

Company Registration No. 31498R (England and Wales)

**SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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

# **SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED**

## **COMPANY INFORMATION**

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**Directors**                      Mr P E H Kelly  
   Mr E J C Chapman  
   Mr R J T Chapman  
   Mr R Hancock  
   Mr F G Macnaughton  
   Mrs K Reville

**Secretary**                      Mr E J C Chapman

**Company number**              31498R

**Registered office**              School House  
   Totnes Road  
   South Brent  
   Devon  
   TQ10 9BP

**Accountants**                    Hammett Audit  
   13 West Street  
   Exeter  
   Devon  
   EX1 1BB

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# SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

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# **SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 MARCH 2019***

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The directors present their annual report and financial statements for the year ended 31 March 2019.

### **Principal activities**

The principal activity of the Society continues to be the generation of electricity from its wind turbine and from the solar array on the Recreation Ground pavilion in South Brent.

### **Review of activities**

For the year ended 31st March 2019 the 225kW wind turbine generated 363,466kWh, the third highest accounting-year output to date. The PV system generated 9,654kWh, which is the highest annual figure, due to the fine summer in 2018.

The Society was able to pay its members interest of 6% on their shareholdings (and pay out interest to members for previous years who had lost or not presented their cheques) at a cost of £23,230 and, as for preceding years, a sum equal to 5% of the original share capital was added to the sinking (share withdrawal) fund, which at year-end stood at £66,178. After these allocations £36,646 was added to the society's Community Energy Fund.

Grants totaling £12,064 have been paid out from the Community Energy Fund, supporting further energy saving and generation in the village. These were £10,000 to South Dartmoor Community Energy for measures to save energy on qualifying homes in South Brent under the Warm & Well project and £2,064 for a new gas boiler for the South Brent Social Club. At the year end the Fund stood at £42,494.

It should be noted that the interest and grant payments listed in the income and expenditure account to March 2019 were paid from the retained surplus put aside in the 2017-18 accounting year. Without these two items there would be a surplus for the year, after depreciation, of just over £55,000. From this sum the Board expects to recommend an interest payment to be made in the summer of 2019 and to set aside another significant sum to the Community Energy Fund.

On 31st March 2019 the society had 178 members of which 43 were joint members. 61% of the membership lived in South Brent, 29% elsewhere in Devon and 10% further afield.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P E H Kelly  
Mr E J C Chapman  
Mr R J T Chapman  
Mr R Hancock  
Mr F G Macnaughton  
Mrs K Reville

### **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 irrespective of their shareholding. Members may receive interest based on the value of their shareholding. They can apply to have shares withdrawn after three years.

### **Risk management**

The directors have considered the major risks to which the society is exposed and systems or procedures have been established to manage those risks.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

# **SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2019***

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On behalf of the board

Mr P E H Kelly

**Director**

9 May 2019

# **SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2019***

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

The Co-operative and Community Benefit Societies Act 2014 requires the directors to prepare financial statements for each financial year. The directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping 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 Co-operative and Community Benefit Societies Act 2014. 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.

# **SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED**

## **REPORTING ACCOUNTANT'S REPORT TO THE MEMBERS ON THE UNAUDITED FINANCIAL STATEMENTS OF SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED**

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We report on the financial statements for the year ended 31 March 2019 which comprise the Revenue Account, the Balance Sheet, the Statement of Changes in Equity and the related notes.

This report is made solely to the members of the society, as a body, in accordance with Section 85 of the Co-operative and Community Benefit Societies Act 2014. Our work has been undertaken so that we might state to the members of the society those matters we are required to state to them in our report and for no other purpose. In those circumstances, to the fullest extent permitted by law, we will not accept or assume responsibility to anyone other than the society and the members of the society as a body for our work, for the report, or for the opinions we form.

### **RESPECTIVE RESPONSIBILITIES OF OFFICERS AND REPORTING ACCOUNTANTS**

The society's board of directors are responsible for the preparation of the financial statements and they consider that the society is entitled to opt out of an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

### **BASIS OF OPINION**

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the society, and making such limited enquiries of the officers of the society as we considered necessary for the purposes of this report. These procedures provide the only assurance expressed in our opinion.

### **OPINION**

In our opinion:

- The accounts, including the Revenue Account and Balance Sheet, are in agreement with the accounting records kept by the society under s75 of the Co-operative and Community Benefit Societies Act 2014;
- Having regard only to, and on the basis of, the information contained in those accounting records the Revenue Account and Balance Sheet comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- For the preceding year of account, the financial criteria for the exercise of the power conferred by section 84 were met in relation to the year.

**Hammett Audit**

22 May 2019

**Chartered Accountants**

13 West Street  
Exeter  
Devon  
EX1 1BB

# SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

## REVENUE ACCOUNT (INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2019

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	Notes	2019 £	2018 £
<b>Turnover</b>		97,080	100,600
Administrative expenses		(42,907)	(41,040)
		<hr/>	<hr/>
<b>Operating profit</b>		54,173	59,560
Interest receivable and similar income		1,272	972
Interest payable and similar expenses		(23,230)	(17,630)
Grants payable		(12,064)	(20,847)
		<hr/>	<hr/>
<b>Profit before taxation</b>		20,151	22,055
Taxation		-	-
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<u>20,151</u>	<u>22,055</u>



# SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2019

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	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	3		317,259		338,436
Investments	4		200		200
			<u>317,459</u>		<u>338,636</u>
<b>Current assets</b>					
Debtors	5	25,556		11,548	
Cash at bank and in hand		181,538		154,165	
		<u>207,094</u>		<u>165,713</u>	
<b>Creditors: amounts falling due within one year</b>	6	(7,379)		(6,576)	
<b>Net current assets</b>			<u>199,715</u>		<u>159,137</u>
<b>Total assets less current liabilities</b>			<u>517,174</u>		<u>497,773</u>
<b>Capital and reserves</b>					
Called up share capital	7		389,664		390,414
Profit and loss reserves			127,510		107,359
<b>Total equity</b>			<u>517,174</u>		<u>497,773</u>

For the financial year ended 31 March 2019 the company was entitled to exemption from audit under section 84 of the Co-operative and Community Benefit Societies Act 2014.

