESNZ) consulted us on new guidance around community benefit from electricity transmission network infrastructure development. We supported the idea of greater funding and clarity on how new projects could benefit local communities, but were wary of a voluntary approach and believe communities must be properly engaged within this process far in advance of planning proposals for specific major infrastructure projects.

Debate around smarter regulation stepped up in the summer, including the proposed introduction of economic growth duties on energy, water and telecommunications sectors. We set out our arguments highlighting how vital it is that regulators drive the right kind of growth with their rules. In our latest consultation response, we opposed the extension of the 2015 Deregulation Act Growth Duty to Ofwat and Ofgem, as the Duty has unintended negative consequences by strengthening industry interests at the expense of consumers, wider society and the environment.

Enabled by the Energy Act 2013, we are hopeful that the Strategy and Policy Statement introduced in 2023 will provide broad strategic direction and a clear indication of government priorities, both to the energy regulator and the Future Systems Operator. Seeing government priorities transparently in this way is vital for stakeholders and creates a more robust legal framework.

Connecting, engaging and inspiring people on sustainability

Our North Sea artists' residency, supported by National Grid, explored the changing role for coastal communities and opportunities provided by renewable energy in the North Sea. Building on the heritage of these communities, this public outreach and engagement using art-making was designed to help create a safe space for people to share their own views and aspirations for a more sustainable future in their own coastal communities. The three artists: Joanne Coates, Isabella Martin and Alison Cooke hosted a virtual gallery in the spring to celebrate and conclude this work. From sea shanties and poetry; to community initiatives and oral histories; to walking, drawing and sculpting with natural materials, these residencies covered coastal wildlife, sustainable energy, fishing, and industrial & maritime heritage. We are grateful to each artist for their proactive participation in this project, and note our thanks to National Grid for the sponsorship that enabled this community engagement work to happen.

Our blog on how Ofgem is failing 3 million energy customers was popular, with over 9,500 impressions online, further supplemented by a high profile article on the same subject covered by Cornwall Insight highlighting a regulatory blind spot for Economy 7 customers. Our work on local governance was also cited by Cornwall Insight. In advance of our water policy roundtable The Water Report published a piece analysing the unintended consequences and missed opportunities due to the public outcry over storm discharges, and an overview of longer term trends in the sector. The Water Report also featured an article on the risks associated with concrete-heavy infrastructure. We also committed to writing regular op-eds for Utility Week, at the editor's request.

Embedding sustainability in practice

Our ongoing research into the potential for a minimum energy allowance considered the cost-of-living crisis, soaring energy prices and a sense that social tariffs as they stand might not be the best solution. Concerned that the eligibility criteria to access financial help being used by companies has prompted us to put a spotlight on those struggling financially who are also still missing out on the support that they need to live life with dignity.

We ran a workshop for all senior managers working for the energy company SSEN, providing an introduction to sustainability principles in business practice, and facilitating discussions around how these principles could be applied to each area of their business.

We designed and facilitated workshops for South East Water's front line staff, to examine the water company's existing Social Tariff and financial support, and to help the company to further develop its offer to consumers struggling to pay their water bills.

We facilitated a workshop for business leaders across National Grid's group of companies, focussed on development of the firm's Social Value Strategy.

Following on from our input into the development of the Price Review methodology used by Ofwat, we have since bilaterally helped two water companies with reviews of their Long Term Delivery Strategies as part of the Price Review '24.

We delivered our Fair Transition project over the first half of this year. Working with National Grid to think about how to make the shift to clean energy fair, inclusive and affordable, our engagement was aimed to foster discussion, empower citizens, and develop recommendations for National Grid and other decision makers in the energy sector in response to the opportunities and challenges we face in the UK as we work through a decarbonising, clean energy transition.

Sustainability First ran a pilot project with Ofgem and a group of twelve 18-30 year-olds, seeking to address the under-representation of young people in energy policy development. Our Sustainable Futures Energy Forum was an online forum for young people to share perspectives and experiences and to shape decision-making on current and future energy issues, with senior executives and policy experts at Ofgem.

REMA (Review of Electricity Market Arrangements) is the most radical overhaul of the electricity markets in a decade. Our role this year has been to ensure that outcomes for end-users are fair - including who pays for and who benefits from these changes to the energy market. Sustainability First was pleased to support the Department for Energy Security and Net Zero, together with Citizens Advice in setting up a new REMA End-User Forum (EUF). The aim is to help encourage government, the regulator and energy companies to gain insights into the potential impacts for end-users of these reforms. We contend that end-users (the public and business consumers) should not be an afterthought but instead be at the heart of rethinking this marketplace.

