

REPORT AND FINANCIAL STATEMENTS

Changeworks Resources for Life
(A Company Limited by Guarantee)
Year ended 31 March 2025

Company Registration Number: SC103904
Charity Number: SC015144

CHANGEWORKS.



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REPORT OF THE DIRECTORS (INCLUDING STRATEGIC REPORT)

The directors present their report and the audited financial statements for the year ended 31 March 2025.

Reference and administrative details

Charity Number: SC015144

Company Number: SC103904

Directors

Derek Redvers, Chair

Joanne O'Hara, Vice Chair

Eleanor Bird

Michael Covington (Appointed 1 June 2025)

Nigel Douglas

Abi Gardner

Jason MacGilp (Resigned 24 Feb 2025)

Steven Russell

Selina Sagayam (Appointed 1 June 2025)

Lindsay Scott

Nicola Walters

Company Secretary

Josiah Lockhart

Executive Team

Josiah Lockhart, Chief Executive

Liz Partington, Deputy Chief Executive

Laura Webb, Chief Delivery Officer

George Drennan-Lang, Development Director

Graeme Farmer, Finance and ICT Director

Auditor

CT Audit Limited

Chartered Accountants and Statutory Auditor, 61 Dublin Street, Edinburgh, EH3 6NL

Bankers

The Co-operative Bank plc, 1 Balloon Street, Manchester, M60 4EP

Bank of Scotland plc, The Mound, Edinburgh, EH1 1YZ

Nationwide Building Society, Pipers Way, Swindon, Wiltshire SN38 1NW

Solicitors

Burness Paull LLP, 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ
Morton Fraser MacRoberts LLP, 2 Lister Square, Edinburgh, EH3 9GL

Registered Office and operation address

Orchard Brae House, 30 Queensferry Road, Edinburgh, EH4 2HS



REVIEW FROM CHIEF EXECUTIVE



Josiah Lockhart
Chief Executive, Changeworks

At Changeworks, our aim is to tackle the climate emergency through decarbonising Scotland's homes. With 13% of gas emissions coming from homes in Scotland, and an alarming 34% of people living in fuel poverty, retrofitting homes is key for a just transition to net zero.

In 2024-25, the last year of our 2022-25 strategic plan, we provided energy advice to **over 47,000 householders** and helped **over 12,000 households** to install energy-efficient measures and renewables.

This work makes a real difference, enabling householders to feel in control of their energy use, and live in more affordably warm, healthier, and comfortable homes.

We expanded significantly over 2022-25, including growing our income by 60%. This enabled us to increase our impact and scale our services - including joint venture Warmworks - and make strong progress against our goals.

In 2024-25, our growth slowed compared to previous years due to external factors such as the Scottish and UK Government constraining spending.

In response, we adapted and strengthened our organisation through restructuring to improve service efficiency and continue delivery at scale and pace, supported via robust processes.

As in the previous year, we reinvested strategically allocated surpluses internally to expand our capacity and impact. While this resulted in a planned deficit, our general fund increased, and we aim to return to annual surplus in 2025-26.

Looking ahead, our 2025-30 strategic plan focuses on diversifying our sources of income to ensure Changeworks is agile and resilient amid evolving policies, funding, market conditions and the accelerating impacts of the climate emergency.



REVIEW FROM CHIEF EXECUTIVE CNTD.

Changeworks enters the next strategic period a sustainable, high-impact, and growing organisation. We will continue to innovate, working across public and private sectors to develop new business models to scale retrofit solutions.

To support this, we've developed our group structure to effectively manage the risks associated with new activities.

At a time when equality, diversity and inclusion are increasingly challenged, we remain committed to continually improving and investing in our organisational culture.

We have undertaken training with the Council for Ethnic Minority Voluntary Organisations, updated and developed policies, improved recruitment and performance review processes and launched staff networks.

Our progress was recognised by the National Centre for Diversity who awarded Changeworks the **Investors in Diversity Silver Award**.

Last year through our services, including our joint venture Warmworks, we saved **366,677 tonnes of carbon**, which is equivalent to the annual carbon emissions arising from the electricity use of **655,809** UK households.

Over 2022-25, we supported 40,115 homes to install energy-saving measures - progress toward our strategic goal of retrofitting 180,000 homes by 2030. To meet this target, we will need to double the number of homes we retrofit annually.

We know that the scale of the challenge requires a concerted, collaborative effort across sectors, and we are open to working with partners to bring innovative decarbonisation solutions to life.

OUR VALUES:

PASSION
INTEGRITY
INNOVATION
EMPOWERMENT
COLLABORATION

ABOUT US



Changeworks is a leading organisation dedicated to decarbonising Scotland's homes and a just transition to net zero.

As a charity we adopt the social enterprise model, continually re-investing to further our impact and tackle the climate emergency.

We work with an array of partners including community groups, housing associations, local authorities and government to drive transformation in energy efficiency and to tackle fuel poverty. We do this through:

- innovative partnership working
- scaling up the range and reach of our services
- working with householders to improve the energy efficiency of their homes

Changeworks also:

- delivers Home Energy Scotland in the Southeast and Highlands and Islands on behalf of the Scottish Government and Energy Saving Trust, providing impartial energy related advice and support
- is part of the consortium that makes up Local Energy Scotland, which administers and manages the Scottish Government's Community and Renewable Energy Scheme



- has a joint venture partnership with Sureserve and Energy Saving Trust that forms Warmworks. The partnership delivers Warmer Homes Scotland, a national fuel poverty scheme funded by the Scottish Government as well as other fuel poverty and decarbonisation projects across the UK



OUR STRATEGY



**Changeworks' strategy to 2030 has one focus:
to decarbonise Scotland's homes.**

Our vision

For a world where everyone is able to live, work and enjoy life with a low carbon impact.

Our mission

To make low carbon life a positive reality for everyone.



OUR STRATEGIC PLAN 2022-25

Our strategic plan set out five goals to drive the decarbonisation of homes in Scotland:

GOAL 1

ENGAGE

Identify and engage households across Scotland to take action to decarbonise their homes.

GOAL 2

SUPPORT

Support households to install energy efficiency and low-carbon heating systems to decarbonise their homes.

GOAL 3

INNOVATE

Innovate delivery models and solutions for heat and energy systems for homes.

GOAL 4

ACCELERATE

Accelerate decarbonisation through research, evaluation, dissemination and influencing.

GOAL 5

GROW

Grow the capacity and capability of Changeworks to rapidly scale impact.



Targets for delivering on our goals:

- To provide advice to **226,000** householders by 2025
- To support **28,000** homes to install energy efficiency measures and renewables in their homes by 2025
- To provide in-depth support to **10,000** households in fuel poverty by 2025
- To continue to reduce our carbon footprint each year with a view to becoming **net zero by 2040**
- To grow our income to **£13.8 million**
- To expand staffing to **277 FTE**



OUR IMPACT 2022-25

Over the last three years we have made significant progress against our ambitious strategic targets.

Since 2022, we have supported **40,115 households** - **143% of our 2025 target** - to install energy efficiency measures and renewables in their homes.

This includes households supported through our joint venture Warmworks delivering Warmer Homes Scotland and householders supported with loan and grant referrals for identified measures by our delivery of Home Energy Scotland in the Southeast and Highlands and Islands.

Since the launch of our strategy, we have also provided advice to **164,075 householders (73% of target)** through our community engagement, Affordable

Warmth and Home Energy Scotland services. Our advisors provide tailored support to save energy, access financial support, resolve energy debt, and deliver prevention work to alleviate fuel poverty.

Our expert, accredited advisors have provided in-depth support to **11,735 households** in fuel poverty, **117% of our 2025 target**.

Over 2022-25, we saved **1,211,089 tonnes of carbon** through our services (including Warmworks).

The external landscape has changed over 2022-25, and challenges including funding cuts have meant we've adapted and taken proactive steps to ensure the robustness and agility of Changeworks.



OUR IMPACT 2022-25 CNTD.

Our targets for 2022-25: Reduce carbon footprint

We are **currently carbon neutral** due to continually reducing our carbon footprint and offsetting what remains - and are working towards our ambitious target of becoming net zero by 2040.

Despite the significant growth of our organisation over the past three years, our carbon footprint has increased by only 7% (from 171 tonnes CO₂e to 183 tonnes CO₂e), which is a **reduction of 25% in tonnes CO₂e per FTE staff** (from 1.18 tonnes to 0.89).

Our targets for 2022-25: Expand staffing to 277 FTE

Since the launch of our 2022-25 strategy, we **have increased our workforce by 40%** to enable us to scale and grow our reach and impact. In 2024-25, we had **206 FTE staff**.

We have invested in staff development and improving efficiency of our processes which has resulted in a more efficient, effective and flexible workforce.

Our targets for 2022-25: Grow income to £13.8m

Income has grown by 60% since 2021-22, to £11.5m, reflecting our focus on business development.

However, we have not hit our £13.8m target, as most of our income comes from government spending and during this period we have seen considerable constraints on public sector spending.

Looking forward, we will diversify our income mix to accelerate our growth.



OUR IMPACT 2024-25: AT A GLANCE



We provided advice to **47,193** householders through Changeworks' services including our delivery of **Home Energy Scotland** in the Highlands and Islands and Southeast.



