

DIRECTORS' REPORT

The trustees, who are also the directors of the company, present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31st March 2023. The directors have adopted the provisions of the Companies Act 2006 the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" effective in January 2015 and FRS 102 "The Financial Reporting Standard Applicable in UK and Republic of Ireland" in preparing the annual report and financial statements of the charity.

Structure

Action Renewables is a private company, limited by guarantee and with charitable status. We operate under an independent Board of Non-Executive Directors, a Chairman, and two Executive Directors. The Chief Executive is responsible to the Board for the management of the organisation on an on-going basis. The Chief Executive and the Chief Operations Officer deal with the daily administration of programmes and services. We operate from Belfast throughout Northern Ireland, the rest of the UK, Ireland, and in Europe.

The charity has established a wholly owned subsidiary, Action Renewables Energy Trading Limited (ARET), a company Limited by shares. The trading surplus of this company, which provides consultancy services on renewable energy and trades renewable electricity and its derivatives, is donated to Action Renewables. On 7 December 2022, ARES Market Services Limited was incorporated, which is a subsidiary of Action Renewables Energy Trading Limited.

In line with good governance, Action Renewables and Action Renewables Energy Trading Limited have adopted a Resource Sharing Agreement, Statement of Reserved Matters and Deed of Covenant between the legal entities.

Strategy

Action Renewables is widely recognised as one of the foremost authorities on renewable energy in Northern Ireland. Its charitable objectives are: Advance to the benefit of the public, the protection and improvement of the environment, through the promotion of energy efficiency and renewable energy; Advance the education of the public in energy efficiency and renewable energy; Improve the quality and standards of renewable energy provision, by promoting quality assurance schemes and delivering quality assurance services.

Action Renewables works directly with those who are actively seeking to install renewable technologies both at the largest scale – developers of wind farms, solar, biomass and other major infrastructure projects, and those who wish to install on the smallest scale, for example on a new build or existing dwelling. This involves Action Renewables in a detailed interaction with a full range of parties including developers, constructors, consultants, installers, customers, suppliers and the various bodies such as planners and building control officers who work to bring these applications forward daily. It has never been more important that we continue our on-going work to remove the barriers that hinder the rate of renewable energy penetration.

Action Renewables' strategy has continued to be, to work in areas in line with its staff competences, expertise and experience. Additionally, the organisation promotes staff development and facilitates staff to explore and develop new services within the areas of energy, the environment and climate change.

Financial review and risk development

During the year the company received unrestricted income of £2,343,514 and incurred expenditure of £1,543,110 and losses on investments of £61,325. This resulted in a surplus of £739,179 compared to a surplus of £556,093 in the previous year. The unrestricted reserves increased from £3,272,457, at 31st March 2022 to £4,011,636, at 31st March 2023. The charity's operations expose it to a variety of financial risks that include the adverse economic climate.

The results for the year include the consolidated results for Action Renewables and Action Renewables Energy Trading Limited its trading subsidiary as required under The Statement of Recommended Practice (SORP)

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"Accounting and Reporting by Charities" effective in January 2015 and FRS 102 "The Financial Reporting Standard Applicable in UK and Republic of Ireland". The individual company results have been included on page 12.

The Board of Directors have responsibility in monitoring the financial risk of the company, and during the year, met regularly to address key business risks. The organisations' Risk Assessment is a standing agenda item at each Action Renewables Board meeting. The Board of Directors has assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the organisation. The Directors are satisfied that systems are in place to mitigate exposure to major risks.

Action Renewables is restricted to operate within the principles, set out in accordance with its charitable objectives in the Articles of Association.

Going concern

We refer to note 1, fundamental accounting concept note, where the directors have had to consider the impact of changing market conditions and seeking new service opportunities.

The Management Team has prepared a business plan and projections to 1st April 2024 showing that provided the key assumptions are met, the company will be able to meet its liabilities as they fall due.

The directors believe that the assumptions on which the projections have been based are achievable and that it is therefore appropriate to prepare the financial statements on a going concern basis. The Management Team uses a Balanced Score Card throughout the year to review progress against the business plan.

