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# TEIGN ENERGY COMMUNITIES LTD

## UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 February 2021

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

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## REPORT OF THE BOARD

The Board of Directors present their report and the financial statement for the period 1 March 2020 to 28 February 2021, 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 several organisations and households to discuss how TECs can support them. Mainly because of Covid, there was only one application to the Community Fund, this was successful as it met our published criteria.

As a result of this our membership continues to increase despite no new major projects. This now stands at 88 members. The any-time share scheme has allowed us to transfer up to 49 shares per member from those with the largest number of shares, while maintain the overall share liability within sound financial planning.

Despite great efforts by everyone involved in the Estuaries Multi-Academy Trust 100 kWp rooftop PV project, we were not able to make much progress with the Department for Education (**DfE**). We have had to send the same information several times over in different formats as the DfE does not appear to have a policy or the staff to deal with such arrangements. We'll give this one more attempt in 2021 in the hope that approval will be forthcoming, and that the project remains financially viable.

We've had another year in which we were able to operate well within our set budget. We have a healthy reserve to support our community projects, cover our costs and maintain funds should this be needed for new projects or unforeseen events.

The support TECs is providing to Action on Climate in Teignbridge (**ACT**) continues. We provided grant funding to ACT's Wildlife Warden Scheme. We have also developed a Carbon Footprint Tracker, submitted responses to a number of consultation (for Devon and nationally) as well as published new and updated papers on energy related topics.

We have updated and extended the E-Pack to reflect the growing interest in this by our members and others outside Teignbridge. Whole House Retrofit is another ACT initiative which TECs is supporting, we have started a trial to evaluate the role the E-Pack could play in helping to deliver this service.

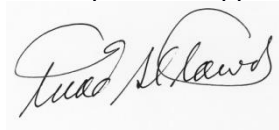
### **Responsibilities of the Board of Directors**

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 18<sup>th</sup> May 2021 and signed on its behalf by



Fuad Al-Tawil (Secretary)

**STATEMENT OF INCOME and RETAINED EARNINGS  
FOR THE YEAR ENDED 28 February 2021**

	<b>Notes</b>	<b>2020/21</b>	<b>2019/20</b>
		£	£
<b>Turnover</b>			
Electricity to site		2,789	2,901
Electricity to grid		253	138
Electricity FiT		6,138	5,407
		9,180	8,446
<b>Cost of Sales</b>			
Insurance (installation)		476	476
Services		70	176
Depreciation		2,361	2,361
Finance costs		2,811	2,992
Community Fund		2,000	1,600
Rates & Other		0	0
		(7,717)	(7,605)
<b>Gross Margin</b>		1,463	841
<b>Administrative Expenses</b>			
Insurance (indemnity)		0	0
Materials and consumables	3	202	549
Admin + professional services	4	85	85
Other	5	275	447
		(563)	(1,081)
<b>Other Operating Income</b>			
Grants		0	0
Donations		202	499
Bank interest		0	72
Services		0	0
		202	570
<b>Net Income from ordinary activities before taxation</b>		1,102	331
Tax on Net Income on ordinary activities		0	0
<b>Net Income after tax</b>		1,102	331
<b>Retained Earnings at</b>	<b>1st March 2020</b>	1,400	1,069
Net Income after tax		1,102	331
<b>Retained Earnings at</b>	<b>28th February 2021</b>	2,502	1,400

STATEMENT OF FINANCIAL POSITION AT 28 February 2021

	Notes	2020/21 £	2019/20 £
<b>Fixed Assets</b>			
Property, plant and equipment	6	35,414	37,775
<b>Current Assets</b>			
Trade and other receivables	7	966	
Cash at bank and in hand		29,641	
		<u>30,607</u>	
<b>Trade and other payables: due within 1 year</b>	8	(5,903)	
<b>Net current assets / (liabilities)</b>		24,703	24,004
<b>Total assets less current liabilities</b>		<u>60,117</u>	<u>61,779</u>
<b>Net assets</b>		<u>60,117</u>	<u>61,779</u>
<b>Capital and reserves</b>			
Opening called up share capital		61,779	61,185
Net change in share capital	9	(2,764)	263
Income (Loss) Statement after Tax		1,102	331
<b>Shareholders funds</b>		<u>60,117</u>	<u>61,779</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) 18/5/2021