We provided in-depth support to **4,491** households in fuel poverty.



12,359 homes received support to install energy efficiency measures and renewables through Changeworks' services including those who were supported with loan and grant referrals for identified measures by our **Home Energy Scotland** teams in the Highlands and Islands and Southeast, as well as those supported in Scotland through our joint venture partnership **Warmworks**.



During 2024-25, we had **206** FTE staff.



Our carbon footprint per FTE decreased by **19%** from the previous year.



We saved **366,677** tonnes of carbon*. This is equivalent to the annual average carbon emissions via home electricity use of **655,809** households.



OUR IMPACT 2024-25

GOAL 1: ENGAGE

Our goals were to:

- Develop decarbonisation and affordable warmth strategies for communities and social housing
- Create demand for our services and build long-term engagement
- Scale our approach to place-based, inclusive community empowerment and engagement
- Develop and scale information and advice to enable householders to install measures
- Develop services to support people to adopt low carbon behaviours in the home
- Provide support to households who are in fuel poverty

In 2024-25 we:

- Delivered decarbonisation strategies and evolved our service offer to include data tools
- Increased the energy advice and decarbonisation content on our website alongside new tools to support people in fuel poverty
- Piloted ways to use email automation to provide engaging advice
- Delivered place-based community engagement approaches with a focus on reaching excluded communities
- Continued to provide fuel poverty advocacy services supporting people in immediate need with their energy and heating



Case study



Our national Tenant Energy Support service provides tailored energy information, advice and advocacy to help social housing tenants manage their home energy.

This support is vital as 61% of households in the social housing sector are in fuel poverty. In 2024-25, we scaled the service to support even more tenants. Eight housing associations are signed up, with up to 20,000 tenants accessing our energy saving resources. In the first six months of the service:

- 1,810 tenants accessed online advice
- 330 tenants received direct energy advice and advocacy from an advisor
- Tenants saved over £50,000
- 88% of tenants have learnt to deal with energy issues from our advisors' expertise



OUR IMPACT 2024-25

GOAL 2: SUPPORT

Our goals were to:

- Expand our delivery of Scottish Government installation programmes to increase the scale of our impact
- Scale up our services to support social housing providers to decarbonise their housing stock
- Deliver services to support self-funding owners to accelerate large scale decarbonisation
- Deliver installation support services to maximise savings and comfort, and minimise carbon emissions
- Engage the supply chain to ensure quality installs and open new partnerships to scale

In 2024-25 we:

- Continued to grow our retrofit delivery service through securing and retaining contracts with local authorities and social landlords
- Continued to support households in the self-funded market via our advice centre contracts
- Scaled our retrofit agency, EcoCosi, aimed at the self-funding market, to reach more customers
- Developed advice service models to support households realise the benefits of retrofit
- Engaged with the supply chain to ensure it can support Changeworks and our customers as we scale



Case study



When Mike began working from home more, he realised his house wasn't as warm as he wanted. After extensive research, he chose EcoCosi.

The team conducted a Home Survey, assessing the building fabric and heating system. This led to a Whole Home Report outlining his home's energy efficiency and clear retrofit recommendations.

Mike said: "The analysis was really detailed and gave me real confidence that I was going to be spending money in the right places."

From there, the team oversaw installation using EcoCosi's trusted network of vetted contractors.

Mike's annual savings after the home retrofit:

- £1,433 in energy costs
- 3,640kg in CO₂e

CHANGEWORKS.



OUR IMPACT 2024-25

GOAL 3: INNOVATE

Our goals were to:

- Innovate new business models to develop services to accelerate the adoption of decarbonisation measures across tenures
- Investigate solutions to enable smart and local energy systems that support the decarbonisation of a greater number of homes while protecting the integrity of the National Grid
- Identify solutions and approaches to increase deployment of and connections to communal, local and district heat networks
- Develop whole house retrofit solutions for common Scottish house archetypes

In 2024-25 we:

- Developed a new business model, HeatComplete, to enable investment in flat retrofits, supporting tenants to take advantage of smart local energy systems
- Developed previous research into new business models to leverage either existing funding streams or lending to enable more homes to be retrofitted
- Explored our role with partners in supporting households with the roll-out of heat networks
- Completed studies for multiple clients based on archetype analysis and are looking to work with partners to expand this work



Case study



Our Inclusive Smart Solutions project explored a new, financially sustainable “pay-and-save” model to help social landlords retrofit flats and integrate smart energy systems that use cheaper, off-peak electricity.

In partnership with Scene Connect, Energy Systems Catapult, TPXimpact, Carbon Trust, and the Department for Energy Security and Net Zero, we developed the business plan for HeatComplete.

From housing stock analysis to smart tech installations, HeatComplete focusses on ensuring low-income and vulnerable tenants benefit from stable energy costs and warmer homes.

Using consumer insights, we developed and tested our concept directly with target end users alongside modelling, research, and stakeholder engagement.



OUR IMPACT 2024-25

GOAL 4: ACCELERATE

Our goals were to:

- Learn from others and undertake research to further develop understanding, thinking and knowledge to inform our current and future delivery
- Disseminate knowledge, expertise, and insights to support the decarbonisation of homes in Scotland
- Influence the development of a supportive operating environment of policies, regulations, and funding, working with partners

In 2024-25 we:

- Hosted a number of events to connect people in the sector and share best practice
- Undertook research for partners including NESTA, Existing Homes Alliance and ClimateXChange whilst also making our work more visible and accessible through partnerships, sharing at conferences and publishing our work
- Raised the profile of our external impact evaluation services resulting in growth and diversification
- Invested in dedicated resource to take forward our influencing strategy aimed at scaling retrofit



Case study



In 2025, we held our first Changeworks Connects conference at Dynamic Earth, Edinburgh, bringing together 135 leaders from national policy, local government, social housing, delivery, and supply chains.

Focused on overcoming barriers to scaling domestic retrofit in Scotland, the day featured case studies and panel discussions. Conversations explored how national policy, retrofit delivery, community empowerment, and innovation in low-carbon technologies can unlock progress.

“The conference highlighted the scale of the challenge - but also the power of collaboration to accelerate decarbonisation. We need to work together to drive real change.” Josiah Lockhart, Changeworks Chief Executive



OUR IMPACT 2024-25

GOAL 5: GROW

Our goals were to:

- Strengthen our capacity and capability to enable rapid growth
- Drive continual improvement of management systems and processes to operate efficiently and manage risk as we scale
- Continue to reduce our carbon emissions as we grow
- Build our brand awareness to reach and engage wider audiences
- Develop our digital capabilities to scale and digitise our services
- Develop an integrated organisational householder journey to unify services offers and identify gaps

In 2024-25 we:

- Maintained and secured organisational accreditations
- Transformed financial forecasts with increased frequency and accuracy
- Invested in CRM and filesharing tools to drive productivity and efficiency across the organisation
- Strengthened our staff intranet with additional content and toolkits to support staff on topics such as EDI, service design and customer journeys
- Continued to invest in our workforce development, with eLearning, Retrofit Assessors and Coordinator and Leadership Development training
- Continued to prioritise Equality, Diversity and Inclusion securing Disability Confident Employer status and Investors in Diversity
- Invested in raising the profile of Changeworks, including developing new content and improving user journeys for our Business-to-Business services
- Continued to invest in developing our service development and business development capabilities to accelerate our continued growth
- Drove improvements in planning to ensure we continually develop the capabilities we will need in the future



LOOKING AHEAD: STRATEGIC PLAN 2025-30

Changeworks enters the next strategic period as a sustainable, high-impact, and growing organisation, with a continued focus on diversifying income streams and scaling our work.

Building on our progress against the ambitious targets of our 2022-25 strategic plan, this next phase is focussed on having a robust, agile and resilient plan to accelerate decarbonisation of Scotland's homes.

Over the next five-year period, we will expand our efforts to mitigate climate change and ensure a just transition to net zero. Innovation remains at the heart of what we do. We continue to explore scalable retrofit models, supported by the development of our group structure.

Our ambition remains to achieve our strategic target of supporting **180,000 households** in installing and managing

low-carbon energy efficiency measures by 2030, which from fabric improvements alone could save **3 tonnes CO2 per home per year**.

To meet our target, we will focus on UK-wide collaboration, growing the impact of our services, increasing our work with public and private sectors, and enabling agile, diverse decarbonisation solutions.

Together with partners and working across sectors, we can achieve our vision – we all have a part to play in the journey towards low-carbon, affordably warm homes.



LOOKING AHEAD: STRATEGIC PLAN 2025-30 CNTD.

Our goals for 2025-30 are to:

Grow the impact of our services

Researching and developing innovative, scalable solutions and maximising the impact of our services is central to achieving our mission.

