South Somerset Community Energy Society

Treasurer's Report for the 2026 Annual General Meeting

Chris Adcock

Equity and Assets 2025

Shareholder Equity Held – down by £45,515

- 437,815 at start of 2025
- £392,300 at Year End

Value of Tangible Assets after Depreciation at 5% per annum

- £241,557 at end of 2025 (allowing for depreciation of £24,441)

Cash

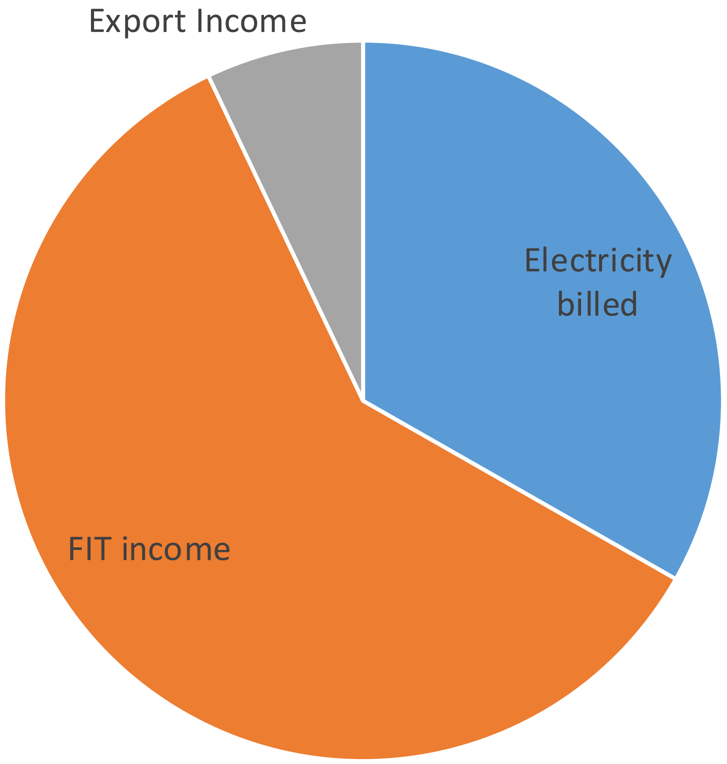
- £43,090 (down by £12,635 on £55,725 at end of 2024)

2025 Turnover £59,474 (£ £52,712 in 2024)

- Electricity Billed: £ 19,768 (£14,273 in 2024)
- FIT Income: £35,496 (£ 34,390 in 2024)
- Export Income: £4,209 (£3,611 in 2024)

Notes:

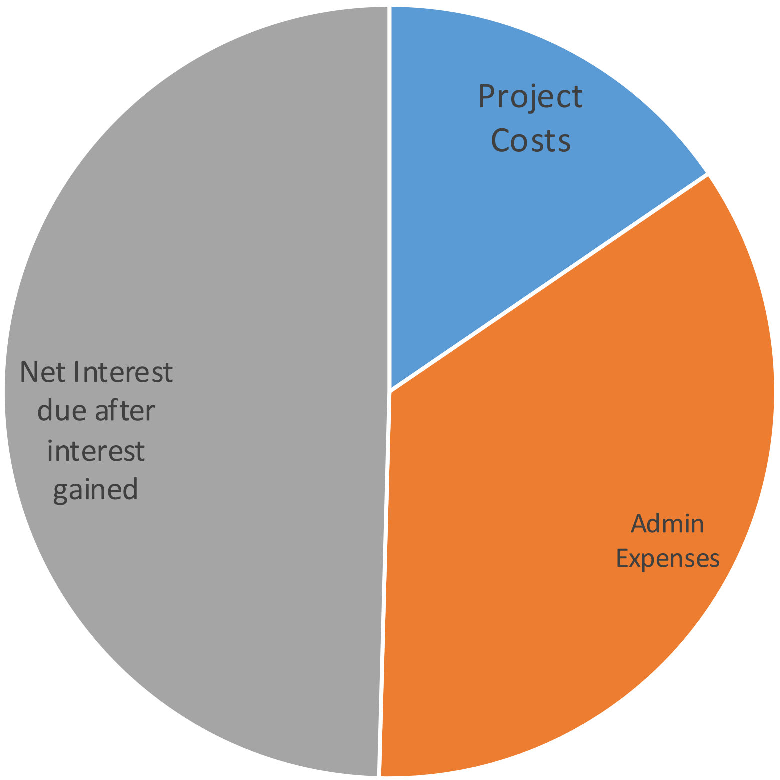
- The 2025 accounts show a debtors' total of £10,671.



