

South Somerset Community Energy Society

Treasurer's Report for the AGM on 20th July 2020 3pm

Chris Adcock

Equity and Assets 2019

Shareholder Equity Held

- £533,000 at start of 2019
- £530,100 at Year End
- The Board agreed to repay £3,000 following an investor's request (-£3,000)
- Four individuals joined SSCES by taking a £25 share holding each under the provisions of Resolution 3 at the 2018 AGM (+£100)
 - Three of the new members were appointed to the Board at the 2019 AGM.

Value of Tangible Assets after Depreciation at 5% per annum

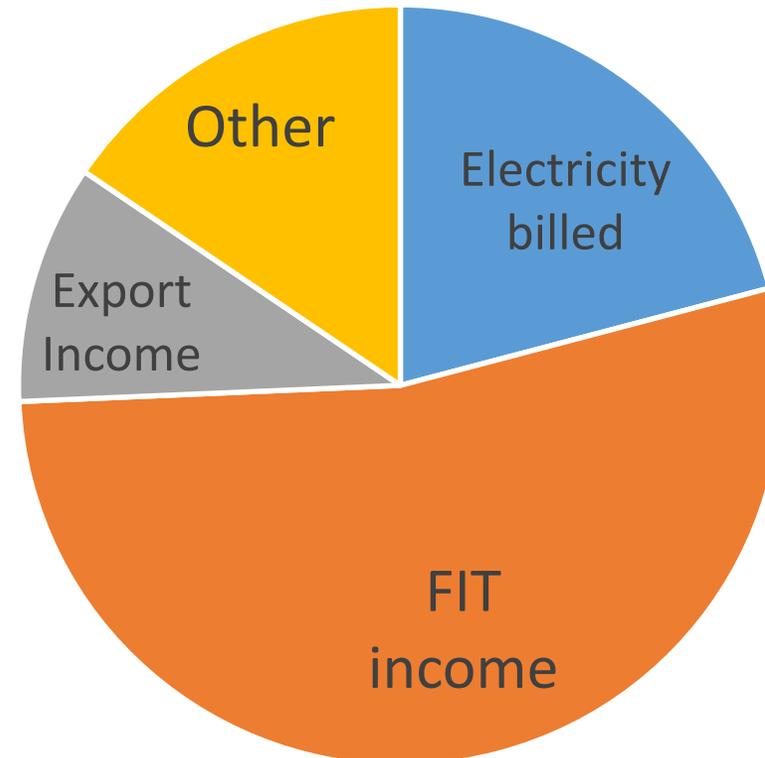
- £359,643 at end of 2019 (after depreciation of £23,037)

Cash

- £83,543 – surplus currently higher than needed

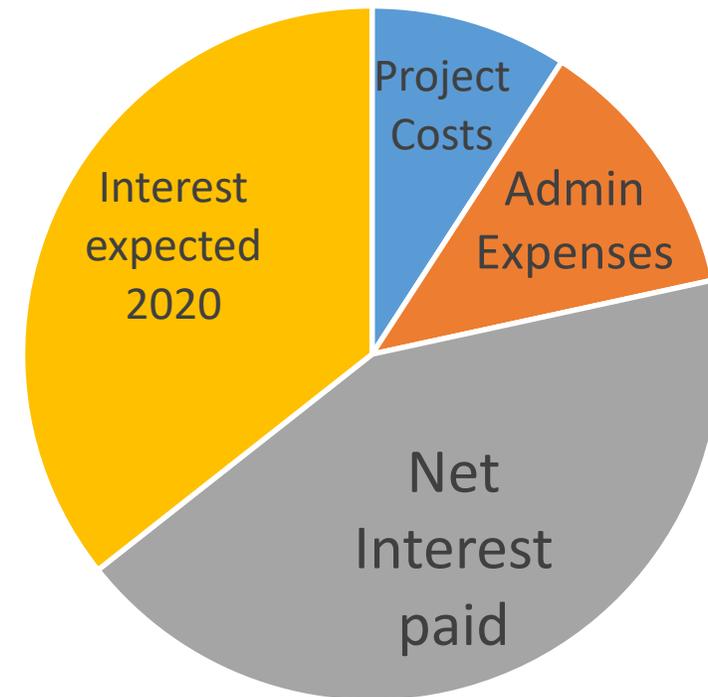
2019 Turnover £57,974

- Electricity Billed: £12,107
 - FIT Income: £30,980
 - Export Income: £5,897
 - Other: £8,990, including some later identified as FIT income and a contribution from Westfield Academy towards solar panel removal and replacement for roof repairs
- Note: The 2019 accounts show a debtors total of £8,377. These have all been settled