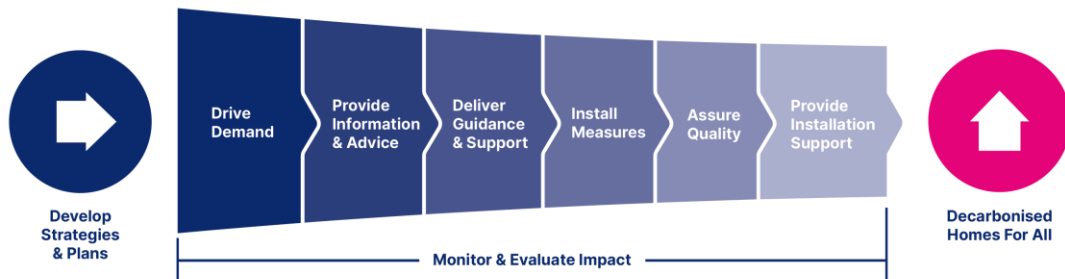
We will invest in development, tools and resources to support and empower colleagues to further realise our potential.

We will continue working with local authorities, social landlords and homeowners to analyse, model, and plan decarbonisation approaches.

We will deliver high-quality home retrofit programmes, creating warm, affordable, and low-carbon living spaces.

By expanding the delivery of information, advice and advocacy services we will support even more householders.

The Home Decarbonisation Journey



LOOKING AHEAD: STRATEGIC PLAN 2025-30 CNTD.

Accelerate home decarbonisation through UK-wide collaboration

We recognise that we cannot decarbonise Scotland's homes in isolation.

Working with partners and governments across the UK, we will share our expertise to ensure that the unique challenges and solutions to retrofitting Scotland's homes are understood and shared.

Our goal is to enable growth through UK-wide collaboration, accelerating decarbonisation and in turn increasing our impact in Scotland.

Increase our work with public and private sectors

In addition to continuing our successful work across the public sector we will start to work closer with the private sector.

This will enable us to diversify our income, unlock new forms of private sector finance for decarbonisation projects, and bring more partners to our mission, increasing our ability to deliver impact at scale.

Drive agile, diverse decarbonisation solutions

Tackling the climate emergency at pace will require a wide range of solutions.

We will expand our portfolio to include a wider range of low carbon technologies and methodologies to prioritise the needs of homes, with quality and high standards at the heart of everything we do.

This will enable faster, more agile decarbonisation. It will also ensure resilience amid evolving policies, market conditions, and the changing climate.

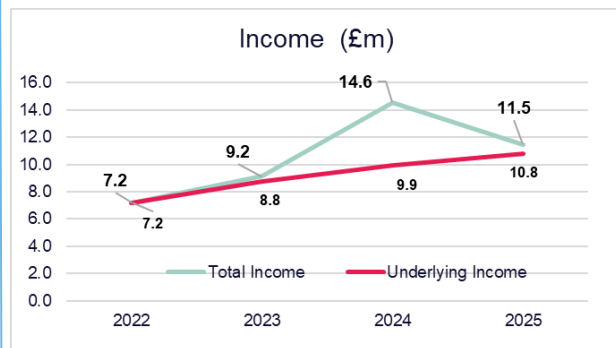


FINANCIAL REVIEW

Income

Recognising the need to grow our impact, the Board ring-fenced £3.5m of excess reserves for internal investment to build capacity and develop services over the 2022-25 strategic plan.

This helped deliver a 60% increase in income (from £7.2m to £11.5m) over the three years. Despite being short of our £13.8m target, the directors are pleased with this result given the pressures on public finances over the period.



The graph above shows underlying income growth after removing pull-through income (where a local authority reimburses us for settling subcontractor invoices that other local authorities would pay themselves direct).

With this element removed, our total income growth is 50% and has a smoother profile.

Surplus / (Deficit) for the financial year

A £703k deficit budget was set for 2024-25, reflecting our planned spend of excess reserves on internal investment.

In a challenging year, including retrospective contract reductions and delays in local authority contracting, we finished £217k below budget:

SURPLUS / (DEFICIT)	£	£
BUDGET		(703,169)
ACTUAL:		
SURPLUS / (DEFICIT)	889,517	
LESS: GAIN ON INVESTMENTS	(1,440,530)	
LESS: SURPLUS ON RESTRICTED GRANTS	(369,567)	
UNDERLYING SURPLUS / (DEFICIT)		(920,580)
VARIANCE		(217,411)

Despite this, we still managed to increase the General Fund by £0.2m, bringing it back to within £0.3m of the revised minimum level set by the Board.



FINANCIAL REVIEW CNTD.

Reserves Policy

The reserves policy is reviewed annually by the Board. Minimum general fund requirement is calculated annually by identifying a range of risks and estimating their potential financial impact using a risk weighting based on their likely occurrence.

Designations of unrestricted reserves for specific purposes are approved annually by the Board.

The Board estimates that, after removing designated funds, unrestricted reserves of £1.5m (2024: £1.4m) are required to cover operational risk.

The level of unrestricted reserves is monitored by the Board on a quarterly basis, and by the Executive Team monthly.

As of 31 March 2025, total unrestricted funds were £8m (2024: £7.5m).

After removing designated funds, the General Fund stood at £1.2m (2024: £1m) - an increase of £0.2m, which leaves the fund £0.3m short (2024: £0.4m) of the minimum level required as per the Board's calculation of operational risk.

A budget has been set for 2025-26 which will move the General Fund back above the minimum level.

Designated funds

Following annual review, the Board has agreed to designate £6.8m of charitable funds as follows:

- Dilapidations Reserve: £30k to cover renovation, decoration and dilapidation commitments of our various office leases, where not provided for in the accounts.

- Fixed Asset Reserve: £1.4m being the book value of the charity's fixed assets at year-end. This reflects reserves tied up in physical assets and therefore not available for immediate spend.
- Investments: £3.8m of funds tied up in non-liquid investments (Warmworks Scotland LLP and the Edinburgh Community Solar Co-operative).
- Investment Fund: £889k ring-fenced for future investment opportunities and therefore not available to meet routine operational costs.
- Warmworks member's security: £750k to cover the maximum drawdown against our Warmworks member's security.
- The remaining £345k Strategic Fund at the end of the year was transferred back to the General Fund.



FINANCIAL REVIEW CNTD.

Risk management

The directors have assessed the delivery, operational, reputational, legal and financial risks to which the charitable company is exposed, as outlined in the Risk Register which is reviewed regularly by the Executive Team and the Audit and Risk Assurance Committee and approved annually by the Board.

Mitigation strategies / controls are in place for all identified risks.

The Strategic Risk Register categorises four risks as 'major' (see table opposite). Our overall Risk Profile is categorised as 'moderate' and sits within our risk tolerance as per our risk appetite as approved by the Board.

SUMMARY OF RISKS CATEGORISED AS 'MAJOR'	CONTROLS / MITIGATIONS
Financial: Significant loss of income if we do not win the retender of two of our biggest contracts.	Dedicated team working on tender, with detailed project plan and external support.
Delivery: Failure to take advantage of existing and emerging digital technologies, including AI.	Digital Board established to oversee progress in this area, guided by the Digital Plan and Digital Roadmap.
Delivery: Failure to secure the levels of income required to deliver our mission.	Development Board set up to oversee and guide the charity's business development strategy and progress –seeking to diversify away from public sector contracts.
Financial: Funding opportunities may reduce if the decarbonisation of homes slips down the political agenda.	Establishment of a structured influencing group within the charity. New strategic plan produced with current political landscape in mind.



ACCREDITATIONS AND CERTIFICATES

Changeworks is proud to hold the following accreditations and awards, a testament to our organisational capability, skills and commitment to being an exemplar workplace.

- Carbon Footprint Standard - Carbon Neutral Organisation
- Cyber Essentials
- Cycle Friendly Award
- Disability Confident Employer
- Investors in Diversity - Silver
- Investors in People - Platinum
- Investing in Volunteers
- ISO 9001 (Quality Management Systems)
- ISO 14001 (Environmental Management Systems)
- ISO 45001 (Occupational Health & Safety)
- Living Wage Employer
- Scottish National Standards for Information and Advice Providers' (SNSIAP) - Type 1 Money/Debt



OUR VOLUNTEERS

We've been Investors in Volunteers accredited since 2009, and we value the time and effort that our volunteers put into helping us achieve our mission.

We are committed to ensuring our volunteers have a rewarding and enriching experience.

At Changeworks, volunteers support a range of community engagement projects, from providing energy advice to people in need at community events to supporting individuals to start their journey to low carbon living.

During 2024-25, 64 volunteers contributed **over 1,300 hours** of their time to support Changeworks.

Quotes from our volunteers:

"I truly appreciate the time I spent volunteering with Changeworks and the opportunity to contribute to such meaningful work you do."

"As a woman of colour in the UK, the fact that Changeworks cares about ethnic minority communities and has an inclusive approach to volunteering has made a huge difference to me, and their welcome and support has been a contributing factor in deciding to stay here as a new Scot."

"Advocating for lower income earners struggling with bills means that I get to help people just like me."



STRUCTURE, GOVERNANCE AND MANAGEMENT

Changeworks Resources for Life is a company limited by guarantee governed by its Articles of Association passed by special resolution on 23 October 2020 (replacing the existing Articles dated 31 March 1987, amended 22 March 2006).

The company is registered as a charity with the Office of the Scottish Charity Regulator.

Changeworks Resources for Life is governed by a Board of Directors who are appointed under a process outlined in our Articles of Association.

The Board ensures the company is managed efficiently and takes the lead in strategic decisions, although the day-to-day management of affairs is delegated to the Chief Executive.

