

Document Type: External

TEIGN ENERGY COMMUNITIES LTD

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 February 2022

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 2021 to 28 February 2022, being the fifth 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. As a result of this our membership continues to increase. This now stands at 95 members.

After a long and often fraught process, we have finally been successful in adding another rooftop PV system (**PV2**), this went operational in early September 2021. The cooperation with the Estuaries Multi-Academy Trust (**EMAT**) has excellent and we are now extending this to students and teaching/administrative staff at the location in Newton Abbot. This ongoing operational phase of the project focuses on raising awareness of energy use at the school with the objective of highlighting unnecessary consumption.

We have started plans for the second rooftop PV system (**PV3**) with EMAT and a new local installer. Our aim is to implement this later in 2022 if we can mitigate the risks posed by the predicted uncertain economic/monetary climate post pandemic. A public community share offer is planned for September 2022 for the successful PV2 installation.

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 longer term financial prospects remain sound with sufficient contingencies to deal with predicted inflationary pressures.

We continue to update and extend the E-Pack to reflect the growing interest in this by our members and others. Whole House Retrofit is another ACT initiative which TECs is supporting, we have successfully concluded a trial to evaluate the role the E-Pack could play in helping to deliver this service. The support TECs is providing to Action on Climate in Teignbridge (**ACT**) also continues in the form of information and guidance.

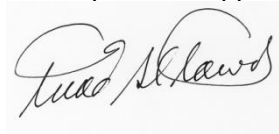
Responsibilities of the Board of Directors

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 24th May 2022 and signed on its behalf by



Fuad Al-Tawil (Secretary)

**STATEMENT OF INCOME and RETAINED EARNINGS
FOR THE YEAR ENDED 28 February 2022**

	Notes	2021/22 £	2020/21 £
Turnover			
Electricity to site		5,112	2,789
Electricity to grid		171	253
Electricity FiT		6,038	6,138
	3	11,321	9,180
Cost of Sales			
Insurance (installation)		647	476
Services		87	70
Depreciation		3,664	2,361
Finance costs		4,405	2,811
Community Fund		2,500	2,000
Rates & Other		142	0
	3	(11,445)	(7,717)
Gross Margin		(124)	1,463
Administrative Expenses			
Insurance (indemnity)		0	0
Materials and consumables	4	727	202
Admin + professional services	5	205	85
Other	6	375	275
		(1,307)	(563)
Other Operating Income			
Grants		0	0
Donations		790	202
Bank interest		0	0
Services		500	0
		1,290	202
Net Income from ordinary activities before taxation		(141)	1,102
Tax on Net Income on ordinary activities		0	0
Net Income after tax		(141)	1,102
Retained Earnings at	1st March 2021	2,502	1,400
Net Income after tax		(141)	1,102
Retained Earnings at	28th February 2022	2,361	2,502

STATEMENT OF FINANCIAL POSITION AT 28 February 2022

	Notes	2021/22 £	2020/21 £
Fixed Assets			
Property, plant and equipment	7	83,884	35,414
Current Assets			
Trade and other receivables	8	1,723	
Cash at bank and in hand		34,813	
		36,536	
Trade and other payables: due within 1 year	9	(9,690)	
Net current assets / (liabilities)		26,845	24,703
Total assets less current liabilities		110,729	60,117
Net assets		110,729	60,117
Capital and reserves			
Opening called up share capital		60,117	61,779
Net change in share capital		50,753	(2,764)
Income (Loss) Statement after Tax		(141)	1,102
Shareholders funds	10	110,729	60,117

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 2022

	Notes	2021/22 £	2020/21 £
Opening bank + cash balance		29,641	27,788
Cash flows from operating activities			
Net Income for the financial year		(141)	1,102
Depreciation of plant and equipment		3,664	2,361
Taxation		0	0
Decrease/(increase) in current assets		(757)	(152)
Increase/(decrease) in current liabilities		3,787	1,305
Net cash generated from operating activities		6,553	4,617
Cash flows from investing activities			
Purchases of plant and equipment		52,134	0
Net cash from investing activities		52,134	0
Cash flows from financing activities			
Share capital receipts		53,953	236
Repayment share capital		(3,200)	(3,000)
Net cash used in financing		(50,753)	(2,764)
Closing bank + cash balance		34,813	29,641

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 February 2022

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 29 February 2022 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 fifth 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. A straight line calculation of depreciation is used to write off the cost of the following tangible fixed assets over their expected useful lives:

- Teign School 50kWp rooftop solar PV installation
- Dyrons site at Newton Abbot College 50kWp rooftop solar PV installation

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 Turnover and Cost of Sales

Turnover and cost of sales are higher than last year because of the new solar PV system installed at Newton Abbot College (Dyrons site).

4 Materials and consumables

This line is higher than last year because there was an investment in Bluetooth thermometers and an infra-red camera for members (part of the E-Pack).

5 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.

6 Other costs

TECs paid £375 in membership subscriptions to Regen and the Cooperative Society.

7 Fixed Assets

Teign School 50kWpk and Dyrons site rooftop solar PV installations

	£
Cost	
At 1 March 2021	47,219
Additions	<u>52,134</u>
At 29 February 2022	99,353
Depreciation	
At 1 March 2021	(11,805)
Charge for the year	<u>(3,664)</u>
At 29 February 2022	(15,469)
Net book value	
At 1 March 2021	<u>35,414</u>
At 29 February 2022	83,884

8 Trade and other receivables

	2021/212	2020/21
	£	£
Sales to site	818	271
Sales to grid	0	0
FiT	877	695
VAT	<u>28</u>	<u>0</u>
	1,723	966

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

	2021/22	2020/21
	£	£
Insurance	(801)	(505)
Community grant	6,040	3,540
VAT	0	96
Finance costs	4,451	2,858
Professional services	<u>0</u>	<u>(85)</u>
	9,690	5,903

10 Finance and shares

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

1 March 2021	Opening net share issue	57,615
	Capital receipts	53,953
	Share capital refunds	<u>(3,200)</u>
29 February 2022	Closing net share issue	108,368

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

Postscript to the Financial Statements
for Teign Energy Communities (TECs) members

The financial statements are a statutory requirement and are 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 financial year:

- **The Statement of Income** shows that, in the 2021/22 year, TECs made a net income being a loss of £141. Since beginning trading in February 2016 TECs takes forward surplus retained earnings of £2,361.

The retained earnings number is calculated after an annual standard notional charge for depreciation of the fixed assets (Solar PV). Consequently, as well as the net income a further cash surplus of £3,664 accumulated in the bank account this year.

- **The Statement of Financial Position** shows that TECs is well capitalised with £110,729 of shareholder funds at the end of this financial year. This is principally in the form of fixed assets (the solar PV systems £83,884) and net cash. It also shows that:
 - New working capital has been introduced into the business to fund the purchase of a solar PV system at Newton Abbot College (approx £54,000). This was raised in the form of a one year interest paying loan. Over the course of the next 12 months this will be repaid and replaced by a share capital offering to the community.
 - TECs also repaid £3,200 of capital to shareholders in the Teign School solar PV system.
- **The 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 balance held at the end of the year.

As such the Statement of Cash Flows proves that the accounts have been produced correctly.

Bob Hussey
Teign Energy Communities Director Finance