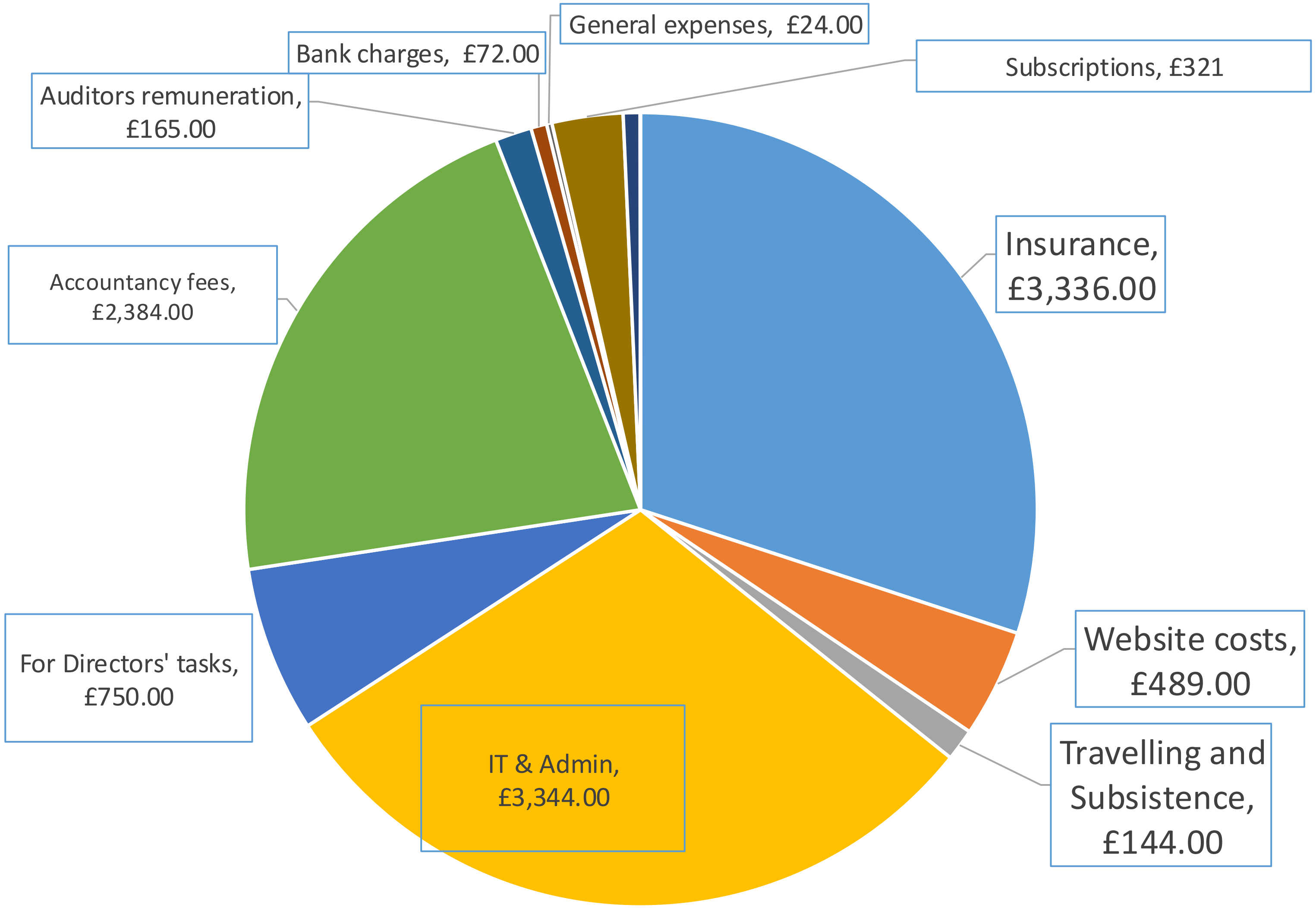
Outgoings in 2025: £31,331 (excluding depreciation) (£28,890 in 2024)

- Project Costs: £4,845 (£787 in 2024)
- Administrative Expenses: £10,955 - see next chart (£11,977 in 2024)
  - Included £750 for a Director formally tasked to research new business development
- Accounting allowance for interest to be paid to members for 2025 performance is £18,551
- Accounting corrections to allow for previous years' accounts assuming higher interest than was paid: -£2164
- Bank interest received -£856

- Note that the net Interest due to Members for 2025 if the recommended 4% rate is confirmed at this meeting is: £15,692
  - 4% of year end shareholder equity held of £392,300.
  - £16,126 was paid to members for 2024, also at the 4% rate



Administrative Expenses in 2025: 10,955 (£11,977 in 2024)



Profit/Loss and Tax

- Profit is calculated as
  - Turnover – Outgoings – Depreciation = £3,701 (-£32 last year)
- No corporation tax to pay due to losses in previous years.
- Approval of the accounts for 2025 is the subject of Resolution 1 on the agenda for this AGM.

Financial Risks

- The system at Holyrood Academy that has been operating below capacity was restored to full operation from May 2026.
  - The cost of the extensive works at Holyrood has resulted in a low cash balance: Resolution 2 at this AGM proposes to pay interest at 4% and to delay payment until the expected FIT and electricity payments in September-October have been received.
- The equipment at Westfield Academy Lower School continues operate at a much-reduced output. It requires significant investment to restore the electricity output and improve system reliability for the remaining 10 years of the FIT arrangement.
  - The Directors are working to obtain quotes to complete the work there early in 2027 when cash flow is expected to improve.

Interest Payment for 2025 performance

- Once again, this year, we are recommending a below-target figure of 4% for the following exceptional reasons: -
- Solar panel reconfiguration costs at Holyrood Academy have resulted in temporary low cash flow.
- Significant funding will be needed to restore the performance of the 120kWp PV array at Westfield Academy lower school.
- We would like to retain money for our community fund, in line with our objective to support renewable energy projects in South Somerset, and for the relief of fuel poverty.
- Approval of the interest payment this summer for performance in 2024 is the subject of Resolution 2 on this agenda.
- Payment will be made within 6 weeks of this AGM.

Capital Repayment

- In 2027, Members will receive the second scheduled repayments for their investments in Share Offer 1.
- Requests for unscheduled repayments will be considered for full or part repayment according to the cash flow status of SSCES.

The Future

- The Board is working to restore performance at Westfield Academy Lower School
- SSCES is on track to maintain a positive cash flow and develop a more significant cash surplus for community use in future years.
- The Board is at an advanced stage in developing new projects at three secondary schools in South Somerset.
    - Refer to the Operational Report also prepared for this AGM