(Signature)

(Name) Fuad A-Tawil

(Date) 18/5/2021



(Signature)

(Name) Julian Stringer

(Date) 18/5/2021

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 28 February 2021

	Notes	2020/21 £	2019/20 £
<b>Opening bank + cash balance</b>		27,788	25,504
<b>Cash flows from operating activities</b>			
Net Income for the financial year		1,102	331
Depreciation of plant and equipment		2,361	2,361
Taxation		0	0
Decrease/(increase) in current assets		(152)	(296)
Increase/(decrease) in current liabilities		1,305	(374)
<b>Net cash generated from operating activities</b>		4,617	2,021
<b>Cash flows from investing activities</b>			
Purchases of plant and equipment		0	0
<b>Net cash from investing activities</b>		0	0
<b>Cash flows from financing activities</b>			
Share capital receipts		236	293
Repayment share capital		(3,000)	(30)
<b>Net cash used in financing</b>		(2,764)	263
<b>Closing bank + cash balance</b>		29,641	27,788

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 February 2021

### 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](http://www.teignenergycommunities.co.uk)

### 2 Accounting Policies

#### 2.1 Compliance with accounting standards

The financial statements for the financial year ended 29 February 2021 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 fourth 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 much lower this year, because last year there was an investment in E-packs for members.

### 4 Professional services

There is again no charge for administration this year because the TECs Secretary has contributed this service. Note: TECs last paid for administration services in the 2017/18 financial year, costing £560.

### 5 Other costs

TECs pays a Regen membership subscription of £275.

### 6 Fixed Assets

Teign School 50kWpk rooftop solar PV installation

	£
Cost	
At 1 March 2020	47,219
Additions	<u>0</u>
At 29 February 2021	47,219
Depreciation	
At 1 March 2020	(9,444)
Charge for the year	<u>(2,361)</u>
At 29 February 2021	(11,805)
Net book value	
At 1 March 2020	<u>37,775</u>
At 29 February 2021	35,414

### 7 Trade and other receivables

	2020/21	2019/20
	£	£
Sales to site	271	278
Sales to grid	0	0
FiT	695	508
VAT	<u>0</u>	<u>27</u>
	966	814



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

	2020/21	2019/20
	£	£
Insurance	(505)	(476)
Community grant	3,540	2,240
VAT	96	0
Finance costs	2,858	3,005
Professional services	<u>(85)</u>	<u>(170)</u>
	5,903	4,598

**9 Finance and shares**

During the course of the year the Share Capital Account changed as follows:

1 March 2020	Opening net share issue	60,379
	Capital receipts ("any-time shares)	236
	Share capital refunds	<u>(3,000)</u>
29 February 2021	Closing net share issue	57,615

.....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. They are produced in a standard format enabling financial comparisons between trading years and between similar businesses.

They also inform TECs members how the business is performing. A few points about this year's financial performance:

- The Statement of Income shows that in the 2020/21 year, TECs made a net income of £1,102. This follows the first four trading years generating retained earnings of £1,400. Therefore, after this last year of trading TECs takes forward retained earnings of £2,502.
- The retained earnings (net income) number is calculated after an annual standard notional charge of £2,361/yr for depreciation of the fixed asset (Solar PV). Consequently, as well as the net income a further cash surplus of £2,361 accumulates in the bank account each year.
- A Statement of Cash Flows has been produced despite there not being a statutory requirement to do so. This describes activities causing cash flows and balance changes due to trading, investing and financing. It also 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, TECs remains well capitalised with £60,117 of shareholder funds at the end of this financial year. This is held in the form of the fixed asset (solar PV £35,414) and net current assets (principally cash £24,703).
- TECs recognises and budgets reserves over the full term of the project to repay shareholder capital and other commitments on an annual basis. This financial year, TECs commenced the repayment of shareholder capital with the return of £3,000.