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TEIGN ENERGY COMMUNITIES LTD

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 February 2024

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 2023 to 28 February 2024, being the seventh 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.

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Review of activities
We continue to respond to requests for help on energy use and associated carbon emissions. This is either direct through our Energy Assessment Pack (**E-Pack**) or via Action on Climate in Teignbridge's (**ACT**) outreach work in the community.

We have financially supported initiatives through our community fund. In total we have donated £4,414 to the Kingsteignton Youth Centre and Action on Climate in Teignbridge. We still have funds to give out as and when applications, in line with the stated criteria, are received. A small proportion of this was spent on extending the tools used by members as part of their energy assessment (E-Pack).

Our first PV installation at Teign School in Kingsteignton continues to underperform as a result of optimiser failures as well as what appear to be partially faulty panels. Unfortunately, we have been unable to keep up the repair/replacement because our maintenance provider is unwilling to undertake this work. We are looking for a replacement provider. The financial impact of this has been below the contingency originally built into our financial modelling.

The Ivy Education Trust appear to be interested in engaging. The Community Fund element of their Power Purchase Agreement (PPA) has again been highlighted to the new Trust, we hope to have a meaningful discussion in the spring of 2024.

We've had another year in which we were able to operate well within our set budget despite the unexpected problems. 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 potential pressures and changing circumstances.

The board took a decision to cancel loss of revenue insurance cover after our insurance premium more than doubled. We believe our reserve funds are sufficient to cover this contingency. We will, however, continue to review this position.

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 an interest is paid on share capital, and is an operating expense.

This report was approved by the Board on – 18/06/2024 and signed on its behalf by

Fuad Al-Tawil (Secretary)

STATEMENT OF INCOME and RETAINED EARNINGS
FOR THE YEAR ENDED 29 February 2024

	Notes	2023/24		2022/23	
		£		£	
Turnover					
Electricity to site		17,850		9,142	
Electricity to grid		1,733		2,388	
Electricity FiT		5,992		5,695	
	3		25,575		17,225
Cost of Sales					
Insurance (installation)		1,059		701	
Services		1,141		2,995	
Depreciation		4,970		4,970	
Finance costs		7,375		10,374	
Community Fund		5,453		5,600	
Rates & Other		0		0	
	3		(19,998)		(24,640)
Gross Margin			5,577		(7,416)
Administrative Expenses					
Insurance (indemnity)		0		0	
Materials and consumables		48		103	
Admin + professional services	4	164		134	
Other	5	473		438	
			(685)		(675)
Other Operating Income					
Grants		0		0	
Donations		20		119	
Bank interest		0		0	
Services		80		0	
			100		119
Net Income from ordinary activities before taxation			4,991		(7,971)
Tax on Net Income on ordinary activities		0	0	0	0
Net Income after tax			4,991		(7,971)

Retained Earnings at	**1st March 2023**	(5,610)	2,361
Net Income after tax		4,991	(7,971)
Retained Earnings at	**29th February 2024**	(619)	(5,610)

STATEMENT OF FINANCIAL POSITION AT 29 February 2024

	Notes	2023/24		2022/23
		£		£
Fixed Assets				
Property, plant and equipment	6		73,995	78,965
Current Assets				
Trade and other receivables	7	2,026		
Cash at bank and in hand		51,611		
		53,637		
Trade and other payables: due within 1 year	8	(15,828)		
Net current assets / (liabilities)			37,809	30,347
Total assets less current liabilities			111,803	109,312
Net assets			111,803	109,312
Capital and reserves				
Opening called up share capital			109,312	110,729
Net change in share capital			(2,500)	6,554
Income (Loss) Statement after Tax			4,991	(7,971)
Shareholders funds	9		111,803	109,312

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)		(Signature)		(Signature)	
(Name)	Bob Hussey	(Name)	Fuad A-Tawil	(Name)	Julian Stringer
(Date)	18/06/2024	(Date)	18/06/2024	(Date)	18/06/2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 29 February 2024

	Notes	2023/24		2022/23	
		£		£	
Opening bank + cash balance			46,387		34,813
Cash flows from operating activities					
Net Income for the financial year		4,991		(7,971)	
Depreciation of plant and equipment		4,970		4,970	
Taxation		0		0	
Decrease/(increase) in current assets		(222)		(81)	
Increase/(decrease) in current liabilities		(2,015)		8,153	
Net cash generated from operating activities			7,724		5,071
Cash flows from investing activities					
Purchases of plant and equipment		0		52	
Net cash from investing activities			0		52
Cash flows from financing activities					
Share capital receipts		0		9,103	
Repayment share capital		(2,500)		(2,549)	
Net cash used in financing			6,554		6,554
Closing bank + cash balance			51,611		46,387

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 February 2024

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 2024 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 seventh 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
- Newton Abbot College 60kWp 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 invoiced.

2.8 The presentation currency is £ sterling.

3 Turnover and Cost of Sales

Turnover was in line with expectations despite the solar PV system at Teign School having a number of technical issues which required maintenance work. The higher turnover is a result of higher Power Purchase and wholesale electricity unit prices.

The cost of sales was lower compared to earlier years, despite a slight increase in system insurance premium, because:
- The cost of finance is index linked during a period of lower inflation.
- Less maintenance work was undertaken.

4 Professional services

There is again no charge for administration this year because TECs Directors do all administration, record keeping, preparation of final accounts and tax return to HMRC.

5 Other costs

TECs paid £473 in membership subscriptions to Regen and the Cooperative Society.

6 Fixed Assets

Teign School 50kWpk rooftop solar PV installation

	£
Cost	
At 1 March 2023	99,404
Additions	0
At 29 February 2024	99,404
Depreciation	
At 1 March 2023	(20,439)
Charge for the year	(4,970)
At 29 February 2024	(25,409)
Net book value	
At 1 March 2023	78,965
At 29 February 2024	73,995

7 Trade and other receivables

	2023/24 £	2022/23 £
Sales to site	1,508	946
Sales to grid	112	70
FiT	406	788
VAT	0	0
	2,026	1,804

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

	2023/24 £	2022/23 £
Insurance	(838)	(336)
Community grant	9,086	8,047
VAT	296	16
Finance costs	7,487	10,420
Professional services	(202)	(304)
	15,828	17,843

9 Finance and shares

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

1 March 2023	Opening net share issue	114,873
	Capital receipts	0
	Share capital refunds	(2,500)
29 February 2024	Closing net share issue	112,373

……...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 the last financial year:

- **The Statement of Income** shows that, in the 2023/24 year, TECs made a net income being a profit of £4,991. Net income is calculated every year after an annual standard notional charge for depreciation of the fixed assets (Solar PV). Consequently operational activities generated a cash surplus of £9,961 this year.

- **The Statement of Financial Position** shows that TECs is well capitalised with £111,803 of shareholder funds at the end of the financial year. This is principally in the form of fixed assets (the solar PV systems £73,995) and cash. It also shows that TECs returned £2,500 of capital to shareholders in the Teign School solar PV system.

- **The Statement of Cash Flows** describes activities causing cash flows that then change the bank balance of the business. These cash movements are due either to operational, investing or financing activities.

  The Statement of Cash Flows account has been produced despite there not being a statutory requirement to do so. The reason for doing this is to demonstrate the relationships between profits, net assets, and the actual bank balances held at the beginning and 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