The Board also has three sub-committees, which have delegated powers in the areas of strategy, nominations and risk.

Group structure

The charitable company, Changeworks Resources for Life has one dormant trading subsidiary, Changeworks Enterprises Limited, and has a one-third interest in Warmworks Scotland LLP, which was established in June 2015.

Appointment of directors

The maximum number of directors is ten and a minimum of six – each of whom can hold office for a maximum of three three-year terms.

Directors' induction and training

New directors are given a briefing on their legal obligations under charity and company law, the board and decision-making process, the business plan and recent financial performance of the charity.

New directors are also encouraged to meet with key employees and attend strategy events and are offered external finance training.

Relevant training is offered to existing directors also.



STRUCTURE, GOVERNANCE AND MANAGEMENT CNTD.

Organisational Structure

The Board meets at least quarterly, and the Chief Executive has delegated authority for the operational management of the charity.

The Chief Executive is supported in the delivery of the operational management by the Executive Team, as listed on [page three](#).

Key management remuneration

Remuneration of all personnel, including key management, is covered by our Pay Policy, agreed by the Board December 2015.

Changeworks has developed its own salary grades and operates a job evaluation system where individual roles are assessed as to the level of responsibility and placed on the same grade as other roles within Changeworks that have a similar level of responsibility.

A number of factors are considered when assessing the level of responsibility. For roles up to middle manager level the assessment is carried out by a panel of staff.

More senior posts are assessed by a sub-group of the Board and the Chief Executive. The Head of People acts as an advisor to both panels. The Chief Executive's salary is determined by the Board.

Senior salaries are restricted to a maximum of six times that of the Real Living Wage.

Related parties

Related party information is disclosed in [note 23](#) to the accounts.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors (who are also trustees of Changeworks Resources for Life for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom 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 surplus or deficit of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102) (2nd edition – Oct 2019);
- 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 assume that the company will continue on that basis.

The directors are responsible for maintaining adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



STATEMENT OF DIRECTORS' RESPONSIBILITIES CNTD.

Disclosure of information to the auditor

As far as the directors are aware at the time the report is approved:

- there is no relevant information of which the charitable company's auditor is unaware: and
- the directors have taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information, and to establish that the charitable company's auditor is aware of the information.

Directors

Members of the Board of Directors, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 3.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up.

This report has been prepared in accordance with the Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The Directors' Report and Strategic Report are approved by the Board of Directors on 29 August 2025 and signed on its behalf by:



Derek Redvers

Director



INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS

Opinion

We have audited the financial statements of Changeworks Resources for Life (the charitable company) for the year ended 31 March 2025 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, and the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *'The Financial Reporting Standard applicable in the UK and Republic of Ireland'* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).



INDEPENDENT AUDITOR'S REPORT CNTD.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.



INDEPENDENT AUDITOR'S REPORT CNTD.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Directors, incorporating the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



INDEPENDENT AUDITOR'S REPORT CNTD.

Responsibilities of the directors

As explained more fully in the directors' responsibilities statement set out on [page 28](#), the directors (who are also the trustees of the charity for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



INDEPENDENT AUDITOR'S REPORT CNTD.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

This included but was not limited to the Charities and Trustee Investment (Scotland) Act 2005, and The Charities Accounts (Scotland) Regulations 2006.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the charity's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the directors and key management personnel;

- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.



INDEPENDENT AUDITOR'S REPORT CNTD.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's directors, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members, as a body, and the charitable company's directors, as a

body, those matters we are required to state to them in an Auditor's Report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members, as a body, and the charitable company's directors, as a body, for our audit work, for this report, or for the opinions we have formed.

Barry Truswell

Barry Truswell (Senior Statutory Auditor)
for and on behalf of
CT Audit Limited
Chartered Accountants and Statutory
Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Date:
CT Audit Limited is eligible to act as an
auditor in terms of Section 1212 of the
Companies Act 2006

STATEMENT OF FINANCIAL ACTIVITIES

STATEMENT OF FINANCIAL ACTIVITIES	NOTES	UNRESTRICTED FUNDS	RESTRICTED FUNDS	TOTAL FUNDS 2024-25	RESTATED TOTAL FUNDS 2023-24
INCOME AND ENDOWMENTS FROM:		£	£	£	£
CHARITABLE ACTIVITIES	<u>5</u>	9,453,436	1,958,184	11,411,620	14,492,150
INVESTMENT INCOME	<u>6</u>	58,785	-	58,785	66,307
TOTAL INCOME		9,512,221	1,958,184	11,470,405	14,558,457
EXPENDITURE ON:					
CHARITABLE ACTIVITIES	<u>7</u>	10,432,801	1,588,617	12,021,418	16,440,056
TOTAL EXPENDITURE		10,432,801	1,588,617	12,021,418	16,440,056
NET GAIN / (LOSS) ON INVESTMENTS	<u>13</u>	1,440,530	-	1,440,530	556,295
NET (EXPENDITURE) / INCOME		519,950	369,567	889,517	(1,325,304)
TRANSFER RESTRICTED TO UNRESTRICTED		-	-	-	-
NET (EXPENDITURE) / INCOME AND MOVEMENT IN FUNDS		519,950	369,567	889,517	(1,325,304)
RECONCILIATION OF FUNDS:		£	£	£	£
TOTAL FUNDS BROUGHT FORWARD AS PREVIOUSLY STATED	<u>22</u>	5,168,079	(282,418)	4,885,661	6,767,260
PRIOR YEAR ADJUSTMENT	26	2,312,448	-	2,312,448	1,756,153
TOTAL FUNDS BROUGHT FORWARD AS RESTATED		7,480,527	(282,418)	7,198,109	8,523,413
TOTAL FUNDS CARRIED FORWARD	<u>22</u>	8,000,477	87,149	8,087,626	7,198,109

The charitable company has no recognised gains or losses other than the results for the year as set out on this page. All the activities of the charitable company are classed as continuing. The notes on pages [38 to 71](#) form part of the financial statements.

BALANCE SHEET

NOTES

31 MARCH
2025RESTATED 31
MARCH 2024

FIXED ASSETS:

£

£

TANGIBLE ASSETS

12

1,354,937

1,584,979

INVESTMENT ASSETS

13

3,760,898

2,321,249

TOTAL FIXED ASSETS

5,115,835

3,906,228

CURRENT ASSETS:

DEBTORS

14

2,795,922

3,525,356

CASH AT BANK AND IN HAND

2,852,282

2,743,148

TOTAL CURRENT ASSETS

5,648,204

6,268,504

LIABILITIES:

CREDITORS: AMOUNTS
FALLING DUE WITHIN ONE
YEAR15

(2,633,746)

(2,964,756)

NET CURRENT ASSETS

3,014,458

3,303,748

TOTAL ASSETS LESS
CURRENT LIABILITIES

8,130,293

7,209,976

PROVISIONS FOR LIABILITIES

17

(42,667)

(11,867)

TOTAL NET ASSETS

8,087,626

7,198,109

THE FUNDS OF THE CHARITY:

22

UNRESTRICTED FUNDS

8,000,477

7,480,527

RESTRICTED FUNDS

87,149

(282,418)

TOTAL FUNDS

8,087,626

7,198,109

BALANCE SHEET

These financial statements were authorised for issue by the directors on 29 August 2025 and are signed on its behalf by:

Derek Redvers

Josiah Lockhart

Derek Redvers

Josiah Lockhart

Director

Company Secretary

Company Registration Number SC103904

The notes on pages [38 to 71](#) form part of the financial statements.



STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS		NOTES	2024-25	2023-24		
CASH FLOWS FROM OPERATING ACTIVITIES:			£	£		
NET CASH USED IN OPERATING ACTIVITIES		25	161,444	(640,337)		
CASH FLOWS FROM INVESTING ACTIVITIES:						
DIVIDENDS, INTEREST AND RENTS FROM INVESTMENTS			58,785	66,308		
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT			(111,973)	(1,419,041)		
SALE OF INVESTMENTS			880	1,200		
PURCHASE OF INVESTMENTS			-	-		
NET CASH PROVIDED BY INVESTING ACTIVITIES			(52,308)	(1,351,533)		
CHANGE IN CASH AND CASH EQUIVALENTS IN THE REPORTING PERIOD			109,136	(1,991,870)		
CHANGE IN CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE REPORTING PERIOD			2,743,148	4,735,018		
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD			2,852,282	2,743,148		
ANALYSIS OF CHANGES IN NET DEBT		1 April 2024	CASH FLOWS	FX MOVEMENT	OTHER NON-CASH	31 March 2025
		£	£	£	£	£
CASH		2,743,148	109,086	50	-	2,852,282
TOTAL		2,743,148	109,086	50	-	2,852,282

The notes on pages 38 to 71 form part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. General information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charitable company's transactions are denominated. They comprise the financial statements of Changeworks Resources for Life.

Changeworks Resources for Life is a charitable company limited by guarantee, incorporated in the United Kingdom and registered in Scotland. It is recognised as a charity by HM Revenue & Customs and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC015144. The charitable company's registered office and company number are shown on [page 3](#) of these financial statements.

