

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 2022**

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 2022**

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

# SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	Mr P E H Kelly Mr E J C Chapman Mr R Hancock Mr F G Macnaughton Mr R Hoyland Mrs E Kennerley Mrs Y Elliott	(Appointed 29 June 2021)
<b>Secretary</b>	Mr E J C Chapman	
<b>Company number</b>	31498R	
<b>Registered office</b>	School House Totnes Road South Brent Devon TQ10 9BP	
<b>Accountants</b>	Hammett Spire 21 Heavitree Road Exeter Devon EX1 2LD	

---

# SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

## CONTENTS

---

	<b>Page</b>
Directors' report	1 - 2
Accountants' report	4
Revenue account	5
Balance sheet	6
Statement of changes in equity	7
Notes to the financial statements	8 - 12

---

# **SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 MARCH 2022***

---

The directors present their annual report and financial statements for the year ended 31 March 2022.

#### **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**

This was a year of recovery following the long series of mechanical problems with the wind turbine over the previous two years. The Vestas V27 turbine generated 358,436kWh, the 4th highest since it was installed in the summer of 2013, bringing in an income of £97,487. The PV array on the Recreation Ground Pavilion generated 9,402kWh and an income of £1,777.

In August 2021 the society received £44,456 in respect of the insurance claim associated with the wind turbine breakdown. The "wind turbine" turnover of £142,043 shown in these financial statements includes this insurance payout and a £150 fee for hosting a large school visit in the autumn.

The repairs to the turbine were finally completed in May 2021 and the cost settled with our maintainers, Natural Generation Ltd. This is included in the maintenance figure of £37,820. We expect the cost of maintaining the wind turbine to be significantly lower than this over the next few years.

The Board had decided to close the society's Community Energy Fund to new applicants until the wind turbine had proven itself over the winter and the society's finances recovered. By December 2021 we were sufficiently confident to resume discussion with Diptford C of E Primary School on awarding a grant towards energy saving and PV generation, which had begun just before the turbine failed in 2019. In March 2022 we agreed to pay £4,000 towards a 3.6kW PV array for the school, subject to planning and other approvals, which we hope will go ahead in the summer of 2022.

Of the balance sheet cash reserve figure of £247,056, a sum of £50,000 is the society's ringed-fenced contingency fund held against future turbine problems and £109,641 will be our "sinking fund", following the usual addition of 5% of the original share capital, to pay for share withdrawals. The remainder is our combined General & Community Energy Fund.

No interest was paid to members in 2021-22 but it is expected that interest payments will now resume, reflecting the past year's performance.

The greenhouse gas emissions resulting from the operation and maintenance of the wind turbine were 402kg CO<sub>2</sub>e (carbon dioxide equivalent), calculated using UK government 2021 emissions figures, giving an emissions intensity for the electricity generated of 0.001kgCO<sub>2</sub>e/kWh, down from 0.027 in 2020-21.

On 31st March 2022 the society had 169 members including 39 joint members.

At our 2021 AGM we bade farewell to one of our longest serving directors, Richard Chapman, who stood down after 8 years. We thank Richard for his support and wish him well for the future. Joining the Board we welcome Yvette Elliott, who was elected at the same meeting.

# **SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED**

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

***FOR THE YEAR ENDED 31 MARCH 2022***

---

### **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 (Resigned 29 June 2021)  
Mr R Hancock  
Mr F G Macnaughton  
Mr R Hoyland  
Mrs E Kennerley  
Mrs Y Elliott (Appointed 29 June 2021)

### **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.

On behalf of the board

Mr P E H Kelly

**Director**

11 May 2022

# **SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2022***

---

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**

## **ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED FOR THE YEAR ENDED 31 MARCH 2022**

---

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of South Brent Community Energy Society Limited for the year ended 31 March 2022 set out on pages 5 to 12 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation>

This report is made solely to the Board of Directors of South Brent Community Energy Society Limited, as a body, in accordance with the terms of our engagement letter dated 1 May 2017. Our work has been undertaken solely to prepare for your approval the financial statements of South Brent Community Energy Society Limited and state those matters that we have agreed to state to the Board of Directors of South Brent Community Energy Society Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than South Brent Community Energy Society Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that South Brent Community Energy Society Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of South Brent Community Energy Society Limited. You consider that South Brent Community Energy Society Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of South Brent Community Energy Society Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