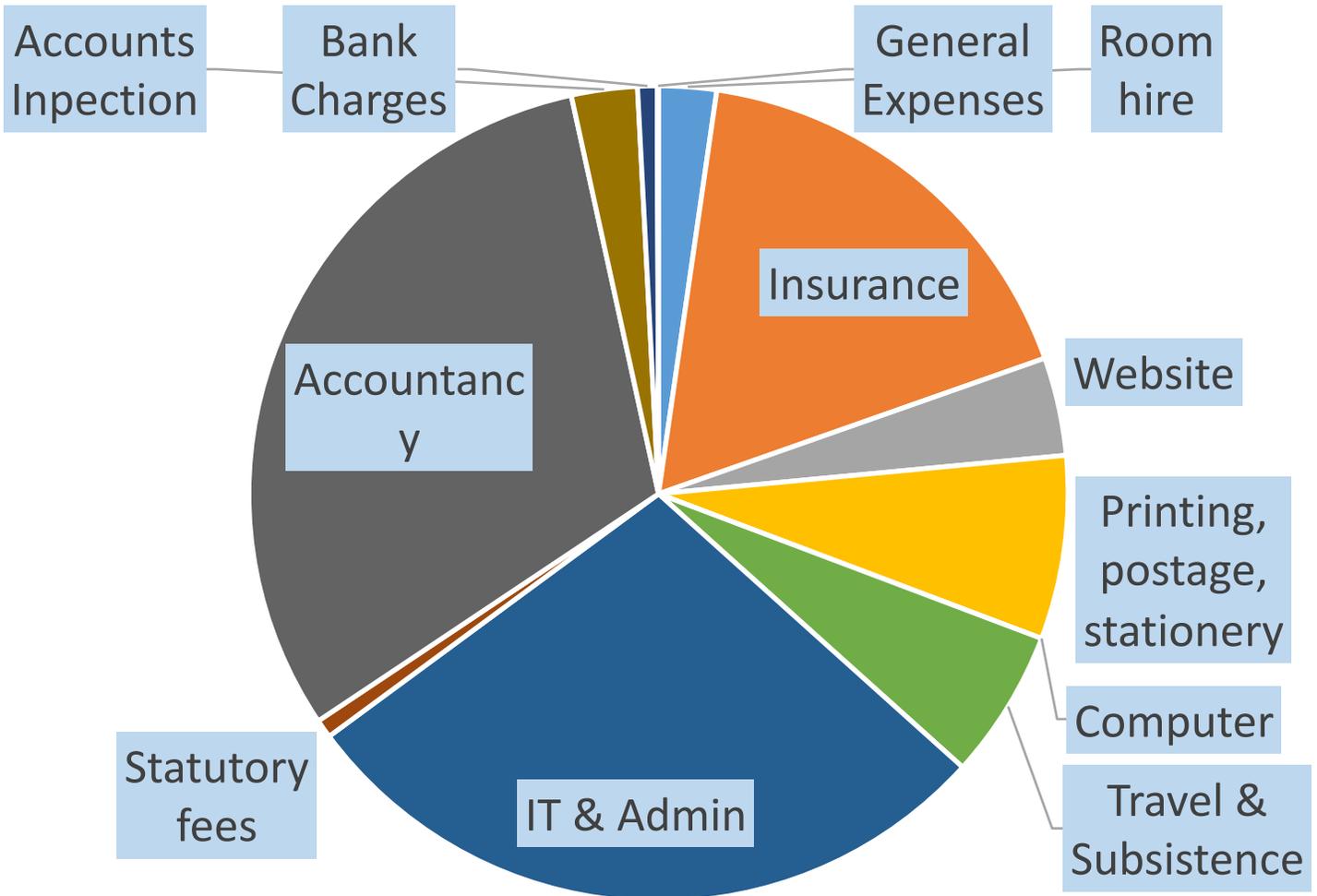


Outgoings £47,861 (excluding depreciation)

- Project Costs: £6,788 (£1,978 in 2018)
- Administrative Expenses: £9,261- see next chart (£7,764 in 2018)
- Net Interest Paid: £31,812
 - Mainly to Members at 6%
 - also allows for £168 interest received
- This year the outgoings include the estimated interest of £26,505 payable to shareholders after this meeting in 2020 based on 2019 performance
 - To give a more meaningful expression of current financial position



Administrative Expenses £9,261



Profit/Loss and Tax

- Profit is calculated as
 - Turnover – Outgoings – Depreciation = -£39,429
- Technically a Loss of £39,429 – no corporation tax to pay
- Approval of the accounts for 2019 is the subject of Resolution 1 on the agenda

Financial Risks Occurring in 2019-2020

- Ofgem audit of the Stanchester Academy installation
 - Unexpected and detailed audit in March 2019
 - Cost in the region of £1,000 for support from our installer Solarsense and other expenses to locate and present all the documentation requested
 - The Board has answered further questions and is still waiting for a final response.
 - The Board expects that the audit will be passed
- At Westfield Academy the Science Block roof was stripped and replaced during 2019.
 - Cost to SSCES of £2,675 for removal/refitting of the solar panels, undertaken by Mole Energy (an equal amount was paid by the Academy)
 - Loss of FIT and electricity sales for the duration.
- Multiple inverter and wiring failures occurred, now repaired
- Additional admin costs and unpaid Director effort
- The Business Plan has been updated to cover unplanned maintenance not covered by warranty

Interest Payment for 2019 performance

- Following a review of projected cash flow at its meeting of 22nd February 2020, the Board recommends that interest is paid this year at the rate of 5%
- Approval of the interest payment this summer for performance in 2019 is the subject of Resolution 2 on this agenda
- Payment is due within 6 weeks of this AGM

The Future

- Repayment of Capital to Members is scheduled to begin in 2022 as per Share Offers and Business Plan
- The Board is considering:
 - Further development of collaboration with other groups as part of the Somerset Community Energy initiative
 - How to get a return on the current cash surplus
 - Offering full/partial early repayment to shareholders (let us know if you are interested)
 - How to repay investors, maintain positive cash flow, and return the maximum surplus for charitable use during 2022-2037
 - Optimisation of of current installations
 - New projects that would be viable subsidy-free and how to fund them
 - Potential buy-in to existing operational projects