The principal activity of Changeworks Resources for Life is to develop and deliver high-impact solutions that make

low-carbon living a positive reality for everyone.

2. Principal accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with

- United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102);
- The Charities SORP (FRS 102) (second edition – October 2019);
- The Companies Act 2006;
- The Charities and Trustee Investment (Scotland) Act 2005; and
- The Charities Accounts (Scotland) Regulations 2006 (as amended).

Changeworks Resources for Life meets the definition of a public benefit entity

under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires directors to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in [note 3](#).

The principal accounting policies applied in these financial statements are noted below. These policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the charitable company's financial statements unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS CNTD.

b) Going concern

The directors have assessed the charity's current financial position, including key funding relationships, reserves, and forward planning. They are satisfied that the charity has adequate resources to continue to meet its obligations as they fall due for the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis.

c) Recognition and allocation of income

Income is recognised when the charity has legal entitlement to the income, receipt is probable, and the amount can be measured reliably.

- **Donations and legacies** include gifts, donations, legacies and core grants not subject to performance conditions.
- **Income from charitable activities** includes income received under

contract or grant funding which is subject to specific performance conditions. Where there are performance conditions attached to any grants and donations, income is recognised when the conditions have been met or when meeting the conditions are within the charity's control and there is sufficient evidence that they have been met or will be met. Income from contracts for services is recognised at fair value (the agreed contract value) with the delivery of the service and when the stage of completion, the costs incurred and the costs to complete can be measured reliably. Where income is received in advance the income is deferred until the service has been provided.

- **Restricted grants** without performance conditions are recognised in full when entitlement, probability of receipt, and measurability are established. They are restricted in purpose but not conditional on outcomes.

- **Grant repayments** are recognised as liabilities when a condition allows the funder to recover unspent amounts and repayment becomes probable.
- **Restricted income** is income subject to specific terms that limit how it can be spent. It is recognised as restricted in the financial statements and matched against eligible expenditure.
- **Gift Aid** is recognised as part of the related donation unless the donor has specified otherwise, and is recognised when receivable.
- **Investment income** is recognised on a receivable basis and measured at transaction value.

d) Volunteers and donated services and facilities

The contribution of volunteers is not recognised in the financial statements, in line with SORP guidance.



NOTES TO THE FINANCIAL STATEMENTS CNTD.

e) Recognition and allocation of expenditure

Expenditure is recognised when a legal or constructive obligation arises. Costs are allocated to activities directly where possible, or apportioned where appropriate.

- **Charitable activity costs** include both direct and support costs.
- **Support costs** include finance, ICT, HR, and premises, recharged at £13k per full-time equivalent employee for 2024-25.
- **Governance costs** include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

f) Fund accounting

- **Restricted funds** may only be used for specific purposes as agreed with the donor. Expenditure which meets these criteria is charged to the fund, including a fair allocation of support costs.
- **Unrestricted funds** are incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.
- **Designated funds** are unrestricted funds set aside by the directors for a particular purpose.

g) Tangible fixed assets

Fixed assets are recorded at cost, with assets capitalised if they exceeded £1,000. Depreciation is provided on all fixed assets at rates calculated to write off the cost of each asset, less its estimated residual value, over its expected useful life as follows:

TANGIBLE FIXED ASSETS

EQUIPMENT	20% or 33% straight line
FIXTURES & FITTINGS	20% straight line
MOTOR VEHICLES	20% straight line
OFFICE ALTERATIONS	shorter of 10 years or life of lease

h) Investments

Investments in joint venture entities and in a social investment are held at cost less accumulated impairment losses, or at fair value where this can be reasonably calculated. There was a change in accounting policy in 2024-25 in respect of investments in joint venture entities. Further detail is set out in notes 26 and 27.

i) Debtors

Trade debtors are amounts due from customers for goods sold or services performed. Debtors are recognised at the transaction price, less any provision for doubtful debts.



NOTES TO THE FINANCIAL STATEMENTS CNTD.

j) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and bank balances, measured at fair value.

k) Creditors

Trade creditors are obligations to pay for goods or services that have been acquired. They are stated at the amount owed, typically the invoice value.

l) VAT

VAT incurred on the charity's activities is partly irrecoverable. Where it relates directly to a specific activity, the irrecoverable amount is included in the cost of that activity.

For general overheads, VAT is apportioned across activities, the irrecoverable portion is included within support costs (see [note 8](#)).

m) Financial assets and liabilities

Financial instruments are recognised in the balance sheet when the charity becomes a party to the contractual provisions of the instrument. They are initially measured at transaction price.

All financial instruments held by the charity are classified as "basic" in accordance with FRS 102.

At each reporting date, basic financial instruments are measured at amortised cost using the effective interest rate method, unless stated otherwise in the relevant accounting policy.

Financial assets are derecognised when the contractual rights to the cash flows expire, or when the charity has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised when the obligation is discharged, cancelled, or otherwise extinguished.

n) Operating leases

Leases where substantially all the risks and rewards of ownership remain with the lessor are classified as operating leases. Rental costs under such leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

o) Pensions

The charity operates a qualifying group personal pension scheme under The Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010. Employer contributions of 8% of gross salary are made for eligible staff. The charity's auto-enrolment staging date was 1 May 2014, with re-enrolment in 2017, 2020, and 2023.

The scheme is a defined contribution arrangement, with no employer liability beyond the contributions made.



NOTES TO THE FINANCIAL STATEMENTS CNTD.

p) Grant making policy

Intervention funding is allocated to private sector households whose income and savings are below an agreed threshold. Funding is provided if the health of the householder would be improved by installation of a measure, such as a new heating system.

Both the householder and their health care worker can make a referral to the Affordable Warmth team.

3. Critical judgements and estimates

The directors make judgements and estimates in preparing the financial statements. These are based on the best available information and expectations of future events.

There are no assumptions or estimates in these financial statements that are expected to result in material adjustments to the carrying amounts of assets and liabilities within the next financial year.

Areas of judgement include the allocation of income under long-term contracts based on stage of completion and the fair value of investment assets.



4. PREVIOUS YEAR'S COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

PREVIOUS YEAR STATEMENT OF FINANCIAL ACTIVITIES	RESTATED UNRESTRICTED FUNDS	RESTRICTED FUNDS	RESTATED TOTAL FUNDS 2023-24
INCOME AND ENDOWMENTS FROM:	£	£	£
CHARITABLE ACTIVITIES	13,604,583	887,567	14,492,150
INVESTMENT INCOME	66,307	-	66,307
TOTAL	13,670,890	887,567	14,558,457
EXPENDITURE ON:	£	£	£
CHARITABLE ACTIVITIES	15,158,845	1,281,211	16,440,056
TOTAL	15,158,845	1,281,211	16,440,056
NET GAINS/(LOSS) ON INVESTMENTS	556,295	-	556,295
TRANSFER RESTRICTED TO UNRESTRICTED	-	-	-
NET INCOME/(EXPENDITURE) AND MOVEMENT IN FUNDS	(931,660)	(393,644)	(1,325,304)

5. INCOME FROM CHARITABLE ACTIVITIES

The sole charitable activity undertaken by the charity is the supply of environmental services.

Income from Warmworks comprises profit distribution and management charges from Warmworks Scotland LLP – the activities of which are in line with our own charitable activities.

INCOME FROM CHARITABLE ACTIVITIES	UNRESTRICTED FUNDS	RESTRICTED FUNDS	2024-25 TOTAL
GRANTS:	£	£	£
COUNCIL GRANTS	-	68,609	68,609
OTHER GRANTS	-	1,889,575	1,889,575
TOTAL GRANTS	-	1,958,184	1,958,184
CONTRACT INCOME	8,020,521	-	8,020,521
WARMWORKS	1,432,915	-	1,432,915
TOTAL INCOME	9,453,436	1,958,184	11,411,620
PREVIOUS YEAR COMPARATIVES	UNRESTRICTED FUNDS	RESTRICTED FUNDS	2023-24 TOTAL
GRANTS:	£	£	£
COUNCIL GRANTS	-	74,090	74,090
OTHER GRANTS	20	813,477	813,497
TOTAL GRANTS	20	887,567	887,567
CONTRACT INCOME	12,381,404	-	12,381,404
WARMWORKS	1,223,159	-	1,223,159
TOTAL INCOME	13,604,583	887,567	14,492,150



6. INVESTMENT INCOME

INVESTMENT INCOME	2024-25 TOTAL	2023-24 TOTAL
	£	£
BANK INTEREST RECEIVABLE	58,319	65,792
DIVIDENDS FROM SOCIAL INVESTMENTS (SEE NOTE 13)	466	515
TOTAL	58,785	66,307

7. CHARITABLE ACTIVITIES EXPENDITURE

CHARITABLE ACTIVITIES EXPENDITURE	STAFF COSTS	PROJECT COSTS	SUPPORT COSTS (NOTE 8)	2024-25 TOTAL
	£	£	£	£
SUPPLY OF ENVIRONMENTAL SERVICES	6,693,750	1,128,938	4,177,313	12,000,001
GOVERNANCE COSTS (NOTE 8)	-	-	21,417	21,417
TOTAL	6,693,750	1,128,938	4,198,730	12,021,418

Project costs have decreased by 78% due to a sizeable contract which included pull through sub-contractor costs and associated income in 2023/24. This is where subcontractor costs are paid direct by Changeworks, and then reimbursed immediately by the relevant local authority, as opposed to the most common approach whereby the subcontractors are paid direct by the local authorities. Where this arrangement is in place, the charity's income and expenditure are both increased by the same amount, with no net impact.

