

Document Type: External

TEIGN ENERGY COMMUNITIES LTD

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 February 2020

Registered under the Co-operative and Community Benefit Societies Act 2014

Author / Contact :

Bob Hussey
e-mail: rjhussey10@gmail.com

CONTENTS

	Page
Report of the Board	3
Statement of Income and Retained Earnings	4
Statement of Financial Position	5
Cash Flow Statement	6
Notes to the Financial Statements	7

REPORT OF THE BOARD

The Board of Directors present their report and the financial statement for the period 1 March 2019 to 29 February 2020, being the fourth year of operations.

Principal activity

The objects of the Society remain unchanged: to carry on any business for the benefit of the community in Teignbridge by means of the development, financing, construction and operation of community renewable energy installations, sale of renewable energy, and energy saving initiatives.

Review of activities

Our approach of using the Community Fund and Energy Assessment Pack (**E-Pack**) to engage with potential stakeholders continues to be an effective one. Directors visited over 20 organisations and some households to discuss how TECs can support them. We used some of our Community Fund on projects at Dawlish College and Newton Abbot College.

Most of these organisations and households have become TECs members and taken advantage of the free Energy assessment and advice we are able to offer. Amongst these is the work done with the Teign Valley Community Hall and the Estuaries Multi-Academy Trust. We were hoping to proceed with a 100kW rooftop PV project, having completed all the design and approvals for an installation in late 2019. Unfortunately, this continues to be held up by delays in approval from the Department for Education.

We continue to operate well within our set budget, building a healthy reserve to support our community projects, cover our costs and maintain funds should this be needed for new projects or unforeseen events. Because we have not been able to secure a new major project, the Directors have recommended repayment of 5% of share capital in line the terms of our first share offer.

The E-Pack continues to be popular, so we have invested in more monitoring equipment. Most of this cost has been covered by generous donations from members who have benefited from using the equipment.

As well as providing a guide and members' session on Electric Vehicles, we have responded to a number of government consultations and lobbied local politicians on recognising that we are facing a real Climate Emergency. We continue to be engaged with, and support, organisations such as the Devon Community Energy Network, Regen, Community Energy England and Cooperatives UK.

A major focus requested by members at last year's AGM was to support Teignbridge District Council (**TDC**) in its declaration of a Climate Emergency. Two of our directors have been instrumental in helping set up Action on Climate in Teignbridge (**ACT**). ACT is a community-based organisation dedicated to supporting TDC, town and parish councils, other organisations and individuals in Teignbridge. TECs has provided significant support to ACT on matters relating to reducing emissions from Transport, the Built environment and Energy.

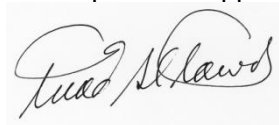
Responsibilities of the Board of Directors

The board is required to ensure that the financial statements prepared and presented for each financial year give a true and fair view of the Society's assets, liabilities, financial position and income and expenditure. And, to ensure that the consideration they give to these matters is evident in their deliberations and documentation.

Society interests

In common with all community benefit societies, TECs members hold shares and participate in the affairs of the society on a democratic one-member-one-vote basis. Any profits made are used for the benefit of the community. Profits are not distributed to members of the society, rather a dividend is paid on share capital, and is an operating expense.

This report was approved by the Board on 15th April 2020 and signed on its behalf by



Fuad Al-Tawil (Secretary)

**STATEMENT OF INCOME and RETAINED EARNINGS
FOR THE YEAR ENDED 28 February 2020**

	Notes	2019/20	2018/19
		£	£
Turnover			
Electricity to site		2,901	2,978
Electricity to grid		138	66
Electricity FiT		5,407	5,604
		8,446	8,648
Cost of Sales			
Insurance (installation)		476	468
Services		176	312
Depreciation	*6	2,361	2,361
Finance costs		2,992	2,987
Community Fund		1,600	1,300
Rates & Other		0	0
		(7,605)	(7,427)
Gross Margin		841	1,221
Administrative Expenses			
Insurance (indemnity)		0	0
Materials and consumables	*3	549	229
Admin + professional services	*4	85	(82)
Other	*5	447	763
		(1,081)	(910)
Other Operating Income			
Grants		0	250
Donations		499	792
Bank interest		72	0
Services		0	0
		570	1,042
Net Income from ordinary activities before taxation		331	1,353
Tax on Net Income on ordinary activities		0	0
Net Income after tax		331	1,353
Retained Earnings at	1st March	1,069	(283)
	2019		
Net Income after tax		331	1,353
Retained Earnings at	29th February	1,400	1,069
	2020		

STATEMENT OF FINANCIAL POSITION AT 28 February 2020

	Notes	2019/20 £	2018/19 £
Fixed Assets			
Property, plant and equipment	*6	37,775	40,136
Current Assets			
Trade and other receivables	*7	814	
Cash at bank and in hand		27,788	
		<u>28,602</u>	
Trade and other payables: due within 1 year	*8	(4,598)	
Net current assets / (liabilities)		24,004	21,049
Total assets less current liabilities		<u>61,778</u>	<u>61,185</u>
Net assets		<u>61,778</u>	<u>61,185</u>
Capital and reserves			
Opening called up share capital		61,185	59,937
Net change in share capital	*9	263	(104)
Income (Loss) Statement after Tax		331	1,352
Shareholders funds		<u>61,778</u>	<u>61,185</u>

The notes on pages are integral to these accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

These financial statements were approved and authorised for issue by the Board on:

Signed on behalf of the board of directors



(Signature)

(Name) Bob Hussey

(Date) 15/4/2020



(Signature)

(Name) Fuad A-Tawil

(Date) 15/4/2020



(Signature)

