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TEIGN ENERGY COMMUNITIES LTD

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 February 2025

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 2024 to 28 February 2025, being the 9th 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
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. In particular we developed a new initiative for a joint ACT/TDC project to encourage behavioural change in energy use (My Electricity).

There were no applications to our community fund despite discussing opportunities to do this with the Ivy Trust. We still have funds (~£13,500) to grant as and when applications are received. A small proportion (~£200) of the community fund was spent on extending the tools used by members as part of their energy assessment (E-Pack).

We had planned to undertake major repairs to our first PV installation at Teign School in Kingsteignton. As this 2-week work can only be done outside of term time, we have scheduled it to happen in April 2025. The work will now be undertaken by our new preferred installer Glo Renewables. Unfortunately, Solar Edge do not cover scaffolding or labour costs of their equipment despite the very high failure rate of their optimisers. As a result, the system continues to underperform by about 11%. The financial impact compared to what was budgeted, however, has been minimal, mainly because of higher levels of sunshine.

Our second installation at Newton Abbot college developed a minor problem which was identified as poor connections. These were replaced by the installer (Callidus) under warranty. Unfortunately, the installer turned off the complete system for nearly the whole of May, one of the highest generating months. They were unable to agree a suitable slot with the school to complete the work and turn the system on. This resulted in a performance drop of ~17% and an income loss of over £2,000. We undertook a system clean and check with our new preferred installer.

Despite these significant problems, we have been able to meet all our financial commitments. We were able to do this because of our original 'cautious' financial modelling as well as the built-in annual adjustment to our risk/benefit sharing approach. 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 (over £9,000) to deal with potential pressures and changing circumstances.

The board took a decision to return share capital and pay investor interest at the stated rates for these. We returned share capital to those with the highest number of shares.

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 – 18/06/2025 and signed on its behalf by

Fuad Al-Tawil (Secretary)

STATEMENT OF INCOME and RETAINED EARNINGS
FOR THE YEAR ENDED 28 February 2025

	Notes	2024/25		2023/24	
		£		£	
Turnover					
Electricity to site		12,044		17,850	
Electricity to grid		721		1,733	
Electricity FiT		6,367		5,992	
	3		19,132		25,575
Cost of Sales					
Insurance (installation)		838		1,059	
Services		1,610		1,141	
Depreciation		4,970		4,970	
Finance costs		6,840		7,375	
Community Fund		4,639		5,453	
Rates & Other		0		0	
	3		(18,898)		(19,998)
Gross Margin			234		5,577
Administrative Expenses					
Insurance (indemnity)		0		0	
Materials and consumables		0		48	
Admin + professional services	4	115		164	
Other	5	508		473	
			(623)		(685)
Other Operating Income					
Grants		0		0	
Donations		100		20	
Bank interest		0		0	
Services		0		80	
			100		100
Net Income from ordinary activities before taxation			(290)		4,991
Tax on Net Income on ordinary activities		0	0	0	0
Net Income after tax			(290)		4,991

Retained Earnings at	**1st March 2024**	(619)	(5,610)
Net Income after tax		(290)	4,991
Retained Earnings at	**28th February 2025**	(908)	(619)

STATEMENT OF FINANCIAL POSITION AT 28 February 2025

	Notes	2024/25		2023/24
		£		£
Fixed Assets				
Property, plant and equipment	6		69,025	73,995
Current Assets				
Trade and other receivables	7	1,987		
Cash at bank and in hand		57,163		
		59,151		
Trade and other payables: due within 1 year	8	(19,568)		
Net current assets / (liabilities)			39,583	37,809
Total assets less current liabilities			108,608	111,803
Net assets			108,608	111,803
Capital and reserves				
Opening called up share capital			111,803	109,312
Net change in share capital			(2,906)	(2,500)
Income (Loss) Statement after Tax			(290)	4,991
Shareholders funds	9		108,608	111,803

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)	24/06/2025	(Date)	24/06/2025	(Date)	24/06/2025

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 28 February 2025

	Notes	2024/25		2023/24	
		£		£	
Opening bank + cash balance			51,611		46,387
Cash flows from operating activities					
Net Income for the financial year		(290)		4,991	
Depreciation of plant and equipment		4,970		4,970	
Taxation		0		0	
Decrease/(increase) in current assets		39		(222)	
Increase/(decrease) in current liabilities		3,739		(2,015)	
Net cash generated from operating activities			8,459		7,724
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		94		0	
Repayment share capital		(3,000)		(2,500)	
Net cash used in financing			(2,906)		(2,500)
Closing bank + cash balance			57,163		51,611

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 February 2025

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 2025 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 eighth 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 much lower than last year due to a performance drop on one of the solar PV systems (see Report of the Board) and lower Power Purchase and wholesale electricity unit prices.

The cost of sales was slightly lower than last year, despite some increase in service cost of cleaning the Dyron PV system, because:
- The cost of finance (interest payments) was lower, due to capital having been returned to shareholders.
- The allocation to the Community Fund was lower, due to the lower turnover described above.
- Insurance costs were lower following our decision to self-insure loss of earnings.

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 returns to the Financial Conduct Authority and HMRC.

5 Other costs

TECs paid £508 in membership subscriptions to Regen and the Cooperative Society.

6 Fixed Assets

Rooftop solar PV installations

	£
Cost	
At 1 March 2024	99,404
Additions	0
At 28 February 2025	99,404
Depreciation	
At 1 March 2024	(25,410)
Charge for the year	(4,970)
At 28 February 2025	(30,380)
Net book value	
At 1 March 2024	73,995
At 28 February 2025	69,025

7 Trade and other receivables: amounts falling due within one year

	2024/25 £	2023/24 £
Sales to site	1,476	1,508
Sales to grid	2	112
FiT	492	406
VAT	0	0
	1,987	2,026

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

	2024/25 £	2023/24 £
Insurance	(775)	(838)
Community grant	13,521	9,086
VAT	0	296
Finance costs	6,923	7,487
Professional services	(101)	(202)
	19,568	15,828

9 Finance and shares

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

1 March 2024	Opening net share issue	112,373
	Capital receipts	94
	Share capital refunds	(3,000)
28 February 2025	Closing net share issue	109,467

……...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 2024/25 year, TECs made a net income being a loss of £290. Net income is calculated every year after an annual standard notional charge for depreciation of the fixed assets (Solar PV). Taking this into account, operational activities generated a cash surplus of £4,680 this year.

- **The Statement of Financial Position** shows that TECs is well capitalised with £108,608 of shareholder funds at the end of the financial year. This is principally in the form of fixed assets (the solar PV systems £69,205) and cash. It also shows that TECs returned a net £2,906 of capital to shareholders.

- **The Statement of Cash Flows** describes activities causing cash flows changing 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