PREVIOUS YEAR'S COMPARATIVES	STAFF COSTS	PROJECT COSTS	SUPPORT COSTS (NOTE 8)	2023-24 TOTAL
	£	£	£	£
SUPPLY OF ENVIRONMENTAL SERVICES	6,922,296	5,126,499	4,371,615	16,420,410
GOVERNANCE COSTS (NOTE 8)	-	-	19,646	19,646
TOTAL	6,922,296	5,126,499	4,391,261	16,440,056



8. SUPPORT AND GOVERNANCE COSTS

The charity allocates its support costs as shown in the table below. Support costs are allocated on a basis consistent with the use of resources calculated on the basis of full-time equivalent employees.

SUPPORT AND GOVERNANCE COSTS	ENVIRONMENTAL SERVICE 2024-25	GOVERNANCE 2024-25	2024-25 TOTAL	RESTATE ENVIRONMENTAL SERVICE 2023-24	GOVERNANCE 2023-24	RESTATE 2023-24 TOTAL
	£	£	£	£	£	£
SALARIES & TEMP STAFF	2,133,386	-	2,133,386	2,031,168	-	2,031,168
ACCOMMODATION & TRAVEL	420,796	-	420,796	328,821	-	328,821
OFFICE RUNNING & PREMISES COSTS	969,122	-	969,122	1,063,314	-	1,063,314
INSURANCE	93,896	-	93,896	133,068	-	133,068
MARKETING	128,600	-	128,600	222,893	-	222,893
STAFF TRAINING	123,932	-	123,932	134,421	-	134,421
PROFESSIONAL FEES	307,581	16,525	324,106	457,929	15,711	473,640
BOARD EXPENSES	-	4,892	4,892	-	3,935	3,935
TOTAL	4,177,313	21,417	4,198,730	4,371,615	19,646	4,391,261

Changeworks does not pay any remuneration to its trustees/directors but reimburses them for reasonable travel expenses incurred at the charity's request.

Environmental Service Costs have been represented to reallocate head office rent of £217,492 from "Accommodation & Travel" costs to "Office Running & Premises Costs".



9. ANALYSIS OF STAFF COSTS

STAFF COSTS	2024-25	2023-24
	£	£
SALARIES AND WAGES	7,367,024	7,139,783
SOCIAL SECURITY COSTS	684,003	656,252
PENSION COSTS	576,833	565,825
REDUNDANCY AND RELATED COSTS	22,976	28,806
TEMPORARY STAFF	-	152,712
MOVEMENT IN ANNUAL LEAVE PAY ACCRUAL	(3,922)	185,791
OTHER STAFF RELATED COSTS	180,222	224,295
TOTAL	8,827,136	8,953,464

9. ANALYSIS OF STAFF COSTS CNTD.

Number of employees receiving emoluments (salary + Benefits in Kind) during the year over £60,000:

EMPLOYEE EMOLUMENTS	2024-25	2023-24
BETWEEN £60,000 AND £70,000	-	3
BETWEEN £70,000 AND £80,000	1	1
BETWEEN £80,000 AND £90,000	2	1
BETWEEN £90,000 AND £100,000	1	1
BETWEEN £100,000 AND £110,000	1	-

No director received any remuneration or received any other benefits from an employment with the charity or a related entity for services as a director. Directors were reimbursed for £3,487 travel and other expenses during the year (2024: £nil), the charity incurred £1,382 (2024: £3,935) in relation to Board training and meetings. The key management personnel of the company comprise of the Executive as noted on [page 3](#). The employee benefits for key management totalled £525,521 (2024: £476,061), this includes employer NI, pension contributions and Benefits in Kind.

The average number of employees during the year on a head count basis was 227 (2024: 237). The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

EMPLOYEE NUMBERS	2024-25 NO.	2023-24 NO.
MANAGEMENT AND ADMINISTRATION STAFF	25	26
PROJECT STAFF	181	193
TOTAL	206	219

10. NET INCOME FOR THE YEAR

THIS IS STATED AFTER CHARGING:	2024-25	2023-24
	£	£
DEPRECIATION	342,017	228,844
AUDITOR'S REMUNERATION: AUDIT FEE	12,500	11,607
LEASE CHARGES UNDER OPERATING LEASES	429,612	338,595

11. TAXATION

The charitable company is exempt from corporation tax on its charitable activities.

12. TANGIBLE FIXED ASSETS

FIXED ASSETS	EQUIPMENT	FIXTURES & FITTINGS	OFFICE ALTERATIONS	TOTAL
	£	£	£	£
COST				
AT 1 APRIL 2024	1,366,633	5,325	1,089,105	2,461,063
ADDITIONS	109,363	-	2,612	111,975
DISPOSAL OF ASSETS	(57,365)	(5,325)	-	(62,690)
AT 31 MARCH 2025	1,418,631	-	1,091,717	2,510,348
DEPRECIATION				
AT 1 APRIL 2024	831,518	5,325	39,241	876,084
CHARGE FOR YEAR	225,262	-	116,755	342,017
DISPOSAL OF ASSETS	(57,365)	(5,325)	-	(62,690)
AT 31 MARCH 2025	999,415	-	155,996	1,155,411
NET BOOK VALUE				
AT 31 MARCH 2024	535,115	-	1,049,864	1,584,979
AT 31 MARCH 2025	419,216	-	935,721	1,354,937

13. INVESTMENTS

INVESTMENT	2024-25	RESTATED 2023-24
	£	£
SOCIAL INVESTMENTS	7,920	8,800
SUBSIDIARY UNDERTAKINGS	-	-
JOINT VENTURES	3,752,978	2,312,448
TOTAL	3,760,898	2,321,248

Subsidiary undertakings

The charity's investments at the balance sheet date in the share capital of subsidiary companies include the following:

SUBSIDIARY	ACTIVITY	ORDINARY £1 SHARES	COUNTRY OF INCORPORATION	SHAREHOLDING
Changeworks Enterprises Ltd SC207925	DORMANT	100	UK	100%

Changeworks Enterprises Ltd was dormant throughout the year. The aggregate capital and reserves of Changeworks Enterprises Ltd as at 31 March 2025 was £nil (2024: £nil).

13. INVESTMENTS CNTD.

Joint venture

Warmworks Scotland LLP (SO305326) is a joint venture partnership between Changeworks Resources for Life, Energy Saving Trust Enterprises Limited and Sureserve Energy Services UK Limited (formerly Everwarm Ltd). The initial cost of the investment was £1 per partner. Each partner is entitled to 1/3rd of profits of the joint venture, and certain decisions require unanimous partner consent. The principal activity of the Warmworks Scotland LLP is managing the installation of grant-funded energy saving measures into domestic dwellings.

A summary of its trading results is shown below:

WARMWORKS SCOTLAND LLP	2024-25	2023-24
	£	£
INCOME	106,118,186	69,903,568
EXPENDITURE	(99,025,373)	(66,626,481)
TAXATION	27,522	(38,725)
PROFIT	7,120,335	3,238,362
FIXED ASSETS	403,869	853,376
CURRENT ASSETS	33,375,076	20,486,874
CURRENT LIABILITIES	(22,518,241)	(14,126,448)
LONG TERM LIABILITIES	(1,769)	(276,457)
NET ASSETS	11,258,935	6,937,345

13. INVESTMENTS CNTD.

Joint venture

The joint venture is carried in the balance sheet at fair value, calculated as our one-third interest in its net assets of £11,258,935 = £3,752,978 (2024: £2,312,448). The joint venture's net assets figure includes withheld Construction Industry Scheme income of £757,731 which is to be reclaimed from HMRC during financial year 2025-26.

If the investment in the joint venture had been accounted for under the equity method of accounting, under which the charity would report its share of Warmwork's profit in its Statement of Financial Activities, the effect would have been as follows:

WARMWORKS SCOTLAND LLP INVESTMENT	2024-25	2023-24 Restated
	£	£
INCREASE IN CARRYING VALUE OF INVESTMENT	-	-
INCREASE IN INCOME FROM INVESTMENTS	1,336,363	556,295
DECREASE IN BALANCE OF FUNDS BROUGHT FORWARD	-	-
INCREASE IN NET CURRENT ASSETS	-	-

All three Warmworks partners have signed a Parent Company Guarantee in respect of Warmworks' largest Scottish Government contract.

13. INVESTMENTS CNTD.

Social investments

In November 2015 Changeworks Resources for Life purchased 5,000 ordinary shares of £1 in the Edinburgh Community Solar Co-op at a cost of £5,000.

The Co-op was set up to realise a large-scale solar PV project in Edinburgh and the decision was taken to invest in it to support the initiative, in line with the company's charitable objectives, rather than purely with a view to receiving financial return.

A further 5,000 £1 ordinary shares were purchased in December 2020, bringing the total holding to 10,000 £1 shares.