As we reached the first anniversary, in December, of Sustainability First's annual corporate membership (now called the Sustainability Leaders Group) we are happy with how this repeatable income stream is creating a more sustainable financial model for the long-term health of the charity. At the same time, we were able to maintain high level relationships in water and energy businesses through ongoing bilaterals, cross sector roundtables, sharing of industry insights, and networking, all through this new additional approach to our advocacy for the charity. Roundtable topics included Future Energy Network Regulation, better price protections for Economy 7 consumers, The Energy Strategic Policy Statement, and The Water Environment.

Building our capacity

Staff changes

The organisation continued to be led by David Murray, Executive Director, supported by our two part-time Policy directors: Zoe McLeod and Martin Hurst. Both have worked with Sustainability First over many years as associates.

Our small staff team have continued to provide their expertise in Research, Communications and Finance.

Sustainability First

Trustees' Report

Trustee changes

Xiao Yu resigned from the board and from her role as Treasurer in September 2023. Existing Trustee Joe Perkins has taken on the role of Treasurer, on an interim basis, while we recruit a replacement. We thank Xiao for all her hard work and commitment to the charity.

We welcomed five new Trustees: Eugenio Lupi, Lucy Holdaway, Steve Harman, Jade McGhee and Amy Whitney in June 2023. Steve Harman replaced Gordon MacKerron as Vice Chair as of December 2023.

As part of our succession planning, we will be recruiting a new Chair and Treasurer in 2024.

As part of the Board's development of good practice in governance it was decided to make use of a number of Board panels to allow for the development of policies and good working practice in a number of areas. Each panel comprises a number of Trustees, the Executive Director and other staff members as appropriate. The following panels met during the year: Finance; Remuneration and Personnel; Policy and Communications. The panels report their deliberations and recommendations to the full Board for discussion and ratification.

Plans for 2024

Over the course of 2024, we aim to:

1. Promote energy and water literacy through meaningful engagement with citizens;
2. Encourage companies, regulators and government to go beyond net zero and respect environmental limits;
3. Ensure affordability and equity are integral to pricing and investment decisions;
4. Embed sustainability principles to positively transform business culture and operations;
5. Grow and nurture our new Sustainability Leaders' Network, to ensure we build and maintain our influence with senior leaders working in the water and energy sectors and to better enable a long-term sustainable financial footing for the charity;
6. Create new opportunities for unheard voices to become part of sustainability discussion and thinking;
7. Ensure that engagement becomes a standard practice for all businesses, government and regulators in energy and water;
8. Create new opportunities for creative people to help set the sustainability agenda through art and other creative mediums;
9. Increase awareness of the issues we care about and the role we play in making change happen. This includes gaining more media coverage in both traditional press and digital media;
10. Develop our approach to measuring and reporting on our impact.

Financial review

Sustainability First reports a net movement in funds for the year ended 31 December 2023 of £117,214 outflow (2022: £254 inflow). The income for the year of £294,202 (2022: £356,897) was mainly generated from a series of projects involving research and analysis as described above. We are also pleased to announce that we will receive a grant from HG Foundation in 2024 which will be applied to a project to identify opportunities for increasing Green tech jobs and skills in the energy and water sectors. Other income has been secured in the early months of 2024 which will fund the charity's work going forward. Some of the projects were completed during the year, others were on-going at the end of the year. The total expenditure on charitable activities during the year was £411,416 (2022: £356,643). The reserves carried forward at the end of the period were £188,648 (2022: £305,862). As indicated last year several projects funds which had been received in 2023 were designated for the completion of projects. In completing projects and developing the organisation it was necessary to utilise the designated reserves in the year. Sustainability First therefore showed a reduction in the designated funds. The trustees recognise and anticipate that there will be some further expenditure out of the reserves to complete the projects that were on-going at the end of the year. The trustees have decided to designate £7,000 (2022: £17,000) of General funds to cover delayed project activities (workshops, conferences, travel and sub-contractors) which will be delivered in 2024. Details will be provided in the Financial Statements to 31 December 2024 in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations at that date. Income will also be used to continue to develop new income streams to allow for an increase in the range of activities undertaken by Sustainability First including dissemination, research and communications.

During 2024, as highlighted earlier in the report, we have already generated income from renewed and new subscriptions to our Sustainability Leaders Network and secured funding for several new projects. Securing income remains a priority for the trustees and staff as Sustainability First continues to improve its financial stability.

