

SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

**Registered under the Co-operative and Community Benefit Societies Act 2014 -
Registration number 31498R**

SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

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SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

REPORT OF THE BOARD

FOR THE YEAR ENDED 31 MARCH 2016

The Board of Directors present their report and the financial statements for the year ended 31 March 2016.

Principal activity

The principal activity of the company is the construction and operation of a wind turbine for the benefit of the community of South Brent.

The Society is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014.

Review of activities

The Society's principal activity continues to be the generation of electricity from its 225kW Vestas wind turbine and 9.88kW solar array. After what may have been an exceptionally windy year, the V27 wind turbine produced 486,849kWh to 31st March 2016, an increase of 91% over the previous year. The PV system generated 9,572kWh, the first full accounting year of production.

A large part of the improved output from the wind turbine was undoubtedly due to the resolution, just before the start of the accounting year, of the fault that caused early shut-downs in strong and gusty winds. However, the year was not entirely trouble free: in June, our maintainers WindCare were called in to rectify a fault in the blade pitch control mechanism and in August a power supply for a relay unit had to be replaced. In both cases downtime was limited to just a few days. WindCare performed full services on the machine in September and March.

The PV system on the Recreation Association's pavilion worked well throughout the year, directly supplying the "Rec", with the surplus exported to the grid. To better understand the pattern of generation and use, the society purchased an Efergy "engage hub" electricity monitor. The intention is to analyse the data collected over a full year to see if the pavilion could make better use of the solar electricity by storing it in a battery for use in the evenings.

Guidelines for the operation of the society's South Brent Community Energy Fund (SBCEF - a ring fenced fund within the society) were approved and adopted at the AGM in October. The managers of South Brent's larger community buildings were then contacted and invited to come forward with their medium to long term refurbishment and energy saving plans that the SBCEF is intended to support. The first to benefit was the South Brent Old School Community Centre with a grant of £6500 towards a 3.6kW PV system on the centre's School House building. This was up and running by February. The society also helped the Village Hall Committee prepare the way for a 10kW PV installation and has discussed with the Methodist Church the idea of a professional survey to identify the most appropriate energy saving improvements.

SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

REPORT OF THE BOARD

FOR THE YEAR ENDED 31 MARCH 2016

Society directors Francis Macnaughton and Richard Chapman travelled to London and Bath respectively on behalf of the society. Francis met with the then Energy Minister Andrea Leadsom MP, together with other local community energy representatives at Westminster. Richard attended the RegenSW conference in November.

The society paid 4% interest to members in July 2015 and expects to make its next payment in June 2016. As well as the environmental benefit of generating low carbon electricity, the intention for 2016-17 is to maximise the funds available to the Energy Fund and benefit the community by continuing to work with South Brent's community buildings to save energy or generate their own.

Society interests

Under the rules of the Society a member can hold a maximum of £20,000 shares in the Society. Members have one vote at meetings of the Society irrespective of their shareholding. The shares may be withdrawn after three years and may receive interest.

This report was approved by the Board on 14/9/16 and signed on its behalf by



Mr P E H Kelly
Chairman

STATEMENT OF RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2016

Responsibilities of the Board of Directors

The rules of the Society require the Board to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the Society and of the profit or loss of the Society for that period. In preparing those financial statements the Board is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Board of Directors are responsible for keeping proper accounting records which disclose with material accuracy at any time the financial position of the Society and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**ACCOUNTANTS REPORT TO THE MEMBERS OF
SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED**

In order to assist you to fulfil your duties under the Co-operative and Community Benefit Societies Act 2014, we have prepared for your approval the accounts of South Brent Community Energy Society Limited for the year ended 31 March 2016 (as set out on pages 5 to 9) from the company's accounting records and from information and explanations you have given us.

As a member firm of The Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com

The report is made solely to the board of directors of South Brent Community Energy Society Limited. Our work has been undertaken solely to prepare for your approval the accounts of South Brent Community Energy Society Limited and state that those matters that we have agreed to state to the board of directors of South Brent Energy Society Limited, as a body, in this report in accordance with the requirements of The Institute of Chartered Accountants in England and Wales as detailed at www.icaew.com. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than South Brent Energy Society Limited and its board of directors, as a body, for our work or for this report.



Thomas Westcott
Chartered Accountants
26 - 28 Southernhay East
Exeter
Devon
EX1 1NS

Dated: 4 October 2016

SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
Turnover		118,207	59,419
Operating administration expenses		(49,755)	(35,979)
Operating profit/(loss)	2	68,452	23,440
Interest receivable and similar income		584	276
Interest paid to members		(16,833)	(21,206)
Profit/(loss) on ordinary activities before taxation		52,203	2,510
Tax on profit on ordinary activities	3	-	(93)
Retained profit/(loss) for the period		52,203	2,417

There are no recognised gains or losses other than the profit or loss for the above financial year.

The notes on pages 7 to 9 form an integral part of these financial statements.

SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

BALANCE SHEET

AS AT 31 MARCH 2016

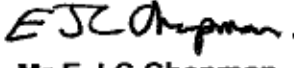
	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	4		380,698		401,805
Investments	5		200		200
Current assets					
Debtors	6	37,282		16,558	
Cash at bank and in hand		112,633		61,583	
			<u>149,915</u>		<u>78,141</u>
Creditors: amounts falling due within one year	7	<u>(6,135)</u>		<u>(7,671)</u>	
Net current assets / (liabilities)			143,780		70,470
Total assets less current liabilities			<u>524,678</u>		<u>472,475</u>
Total net assets			<u>524,678</u>		<u>472,475</u>
Capital and reserves					
Share Capital			431,314		431,314
Profit and loss account	8		93,664		41,161
			<u>524,978</u>		<u>472,475</u>

These financial statements were approved on behalf of the Members and Management

Committee on 14/9/16 by:

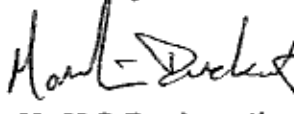

Mr P E H Kelly
Director


Mr D J Butcher
Director


Mr E J C Chapman
Secretary


Mr R J T Chapman
Director


Mr F G Macnaughton
Director


Mr M S Duckworth
Director

The notes on pages 7 to 9 form an integral part of these financial statements.

SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2016

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2. Turnover

Turnover was derived from the sale of renewable electricity and the public subsidy associated with generating the electricity.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Turbine	Straight line over 20 years
PV Project	Straight line over 20 years
Office equipment	Straight line over 3 years

Tangible fixed assets are stated at cost less accumulated depreciation.

2. Operating profit	2016	2015
	£	£
Operating profit is stated after charging:		
Depreciation	<u>21,222</u>	<u>21,189</u>

3. Tax on profit on ordinary activities

The tax on profit on ordinary activities comprises £Nil for 2015-16 tax year.

SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2016

4. Tangible fixed assets	Office		PV	
	IT	Turbine	Project	Total
	£	£	£	£
Cost				
At 1 April 2015	140	409,015	13,839	422,994
Additions	96	19	-	115
At 31 March 2016	<u>236</u>	<u>409,034</u>	<u>13,839</u>	<u>423,109</u>
Depreciation				
At 1 April 2015	46	20,451	692	21,189
Charge for the year	79	20,451	692	21,222
At 31 March 2016	<u>125</u>	<u>40,902</u>	<u>1,384</u>	<u>42,411</u>
Net book values				
At 31 March 2016	<u>111</u>	<u>368,132</u>	<u>12,455</u>	<u>380,698</u>
At 31 March 2015	<u>94</u>	<u>388,564</u>	<u>13,147</u>	<u>401,805</u>
5. Fixed asset investments			Unlisted	Total
			investments	£
			£	£
Cost				
Additions (Investment in Totnes Renewable Energy Society Limited)			200	200
At 31 March 2016			<u>200</u>	<u>200</u>
Net book values				
At 31 March 2016			<u>200</u>	<u>200</u>
6. Debtors			2016	2015
			£	£
Other debtors (income due from electricity sales and public subsidy)			37,054	15,902
VAT			228	656
			<u>37,282</u>	<u>16,558</u>

SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2016

7. Creditors: amounts falling due within one year	2016	2015
	£	£
Wind turbine servicing	-	5,000
Land rent	3,439	1,547
Electricity charges	-	69
Accruals (accountants fees)	1,000	1,000
Pre-Commencement Costs	1,696	-
Corporation tax (for 2015-16 tax year)	-	55
	<u>6,135</u>	<u>7,671</u>

8. Reserves	Profit and loss account	Total
	£	£
At 1 April 2015	41,161	41,161
Profit for the year (after tax)	52,203	52,203
At 31 March 2016	<u>93,364</u>	<u>93,364</u>

The society's general principles of allocation of the retained surplus are:

1. Pay the running costs of the society and its physical assets.
2. Build reserves to meet requests for share withdrawals
3. Pay members sufficient interest to retain investment
4. Utilise any remaining funds to improve the energy efficiency of the parish

9. Related parties

By the organisation's very nature, as a Society whose members and Management Committee are shareholders, it is inevitable that transactions with these parties occur. All such transactions are conducted at arm's length and in the normal course of business.

SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

DETAILED TRADING PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2015 ¹⁶

	2016		2015	
	£	£	£	£
Income				
Operating income		118,207		59,419
Administration expenses				
Turbine maintenance	9,281		5,360	
Electricity charges	586		864	
Insurance	4,664		4,695	
Ground rent	3,954		2,056	
Printing, postage and stationery	69		70	
Accounting (including accrual for 2015 accounts)	1,000		1,400	
Regulatory fees	350		330	
Website fees	97		-	
Software costs	134		-	
Grants	6,500		-	
Room hire	19		15	
Travel Expenses	183		-	
Depreciation	21,222		21,189	
Pre-Commencement Costs	1,696		-	
		(49,755)		(35,979)
Operating profit/(loss)		<u>68,452</u>		<u>23,440</u>
Interest receivable				
Bank interest		584		276
Interest payable				
Interest paid to members		(16,833)		(21,206)
Net profit/(loss) for the year (before tax)		<u>52,203</u>		<u>2,510</u>