In September 2023, the Edinburgh Community Solar Co-op returned 12% of share capital to all members = £1,200.

In September 2024, the Edinburgh Community Solar Co-op returned 10% of share capital to all members = £880.

Dividends of £466 (2024: £515) were received during the year.

14. DEBTORS

DEBTORS	2024-25	2023-24
	£	£
AMOUNTS FALLING DUE WITHIN ONE YEAR		
TRADE DEBTORS	2,229,746	3,205,769
PREPAYMENTS	172,758	153,738
OTHER DEBTORS	6,819	8,085
ACCRUED INCOME	386,599	157,764
TOTAL	2,795,922	3,525,356

Trade debtors are amounts due from customers for goods sold or services performed. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally invoice price, less any allowances for doubtful debts.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

CREDITORS	2024-25	2023-24
	£	£
TRADE CREDITORS	364,908	955,237
VAT	591,180	577,078
PENSION CONTRIBUTIONS	74,453	66,962
PAYE & NIC	172,480	166,349
OTHER CREDITORS, DEFERRED INCOME AND ACCRUALS	1,430,725	1,199,130
TOTAL	2,633,746	2,964,756

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.



16. DEFERRED INCOME

DEFERRED INCOME	2024-25	2023-24
	£	£
BALANCE BROUGHT FORWARD	499,486	331,607
DEFERRED IN YEAR	5,074,260	3,985,186
RELEASED TO INCOME AND EXPENDITURE	(4,925,487)	(3,817,307)
TOTAL	648,259	499,486

Deferred income relates mainly to income received during the year for Energy Efficient Scotland: Area Based Schemes (EES:ABS) to be undertaken the following year as well as some contracts that were paid in advance in March for work to be undertaken in 2024-25.

17. PROVISIONS FOR LIABILITIES

DILAPIDATIONS PROVISION	2024-25	2023-24
	£	£
BALANCE BROUGHT FORWARD	11,867	-
INCREASE IN PROVISION FOR THE YEAR	32,000	11,867
RELEASED IN YEAR	(1,200)	-
TOTAL	42,667	11,867

The provision increase in the year relates to a buildup of a reserve for the dilapidations on Orchard Brae House which will become due at the end of the lease. This provision will be built up over the course of the lease term based on estimates. The current estimate is the cost of down takings incurred ahead of our relocation to the site.

Released in year was a small provision for the removal of an air conditioning unit still in place at Newhaven Road at the previous balance sheet date.

18. FINANCIAL ASSETS AND LIABILITIES

FINANCIAL ASSETS AND LIABILITIES	2024-25	2023-24
	£	£
FINANCIAL ASSETS AT AMORTISED COST	5,475,446	6,114,766
FINANCIAL LIABILITIES AT AMORTISED COST	1,870,086	1,889,153

Financial assets at amortised cost comprise cash at bank and in hand, trade debtors, accrued income, other debtors, and amounts owing from related entities.

Financial liabilities comprise accruals, trade and sundry creditors, deferred income and pension contributions.

19. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2025, the charity had commitments under non-cancellable operating leases as set out below:

OPERATING LEASES	LAND & BUILDINGS 31 MARCH 2025	OTHER 31 MARCH 2025	LAND & BUILDINGS 31 MARCH 2024	OTHER 31 MARCH 2024
	£	£	£	£
OPERATING LEASES WHICH EXPIRE:				
WITHIN ONE YEAR	248,992	94,004	271,550	107,161
WITHIN 2 TO 5 YEARS	1,129,415	63,332	1,099,081	146,153
OVER 5 YEARS	11,247	-	288,608	-
TOTAL	1,389,654	157,336	1,659,239	253,314

20. PENSIONS

The charity operates a defined contribution scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £576,833 (2024: £565,825).

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

NET ASSETS	GENERAL FUNDS	DESIGNATED FUNDS	RESTRICTED FUNDS	2024-25 TOTAL FUNDS
	£	£	£	£
TANGIBLE FIXED ASSETS	-	1,354,937	-	1,354,937
FIXED ASSET INVESTMENTS	-	3,760,898	-	3,760,898
CURRENT ASSETS	2,358,075	3,126,837	163,292	5,648,204
CURRENT LIABILITIES	(1,099,565)	(1,458,038)	(76,143)	(2,633,746)
PROVISIONS	(42,667)	-	-	(42,667)
NET ASSETS AT 31 MARCH 2025	1,215,843	6,784,634	87,149	8,087,626

PREVIOUS YEAR'S COMPARATIVES RESTATED	GENERAL FUNDS	DESIGNATED FUNDS	RESTRICTED FUNDS	2023/-4 TOTAL FUNDS RESTATED
	£	£	£	£
TANGIBLE FIXED ASSETS	-	1,584,979	-	1,584,979
FIXED ASSET INVESTMENTS	-	2,321,248	-	2,321,248
CURRENT ASSETS	1,793,831	4,364,809	109,864	6,268,504
CURRENT LIABILITIES	(749,286)	(1,823,188)	(392,282)	(2,964,756)
PROVISIONS	(11,867)	-	-	(11,867)
NET ASSETS AT 31 MARCH 2024	1,032,678	6,447,848	(282,418)	7,198,108



22. MOVEMENT IN FUNDS



MOVEMENT IN FUNDS	AT 1 APRIL 2024 RESTATED	INCOMING RESOURCES	OUTGOING RESOURCES	NET GAIN ON INVESTMENTS	TRANSFERS	AT 31 MARCH 2025
RESTRICTED FUNDS	£	£	£		£	£
LOW CARBON COMMUNITIES	(63,443)	310,100	(246,657)	-	-	-
AFFORDABLE WARMTH TEAM	(298,018)	1,361,375	(1,040,157)	-	-	23,200
ECOCOSI	-	212,940	(215,383)	-	-	(2,443)
CORPORATE	78,843	73,769	(83,289)	-	-	69,323
OTHER GRANTS	200	-	(3,131)	-	-	(2,931)
TOTAL RESTRICTED FUNDS	(282,418)	1,958,184	(1,588,617)		-	87,149
UNRESTRICTED FUNDS	£	£	£		£	£
DESIGNATED FUNDS						
DILAPIDATIONS RESERVE	30,000	-	-	-	-	30,000
FIXED ASSET RESERVE	1,584,979	-	-	-	(230,042)	1,354,937
INVESTMENTS	2,321,248	-	-	1,440,530	(880)	3,760,898
WARMWORKS MEMBER'S SECURITY	750,000	-	-	-	-	750,000
INVESTMENT FUND	901,299	-	-	-	(12,500)	888,799
STRATEGIC FUND	860,322	-	-	-	(860,322)	-
TOTAL DESIGNATED FUNDS	6,447,848	-	-	1,440,530	(1,103,744)	6,784,634
GENERAL FUND	1,032,679	9,512,221	(10,432,801)	-	1,103,744	1,215,843
TOTAL UNRESTRICTED	7,480,527	9,512,221	(10,432,801)	1,440,530	-	8,000,477
TOTAL FUNDS	7,198,109	11,470,405	(12,021,418)	1,440,530	-	8,087,626

22. MOVEMENT IN FUNDS CNTD.



PREVIOUS YEAR'S COMPARATIVE FIGURES	AT 1 APRIL 2023 RESTATED	INCOMING RESOURCES	OUTGOING RESOURCES	NET GAIN ON INVESTMENTS	TRANSFERS	AT 31 MARCH 2024 RESTATED
RESTRICTED FUNDS	£	£	£	£	£	£
LOW CARBON COMMUNITIES	93,774	201,771	(358,988)	-	-	(63,443)
AFFORDABLE WARMTH TEAM	(22,984)	562,297	(837,331)	-	-	(298,018)
SE PROJECTS TEAM	1,478	-	(1,278)	-	-	200
CORPORATE	38,958	123,499	(83,614)	-	-	78,843
TOTAL RESTRICTED FUNDS	111,226	887,567	(1,281,211)	-	-	(282,418)
UNRESTRICTED FUNDS		£	£	£	£	£
DESIGNATED FUNDS						
RELOCATION RESERVE	1,000,000	-	-	-	(1,000,000)	-
DILAPIDATIONS RESERVE	30,000	-	-	-	-	30,000
FIXED ASSET RESERVE	411,028	-	-	-	1,173,951	1,584,979
INVESTMENTS	1,766,154	-	-	556,295	(1,201)	2,321,248
WARMWORKS MEMBER'S SECURITY	750,000	-	-	-	-	750,000
INVESTMENT FUND	901,299	-	-	-	-	901,299
STRATEGIC FUND	2,540,609	-	-	-	(1,680,287)	860,322
TOTAL DESIGNATED FUNDS	7,399,090	-	-	556,295	(1,507,537)	6,447,848
GENERAL FUND	1,013,097	13,670,890	(15,158,845)	-	1,507,537	1,032,679
TOTAL UNRESTRICTED	8,412,187	13,670,890	(15,158,845)	556,295	-	7,480,527
TOTAL FUNDS	8,523,413	14,558,457	(16,440,056)	556,295	-	7,198,109

22. MOVEMENT IN FUNDS CNTD.

Restricted Funds are grants that have been awarded to Changeworks to carry out specific projects within an agreed time period.