Reserves policy

It is the charity's policy to retain a level of available resources which meets the needs of the organisation. The Board of Trustees agreed that Action Renewables should aim to have a reserve of 12 months operating costs plus wind-up costs. Reserves should be increased at a similar rate to operational costs on an annual basis, and consistent with the charity's overall financial position and its need to maintain and develop its charitable activities.

Plans for future periods and charitable activities

Our Vision: To support a world which recognises the climate emergency and to take measures to prevent and mitigate against those impacts, through using renewable energy, energy efficiency, renewable transport and renewable products.

Our Mission: Action Renewables operates primarily in Northern Ireland, but also in GB and RoI. Our customers are renewable energy generators, users and suppliers. While the charity is primarily concerned with mitigating climate change and promoting renewable energy, the trading subsidiary (ARET) is concerned with growing the business to facilitate the charity's activities. Our overall goal is to facilitate green energy production and use, and to educate and influence in terms of renewable energy and policy development.

Our Purpose: Advocate, Intervene and Support with regard to climate change and taking measures to mitigate against it, through using renewable energy, energy efficiency, renewable transport and renewable products is at the heart of everything we do.

Action Renewables collaborates with academic and research establishments and responds to consultations regarding opportunities for reducing energy consumption, energy efficiency, renewable transport, renewable products and smarter applications of renewable energy.

As well as charitable activities such as the Action Renewable Energy Association (AREA), Action Renewables provides support, both financial and 'in-kind' support to projects which align with its charitable objectives. We promote the need for climate change mitigation and the adoption of renewable energy by a range of consumer groups.

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Values

In February 2022, the Action Renewables Executive Team engaged staff in facilitated sessions to discuss and develop new company values. Values training was delivered, and staff involvement in workshops resulted in the following values being agreed: Sustainable, Collaboration, Integrity, Progressive. Additional activities will reinforce these values with staff to result in a cohesive company culture which is respectful of these values and productive for the organisation.

Between April 2022 and March 2023, we:

- Continued to operate the Charity PV Programme to support not-for-profit organisations in reducing their energy costs and CO₂ emissions by offering low-cost electricity from renewable generation. This programme generated 49,558kWh of renewable electricity to 20 successful applicants, saving these beneficiaries £6,864 and offset 16 tonnes of carbon.
- Promoted the Charity PV programme to community groups, social enterprises, amateur sport clubs and non-profit organisations.
- Action Renewables Energy Association (AREA) continued to engage with industry and led the publication of an industry leading report to promote renewable gas opportunities.
- AREA facilitated a response to the Department for the Economy's Call for Evidence and the Energy Strategy Consultation response.
- AREA sits on the HECA panel (Home Energy Conservation Authority) and contributes to discussions on energy efficiency and fuel poverty.
- In line with its Charitable Objectives, Action Renewables sponsored events such as the Energy Institute Dinner the Young Energy Professional of the Year Award.
- Action Renewables strengthened its relationship with Children of the Nations' (COTN) through its local contacts in Northern Ireland.
- Action Renewables also provided additional funding to Mulanje Mission Hospital in Southern Malawi to conduct improvements to their energy security and on-site generation. This hospital serves a population of 86,000. Action Renewables committed to send two staff to Malawi to in 2023 to witness the benefit of its funding within the community it served.

We participate in transnational European Interreg Projects including:

- Action Renewables continued to support EU projects including providing an independent project evaluation for Dwr Uisce (Distributing our Water Resources: Utilising Integrated, Smart and low-Carbon Energy) which was part funded by the European Regional Development Fund (ERDF) through the Ireland Wales Co-operation programme 2014–2020.
- REDAWN (Reducing Energy Dependency in Atlantic Area Water Networks) which aims to foster the adoption of hydropower energy recovery technology in built water networks in the Atlantic Area (AA).
- SEAFUEL (Sustainable integration of renewable fuels in local transportation) which aims to make use the renewable resources across the Atlantic Area to power the local transport fleet and support the shift towards a low-carbon economy. (Project extended until August 2023).

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Statement of directors' responsibilities

The directors who served during the year are shown on page 1 of the Annual Report.

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

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

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware:

- there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware.
- the trustees having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have taken all the steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small company exemption

This report has 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.

Auditors

A resolution is to be proposed at the Annual General Meeting for reappointment of Harbinson Mulholland as auditor of the Company.

By order of the Board



M Compston
Secretary

21/08/2023