Policy on reserves

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

At the end of 2023 the level of reserves was £188,648, as mentioned above, £7,000 was designated from the General fund to cover costs to complete projects that were on-going at the end of the year also there were £552 worth of net fixed assets. This effectively left General reserves, not designated, of £181,096 which represented 8.2 months' worth of core operating and development costs, other than those covered by designated funds. Whilst this level is slightly lower than the target, the trustees have examined the projected reserves level in years to come and anticipate that the level can be maintained or increased. New projects and income sources continue to be developed.

Principal risks and uncertainties

Main risks

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

The trustees consider that suitable actions are being taken and controls have been put in place to control and mitigate these risks. These include: instigating more regular reviews of the financial position and prospective income and plans for income development through the monthly meetings of the Finance Panel and developing a range of funding initiatives; maintaining involvement of a range of associates and having more core staff available; maintaining close dialogue with staff and associates and developing new personnel and associates where relevant together with the introduction of a Remuneration and Personnel panel which has been looking at personnel matters; ensuring quality control of reports and publications by review processes; holding regular team discussions and sharing project outputs and increasing the methods of communicating with our audiences, sponsors and the public; continuing to develop new ideas to broaden the reach of our work eg via the Sustainability Leaders Network, ensuring sponsors remain satisfied with work produced by discussion with them; seeking new sponsors; allocating resources to allow for the strategic development of Sustainability First including its sources of funding and communication strategy; ensuring comprehensive support for the Executive Director and appointing policy directors, ensuring all staff and associates are aware of the need for confidentiality relating to IP and GDPR; keeping an up to date register of interests for trustees, staff and associates; ensuring suitable insurance policies are in place; maintaining IT capability to store data safely.

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

Sustainability First

Trustees' Report

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Sustainability First for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

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

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

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

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

The annual report was approved by the trustees of the charity on 28 March 2024 and signed on its behalf by:

.....
Philip Barton
Trustee and Chair

Sustainability First

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

Independent examiner's report to the trustees of Sustainability First ('the Company')
I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2023.

Responsibilities and basis of report

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

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

Independent examiner's statement
Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member and Fellow of the Association of Charity Independent Examiners, which is one of the listed bodies.
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

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

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

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

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

30 April 2024

Sustainability First

Statement of Financial Activities for the Year Ended 31 December 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2023 £	Total 2022 £
Income and Endowments from:				
Donations and legacies	2	38,300	38,300	65,800
Charitable activities	3	252,599	252,599	290,096
Investment income	5	3,303	3,303	1,001
Total income		294,202	294,202	356,897
Expenditure on:				
Charitable activities	6	(411,416)	(411,416)	(356,643)
Total expenditure		(411,416)	(411,416)	(356,643)
Net (expenditure)/income		(117,214)	(117,214)	254
Net movement in funds		(117,214)	(117,214)	254
Reconciliation of funds				
Total funds brought forward		305,862	305,862	305,608
Total funds carried forward	14	188,648	188,648	305,862

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

The funds breakdown for the period is shown in note 14.

Sustainability First

Statement of Financial Activities for the Year Ended 31 December 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

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

	Note	Unrestricted funds £	Total 2022 £
Income and Endowments from:			
Donations and legacies	2	65,800	65,800
Charitable activities	3	290,096	290,096
Investment income	5	1,001	1,001
Total income		356,897	356,897
Expenditure on:			
Charitable activities	6	(356,643)	(356,643)
Total expenditure		(356,643)	(356,643)
Net income		254	254
Net movement in funds		254	254
Reconciliation of funds			
Total funds brought forward		305,608	305,608
Total funds carried forward	14	305,862	305,862

Sustainability First

(Registration number: 3897720)
Balance Sheet as at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	8	552	-
Current assets			
Debtors	9	13,816	102,656
Cash at bank and in hand		230,391	310,193
		244,207	412,849
Creditors: Amounts falling due within one year	10	(56,111)	(106,987)
Net current assets		188,096	305,862
Net assets		188,648	305,862
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		188,648	305,862
Total funds	14	188,648	305,862

For the financial year ending 31 December 2023 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

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

The financial statements on pages 13 to 25 were approved by the trustees, and authorised for issue on 28 March 2024 and signed on their behalf by:

.....
Joe Perkins
Trustee and Treasurer

Sustainability First

Notes to the Financial Statements for the Year Ended 31 December 2023

1 Accounting policies

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

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

Basis of preparation
Sustainability First meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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

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

Exemption from preparing a cash flow statement
Under the exemption available to smaller charities the Board of Trustees has chosen not to include a Statement of Cash Flows within the financial statements.