Balances on restricted funds constitutes grant instalments received but not yet spent or spend ahead of funding being received.

The funds are categorised by type in the above table – there was one restricted project that had a balance over £50k at year end:

- £69k – in relation to the administration of the Climate Emergency Response Group where membership contributions will be expended in future years.

Restricted fund income received was £2.0m (2024: £0.9m). There were 23 projects (2024: 23) in the year delivering these grant-funded services.

Fund transfers:

There were no transfers between

restricted and unrestricted funds (2024: £nil).

Purpose of designated funds:

- **Dilapidations reserve:** A fund designated by the Board to cover anticipated costs relating to renovation, decoration, and dilapidation obligations associated with our office leases.
- **Fixed Asset reserve:** A fund designated by the Board to represent the portion of the general fund tied up in fixed assets and therefore not available for immediate use. The fund balance is equal to the carrying value of fixed assets as shown on the balance sheet.

Investment fund: A fund designated by the Board to ring-fence the increase in reserves arising from the sale of Changeworks Recycling. This fund is intended to support future investment opportunities and is not available to meet routine operational costs.

- **Investments:** A fund designated by

the Board to reflect the portion of the general fund held in illiquid investments and therefore not readily available for operational expenditure. The fund balance reduced by £880 during the year due to two share buybacks by Edinburgh Solar Coop, and increased by £1,440,530 due to increase in the valuation of the joint venture Warmworks.

- **Strategic fund:** A fund designated by the Board to meet the anticipated unfunded costs of delivering our three-year strategic plan (2022-23 to 2024-25). Of the £3.5 million allocated in 2022-23, £0.5 million was utilised during the year, and a further £0.3 million was transferred to the general fund to align with the organisation's reserves policy. This fund has now been fully utilised.

Warmworks members' security: A fund designated by the Board to provide for the maximum potential drawdown under our Warmworks member's security arrangements.



23. RELATED PARTIES

Related party transactions and year-end balances are disclosed in the tables below:

RELATED PARTY	NATURE OF RELATIONSHIP	INCOME 2024-25	EXPENDITURE 2024-25	DEBTOR BALANCE 31 MARCH 2025	CREDITOR BALANCE 31 MARCH 2025
		£	£	£	£
CLIMATE EMERGENCY RESPONSE GROUP (CERG)	CHANGeworks CEO, JOSIAH LOCKHART, IS A MEMBER OF THE CERG CORE GROUP	1,500	5,000	-	-
WARMWORKS SCOTLAND LLP	JOINT VENTURE – ONE THIRD OWNED BY CHANGeworks. JOSIAH LOCKHART AND GRAEME FARMER (CHANGeworks FINANCE & ICT DIRECTOR) ARE ON THE WARMWORKS BOARD	1,432,915	-	595,000	-

Changeworks administers CERG's finances through its own books. Any balances remaining at the end of this relationship will be returned to CERG. Summary of CERG finances 2024-25:

CERG FINANCES	2024-25
	£
OPENING FUND	77,612
INCOME (INCLUDING £5K CONTRIBUTION FROM CHANGeworks)	80,000
EXPENDITURE (INCLUDING £1.5K ADMINISTRATION FEE BY CHANGeworks)	(88,290)
CLOSING FUND	69,323



24. RESULTS BY DELIVERY GOAL

As detailed in the directors' report, our charitable activities can be categorised into four delivery goals.

The following tables analyse our financial results by delivery goal, though should be treated as indicative as many of our activities align to more than one goal. Support costs not capable of being attributed to one specific goal are allocated across the four goals pro rata to income. Results are stated net of gains on investments.

RESULTS BY DELIVERY GOAL		INCOME 2024-25	EXPENDITURE 2024-25	SURPLUS 2024-25	INCOME 2023-24	EXPENDITURE 2023-24	SURPLUS 2023-24
		£	£	£	£	£	£
GOAL 1: IDENTIFY AND ENGAGE HOUSEHOLDS ACROSS SCOTLAND ON ACTIONS TO DECARBONISE THEIR HOMES	5,435,974	5,633,586	(197,612)	5,291,753	6,285,400	(993,647)	
GOAL 2: SUPPORT HOUSEHOLDS TO INSTALL ENERGY EFFICIENCY AND LOW CARBON HEATING SYSTEMS TO DECARBONISE THEIR HOMES	5,337,843	5,676,542	(338,699)	8,518,729	9,293,434	(774,705)	
GOAL 3: INNOVATE DELIVERY MODELS AND SOLUTIONS FOR HEAT AND ENERGY SYSTEMS FOR HOMES	577,206	591,360	(14,154)	511,172	569,289	(58,117)	
GOAL 4: ACCELERATE DECARBONISATION THROUGH RESEARCH, EVALUATION, DISSEMINATION AND INFLUENCING	119,382	119,930	(548)	236,803	291,933	(55,130)	
TOTAL	11,470,405	12,021,418	(551,013)	14,558,457	16,440,056	(1,881,599)	



25. RECONCILIATION OF NET INCOME TO NET CASHFLOW ON OPERATING ACTIVITIES

CASHFLOW FROM OPERATING ACTIVITIES	2024-25	RESTATED 2023-24
	£	£
NET INCOME FOR THE YEAR	889,517	(1,325,304)
ADJUSTMENT FOR:		
DEPRECIATION CHARGES	342,017	228,844
GAINS/LOSSES ON INVESTMENT	(1,440,530)	(556,295)
DIVIDENDS, INTEREST AND RENTS FROM INVESTMENTS	(58,785)	(66,307)
LOSS/(PROFIT) ON SALE OF FIXED ASSETS	-	16,247
(INCREASE)/DECREASE IN DEBTORS	729,435	(158,463)
(INCREASE)/DECREASE IN CREDITORS	(331,010)	1,209,074
INCREASE IN PROVISIONS	30,800	11,867
NET CASH USED IN OPERATING ACTIVITIES	161,444	(640,337)

26. PRIOR YEAR ADJUSTMENT

The charity's interest in the joint venture Warmworks, previously carried in the balance sheet at cost (£1) is now carried at fair value, calculated as our one-third interest of its net assets (see note 27).

The impact of this prior year adjustment on the comparative figures for 2023-24 are as follows:

	FUNDS	NET INCOME
	£	£
AS STATED PREVIOUSLY	4,885,661	(1,881,599)
INCREASE IN OPENING VALUE OF INVESTMENTS	1,756,153	-
UNREALISED GAIN ON INVESTMENTS	556,295	556,295
RESTATED	7,198,109	(1,325,304)

All impact on funds is held in a designated fund.

27. CHANGE IN ACCOUNTING POLICY

Our interest in Warmworks Scotland LLP, previously carried at cost, is now carried at fair value, calculated as our one-third interest in its net assets (as per its audited accounts). The Directors are of the view that this policy better reflects the value of the joint venture to the charity.

The impact of this change in policy is as follows:

	2024/25	2023/24
	£	£
INCREASE IN OPENING FUNDS	2,312,448	1,756,153
INCREASE IN NET INCOME DUE TO INCREASE IN VALUATION	1,440,530	556,295
INCREASE IN CLOSING FUNDS	3,752,978	2,312,448

100% of the movement in funds as a result of this change in accounting policy is held within a designated fund.



28. GOING CONCERN

Following review, the Directors have a reasonable expectation that the charity will continue to operate for at least twelve months from the date of approval of these accounts.

29. POST BALANCE SHEET EVENTS

There have been no material post balance sheet events.

30. OTHER NON-AUDIT SERVICES

We do not engage our auditor to provide non-audit services.

31. CAPITAL COMMITMENTS

There were no material capital commitments at the balance sheet date.



METHODOLOGY AND DATA SOURCES

Impact reporting

The methodology for the impact data in the 2024-25 report has mostly remained the same as for the 2022-23 and 2023-24 reports.

However, in 2024-25 we began reporting Warmworks data in full (in previous years it was divided by three to reflect Changeworks' share of the business.)

In order to present a consistent picture across the entire strategic period, figures in this report on householder support, advice, in-depth support and carbon savings for all years have been restated to reflect all of Warmworks' activity.

Our methodology and data sources are to be revisited for the next strategic reporting period as we seek to drive improvements in our impact reporting.

Carbon footprint

Our carbon footprint is calculated based on the current UK Government guidance and conversion factors for greenhouse gas reporting issued annually by the Department for Environment, Food and Rural Affairs (DEFRA).

Our approach is externally validated by Carbon Footprint Ltd to ensure it meets all relevant standards, including the ISO 14064-3 (GHG Emissions Verification) framework and PAS 2060 – Carbon Neutrality.

Since 2018-19, our carbon reduction and offsetting activities have enabled us to be recognised as a Carbon Neutral Organisation.

Our calculation includes the following emissions:

- Scope 1 - Direct emissions from the activities that are under an organisation's direct control, such as fuel combustion, vehicles and fugitive emissions
- Scope 2 - Indirect emissions related to the production of electricity and heat that is purchased by the organisation
- Scope 3 - Other indirect emissions resulting from activities that are neither owned or controlled by the entity, including emissions related to business travel, commuting, home working and water and waste treatment.

CHANGEWORKS.

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