(Name) Julian Stringer

(Date) 15/4/2020

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 28 February 2020

	Notes	2019/20	2018/19
		£	£
Opening bank + cash balance		25,504	21,065
Cash flows from operating activities			
Net Income for the financial year		331	1,352
Depreciation of plant and equipment	*	2,361	2,361
Taxation		0	0
Decrease/(increase) in current assets		(296)	(120)
Increase/(decrease) in current liabilities		(374)	949
Net cash generated from operating activities		2,021	4,543
Cash flows from investing activities			
Purchases of plant and equipment	*	0	0
Net cash from investing activities		0	0
Cash flows from financing activities			
Share capital receipts		293	119
Repayment share capital		(30)	(223)
Net cash used in financing	*	263	(104)
Closing bank + cash balance		27,788	25,504

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 February 2020

1 Statutory Information

Teign Energy Communities Ltd is a Community Benefit Society registered in England as a company limited by shares with the United Kingdom Financial Conduct Authority under the Co-operative and Community Benefit and Societies Act 2014. Registration number: 7210

Registered office: Teign Energy Communities Ltd, c/o Fuad Al-Tawil (Secretary), Deer Park Farm, Haccombe, Newton Abbot, Devon TQ12 4SJ

Web address: www.teignenergycommunities.co.uk

2 Accounting Policies

2.1 Compliance with accounting standards

The financial statements for the financial year ended 28 February 2020 have been prepared in accordance with the provisions of FRS 102 Section 1A small entities. There are no material departures from that standard.

2.2 Accounting policies

These financial statements are the third that comply with the FRS 102 Section 1A small entities. Therefore no transition arrangements are required from any previous accounting standards.

2.3 The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

Tangible fixed assets are included at cost less depreciation and impairment. Depreciation has been calculated to write off the cost of tangible fixed assets over their expected useful lives as follows:

Teign School 50kWpk rooftop solar PV installation: Straight line over 20 years

2.4 Turnover

Turnover is derived from the sale of renewable energy and the FiT scheme associated with energy generation.

2.5 Expenditure on research is written off against profits in the year in which it is incurred.

2.6 Government FiT Scheme

Government support in relation to tangible fixed assets are credited to profit and loss over the useful lives of the related assets, whereas those in relation to expenditure, as in these financial statements, are credited when the expenditure is charged to profit and loss.

2.7 Income recognition

Income from the supply of electricity and any government FiT scheme associated with that supply are recognised in the accounts on the date the electricity is supplied.

2.8 The presentation currency is £ sterling

3 Materials and consumables

This line is higher than last year due to an investment in E-packs for members.

4 Professional services

Administration services have again been performed by the TECs Secretary at no cost.

5 Other costs

An unauthorised payment of £72 was made by the bank. This was later reversed and is recorded in the Statement of Income under "Other Operating Income". This line also includes payments for memberships of Regen and the Co-op totalling £375.

6 Fixed Assets

Teign School 50kWpk rooftop solar PV installation

	£
Cost	
At 1 March 2019	47,219
Additions	<u>0</u>
At 28 February 2020	47,219
Depreciation	
At 1 March 2019	(7,083)
Charge for the year	<u>(2,361)</u>
At 28 February 2020	(9,444)
Net book value	
At 1 March 2019	<u>40,136</u>
At 28 February 2020	<u>37,775</u>

7 Trade and other receivables

	2019/20	2018/19
	£	£
Sales to site	278	265
Sales to grid	0	0
FIT	508	252
VAT	<u>27</u>	<u>0</u>
	814	518

8 Trade and other payables: amounts falling due within one year

	2019/20	2018/19
	£	£
Insurance	(476)	(476)
Community grant	2,240	2,440
VAT	0	8
Finance costs	3,005	3,000
Professional services	(170)	0
	4,598	4,972

9 Finance and shares

During the course of the year the balance between shares capital receipts and the repayment of share capital has resulted in a net increase in the shareholder account of £263. The share capital account stands at £60,379

.....End of Financial Statements.....

Postscript to the Financial Statements, for TECs members

The financial statements are a statutory requirement, and will be sent to the Financial Conduct Authority and HMRC. Produced in a standard format they enable financial comparisons between trading years and between similar businesses.

They also inform TECs members how the business is performing. A few points are worth noting:

- The Statement of Income shows that in the 2019/20 year TECs made a net profit of £331. This follows the first three trading years generating a profit of £1,069. Therefore, after this last year of trading TECs takes forward a trading profit of £1,400.

Remember that the profit number is calculated after a standard notional charge of £2,361/yr for depreciation of the fixed asset (Solar PV). Consequently, a further cash surplus of £2,361 accumulates each year in the bank account (see notes about cash balances and reserves below).

- A Statement of Cash Flows has been produced despite there not being a statutory requirement to do so. It describes activities causing cash flows and balance changes (re assets and liabilities) due to trading, investing and financing. This account shows the relationships between profits, net assets, and the actual bank balances held at the end of the year. As such it proves that the accounts have been produced correctly.
- As explained in previous years statutory accounts, the £60,379 in shares issued is larger than is needed to fund the Teign School PV. The purchase of solar equipment at the beginning of the project cost £47,219.

The decision to issue more shares than needed was taken by the Directors to ensure a sustainable operating cash-flow which would cover upfront costs (e.g. VAT, insurance and other operational expenses) as well as providing funds to support future project opportunities. The additional capital was and remains fully funded, and was declared to investors in the first community share offer during the course of the 2016/7 financial year.

TECs recognises reserves to repay shareholder capital and other commitments on an annual basis. The repayment of shareholder capital will commence in the next financial year ending 29 February 2021.