**Hammett Spire**

31 May 2022

**Accountants**

21 Heavitree Road  
Exeter  
Devon  
EX1 2LD

# SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

## REVENUE ACCOUNT (INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2022

---

	Notes	2022 £	2021 £
<b>Turnover</b>		143,870	26,094
Administrative expenses		(68,352)	(99,173)
Other operating income		-	10,000
		<hr/>	<hr/>
<b>Operating profit/(loss)</b>		75,518	(63,079)
Interest receivable and similar income		863	926
Interest payable and similar expenses		(55)	-
Grants payable		-	(2,844)
		<hr/>	<hr/>
<b>Profit/(loss) before taxation</b>		76,326	(64,997)
Taxation		-	-
		<hr/>	<hr/>
<b>Profit/(loss) for the financial year</b>		<u>76,326</u>	<u>(64,997)</u>

# SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	4		253,827		274,971
Investments	5		200		200
			<u>254,027</u>		<u>275,171</u>
<b>Current assets</b>					
Debtors	6	4,930		3,103	
Cash at bank and in hand		242,126		142,830	
		<u>247,056</u>		<u>145,933</u>	
<b>Creditors: amounts falling due within one year</b>	7	(6,178)		(1,525)	
<b>Net current assets</b>			<u>240,878</u>		<u>144,408</u>
<b>Total assets less current liabilities</b>			<u>494,905</u>		<u>419,579</u>
<b>Capital and reserves</b>					
Called up share capital	8	347,064		348,064	
Profit and loss reserves		147,841		71,515	
		<u>494,905</u>		<u>419,579</u>	
<b>Total equity</b>			<u>494,905</u>		<u>419,579</u>

For the financial year ended 31 March 2022 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 11 May 2022 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 2022

---

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2020</b>		373,864	136,512	510,376
<b>Year ended 31 March 2021:</b>				
Loss and total comprehensive income for the year		-	(64,997)	(64,997)
Redemption of shares	8	(25,800)	-	(25,800)
<b>Balance at 31 March 2021</b>		348,064	71,515	419,579
<b>Year ended 31 March 2022:</b>				
Profit and total comprehensive income for the year		-	76,326	76,326
Redemption of shares	8	(1,000)	-	(1,000)
<b>Balance at 31 March 2022</b>		347,064	147,841	494,905

---

# SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

---

### 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 2022

---

#### 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 and cash equivalents

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 2022

---

#### 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.

#### 1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.10 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### 3 Taxation

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

The company has total tax losses of £14,021 (2021: £93,486) available to carry forward to future accounting periods.

#### 4 Tangible fixed assets

	Turbine £	Computers £	PV Project £	Total £
<b>Cost</b>				
At 1 April 2021 and 31 March 2022	409,034	332	13,839	423,205
<b>Depreciation and impairment</b>				
At 1 April 2021	143,162	332	4,740	148,234
Depreciation charged in the year	20,452	-	692	21,144
At 31 March 2022	163,614	332	5,432	169,378
<b>Carrying amount</b>				
At 31 March 2022	245,420	-	8,407	253,827
At 31 March 2021	265,872	-	9,099	274,971

#### 5 Fixed asset investments

	2022 £	2021 £
Other investments other than loans	200	200

# SOUTH BRENT COMMUNITY ENERGY SOCIETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

---

<b>6 Debtors</b>			<b>2022</b>	<b>2021</b>
			<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>				
Trade debtors			4,775	2,640
Other debtors			155	463
			<u>4,930</u>	<u>3,103</u>
			<u><u>4,930</u></u>	<u><u>3,103</u></u>
<b>7 Creditors: amounts falling due within one year</b>			<b>2022</b>	<b>2021</b>
			<b>£</b>	<b>£</b>
Trade creditors			5,428	1,025
Accruals and deferred income			750	500
			<u>6,178</u>	<u>1,525</u>
			<u><u>6,178</u></u>	<u><u>1,525</u></u>
<b>8 Called up share capital</b>			<b>2022</b>	<b>2021</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
<b>Ordinary share capital Issued and fully paid</b>				
shares of £1 each	347,064	348,064	347,064	348,064
	<u>347,064</u>	<u>348,064</u>	<u>347,064</u>	<u>348,064</u>
	<u><u>347,064</u></u>	<u><u>348,064</u></u>	<u><u>347,064</u></u>	<u><u>348,064</u></u>

Share capital amounting to £1,000 (2021: £25,800) was withdrawn and repaid to members at par value during the year in accordance with the Society's Rules.