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Deferred income

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

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

Expenditure

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

Charitable activities

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

Taxation

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

Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost.

Depreciation and amortisation

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

Asset class	Depreciation method and rate
IT equipment	33.3% straight line

Trade debtors

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

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

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

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

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

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

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

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

2 Income from donations and legacies

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Donations and legacies;			
Donations from individuals	38,300	38,300	65,800
	38,300	38,300	65,800

3 Income from charitable activities

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Membership & sponsorship fees	252,599	252,599	290,096

4 Grants & donations

	Unrestricted funds £	Total £
Donations via CAF	37,500	37,500
Sundry donations via CAF	800	800
	38,300	38,300

5 Investment income

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Interest receivable and similar income;			
Interest receivable on bank deposits	3,303	3,303	1,001

6 Expenditure on charitable activities

	Unrestricted General funds £	Total 2023 £	Total 2022 £
Communications	2,063	2,063	-
Accountancy and bookkeeping service	12,000	12,000	12,000
Competition & exhibition costs	75	75	2,030
Consultancy fees	132,283	132,283	102,236
Depreciation	276	276	-
Incentive payments	10,540	10,540	-
Insurance	5,124	5,124	5,023
Irrecoverable VAT	2,834	2,834	1,018
IT consultancy & software	9,283	9,283	6,682
Legal & professional	700	700	683
Meals & catering	-	-	613
Office accommodation	840	840	3,571
Payroll fees	708	708	599
Printing & stationery	133	133	307
Recruitment expenses	-	-	2,076
Subscriptions	7,612	7,612	4,762
Sundry expenditure	793	793	755
Travel, meetings & conference costs	9,350	9,350	790
Trustee travel & subsistence	410	410	290
Wages, NI & pension	216,392	216,392	213,208
	411,416	411,416	356,643

The figures in note 6 represent expenditure made and committed in the year. The trustees have identified £7,000 of expenditure relevant to projects which represent expected costs of delivery of certain projects in future periods which Sustainability First has indicated to sponsors will be incurred in the forthcoming periods. The trustees have chosen to designate these funds accordingly see notes 14 and 15.

7 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	191,550	186,689
Social security costs	14,108	15,963
Pension costs	10,734	10,556
	216,392	213,208

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

	2023 No	2022 No
Average number of employees	6	5

5 (2022 - 3) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £10,734 (2022 - £10,556).

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

	2023 No	2022 No
£60,001 - £70,000	-	1
£90,001 - £100,000	1	-

The total employee benefits of the key management personnel, including the role of Company Secretary, of the charity were £152,279 (2022 - £164,155).

8 Tangible fixed assets

	Computer equipment £	Total £
Cost		
At 1 January 2023	647	647
Additions	828	828
At 31 December 2023	1,475	1,475
Depreciation		
At 1 January 2023	647	647
Charge for the year	276	276
At 31 December 2023	923	923
Net book value		
At 31 December 2023	552	552
At 31 December 2022	-	-

9 Debtors

	2023 £	2022 £
Trade debtors	-	91,797
Prepayments	5,686	5,976
Accrued income	8,130	3,751
Other debtors	-	1,132
	13,816	102,656

10 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	8,375	6,981
Other taxation and social security	1,058	21,144
Accruals	24,845	8,029
Deferred income	21,833	70,833
	56,111	106,987

11 Charity status

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

12 Taxation

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

13 Fees payable to independent examiner

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

	2023 £	2022 £
Independent examination	700	670
Other financial services	708	599
	1,408	1,269

14 Funds

	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2023 £
Unrestricted funds					
General					
General	288,862	294,202	(411,416)	10,000	181,648
Designated					
Activities	17,000	-	-	(10,000)	7,000
Total funds	305,862	294,202	(411,416)	-	188,648

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2022 £
Unrestricted funds					
General					
General	145,108	356,897	(356,643)	143,500	288,862
Designated					
Activities	160,500	-	-	(143,500)	17,000
Total funds	305,608	356,897	(356,643)	-	305,862

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

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

15 Analysis of net assets between funds

	Unrestricted funds		Total funds at 31 December 2023
	General £	Designated £	£
Tangible fixed assets	552	-	552
Current assets	237,207	7,000	244,207
Current liabilities	(56,111)	-	(56,111)
Total net assets	181,648	7,000	188,648

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

16 Trustees remuneration and expenses

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

David Sigsworth
£205 (2022: £158) of expenses were reimbursed to David Sigsworth during the year.

Philip Barton
£206 (2022: £132) of expenses were reimbursed to Philip Barton during the year.

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

17 Related party transactions

There were no related party transactions in the year.