The directors acknowledge their responsibilities for complying with the requirements of the Co-operative and Community Benefit Societies Act 2014 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with rule 113.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 9 May 2019 and are signed on its behalf by:

Mr P E H Kelly  
Director

Mr E J C Chapman  
Director

Mr R Hancock  
Director

Company Registration No. 31498R

# SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

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	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2017</b>		424,614	85,304	509,918
<b>Year ended 31 March 2018:</b>				
Profit and total comprehensive income for the year		-	22,055	22,055
Redemption of shares	7	(34,200)	-	(34,200)
<b>Balance at 31 March 2018</b>		<u>390,414</u>	<u>107,359</u>	<u>497,773</u>
<b>Year ended 31 March 2019:</b>				
Profit and total comprehensive income for the year		-	20,151	20,151
Redemption of shares	7	(750)	-	(750)
<b>Balance at 31 March 2019</b>		<u><u>389,664</u></u>	<u><u>127,510</u></u>	<u><u>517,174</u></u>

# SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies

#### Company information

South Brent Community Energy Society Limited is a society limited by shares registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014. The registered office is School House, Totnes Road, South Brent, Devon, TQ10 9BP.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the generation of electricity provided in the normal course of activity, and is shown net of VAT and other sales related taxes.

#### 1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Turbine	20 years straight line
Computers	3 years straight line
PV Project	20 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

# SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies

(Continued)

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts, if present, are shown within borrowings in current liabilities.

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 1 Accounting policies

(Continued)

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received.

### 2 Taxation

On the basis of these financial statements, no provision has been made for corporation tax.

The company has total tax losses of £31,543 (2018: £40,215) available to carry forward to future accounting periods.

### 3 Tangible fixed assets

	Turbine £	Computers £	PV Project £	Total £
<b>Cost</b>				
At 1 April 2018 and 31 March 2019	409,034	332	13,839	423,205
<b>Depreciation and impairment</b>				
At 1 April 2018	81,806	299	2,664	84,769
Depreciation charged in the year	20,452	33	692	21,177
At 31 March 2019	102,258	332	3,356	105,946
<b>Carrying amount</b>				
At 31 March 2019	306,776	-	10,483	317,259
At 31 March 2018	327,228	33	11,175	338,436

# SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

### 4 Fixed asset investments

	2019 £	2018 £
Investments	200	200

#### Movements in fixed asset investments

	Investments other than loans £
<b>Cost or valuation</b> At 1 April 2018 & 31 March 2019	200
<b>Carrying amount</b> At 31 March 2019	200
At 31 March 2018	200

### 5 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	25,556	-
Other debtors	-	11,548
	<u>25,556</u>	<u>11,548</u>

### 6 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	3,895	210
Taxation and social security	2,734	1,676
Other creditors	-	3,916
Accruals and deferred income	750	774
	<u>7,379</u>	<u>6,576</u>

### 7 Called up share capital

	2019 £	2018 £
<b>Ordinary share capital</b> <b>Issued and fully paid</b> 389,664 (2018: 390,414) shares of £1 each	389,664	390,414

# SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

## SCHEDULE OF ADMINISTRATIVE EXPENSES

*FOR THE YEAR ENDED 31 MARCH 2019*

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	2019	2018
	£	£
<b>Administrative expenses</b>		
Training and conferences	-	160
Ground rent	4,294	4,455
Rates	753	-
Electricity charges	267	339
Maintenance	10,094	9,353
Membership fees and subscriptions	289	95
Regulatory fees	273	265
Accountancy	1,355	1,100
Insurance	4,280	4,053
Printing and stationery	107	19
Website costs	18	97
Depreciation	21,177	21,104
	<u>42,907</u>	<u>41,040</u>
	<u><u>42,907</u></u>	<u><u>41,040</u></u>

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# SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

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		2019		2018
	£	£	£	£
<b>Turnover</b>				
Wind turbine		95,432		98,991
Photovoltaics		1,648		1,559
Other		-		50
		<u>97,080</u>		<u>100,600</u>
<b>Administrative expenses</b>		<u>(42,907)</u>		<u>(41,040)</u>
<b>Operating profit</b>		54,173		59,560
<b>Investment revenues</b>				
Bank interest received	1,272		972	
	<u>1,272</u>	1,272	<u>972</u>	972
<b>Interest payable and similar expenses</b>				
Interest payable		(23,230)		(17,630)
<b>Other income and expenditure</b>				
Grants receivable	-		1,407	
Grants payable	(12,064)		(22,254)	
	<u>(12,064)</u>	(12,064)	<u>(20,847)</u>	(20,847)
<b>Profit before taxation</b>	20.76%	<u>20,151</u>	21.92%	<u>22,055</u>

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