

South Somerset Community Energy Society

Treasurer's Report for the 2021 AGM

Chris Adcock

Equity and Assets 2020

Shareholder Equity Held

- £530,100 at start of 2020
- £517,075 at Year End
- The board agreed to repay the whole £5,000 of an investor's holding (end July 20)
- The Board agreed to repay £2,000 of an investors shares (28/8/20)
- The Board agreed to repay a £6,000 holding following an investor's death, to their estate (1/9/20)
- Director Henry Lovegrove resigned on 9/2/20 and his £25 share holding was refunded
- Total decrease in equity was £13,025

Value of Tangible Assets after Depreciation at 5% per annum

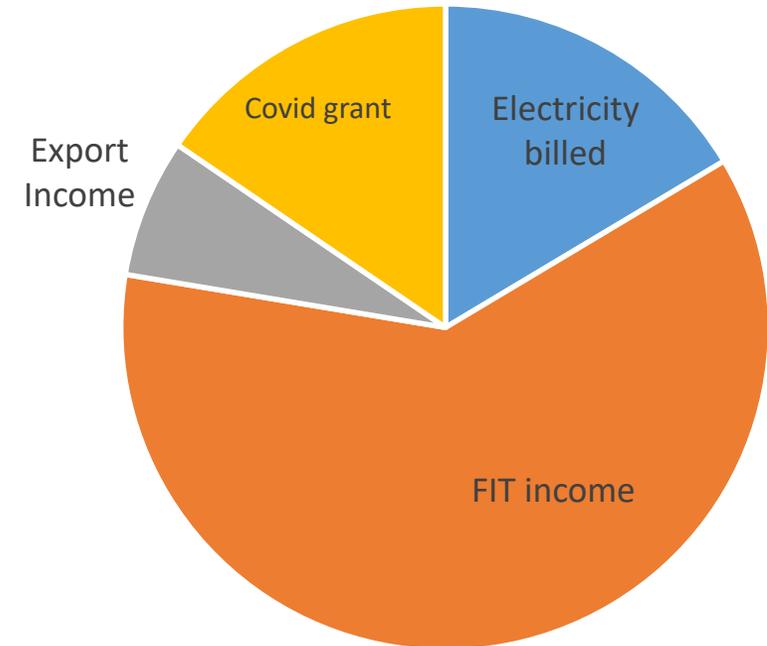
- £336,148 at end of 2020 (after depreciation of £23,495)

Cash

- £97,750 (up by £14,207 on end of 2019)
 - including debts owed to us of £7,728 – **Stanchester and Good Energy**

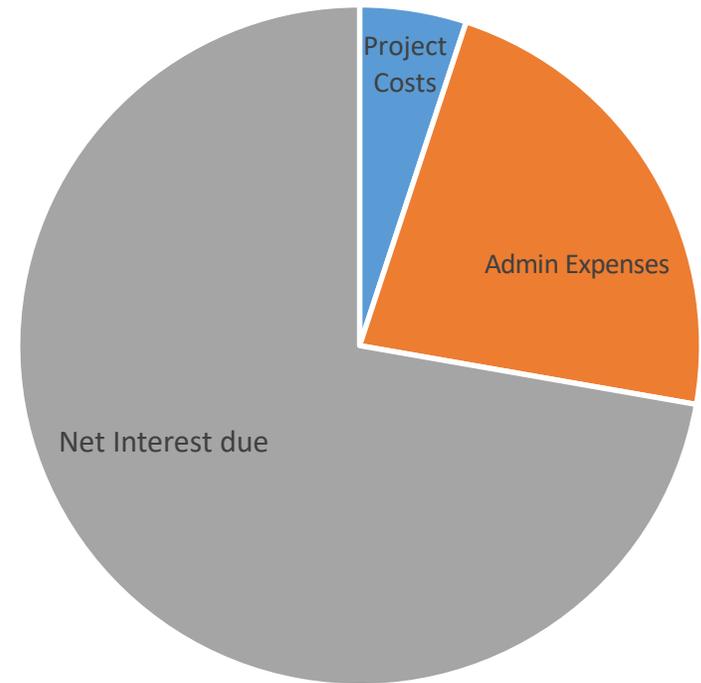
2020 Turnover £64723

- Electricity Billed: £10,615 down from £12,107
- FIT Income: £39,627, up from £30,980
- Export Income: £4,481, down from £5,897
- Other: £10,000, a Covid-19 grant

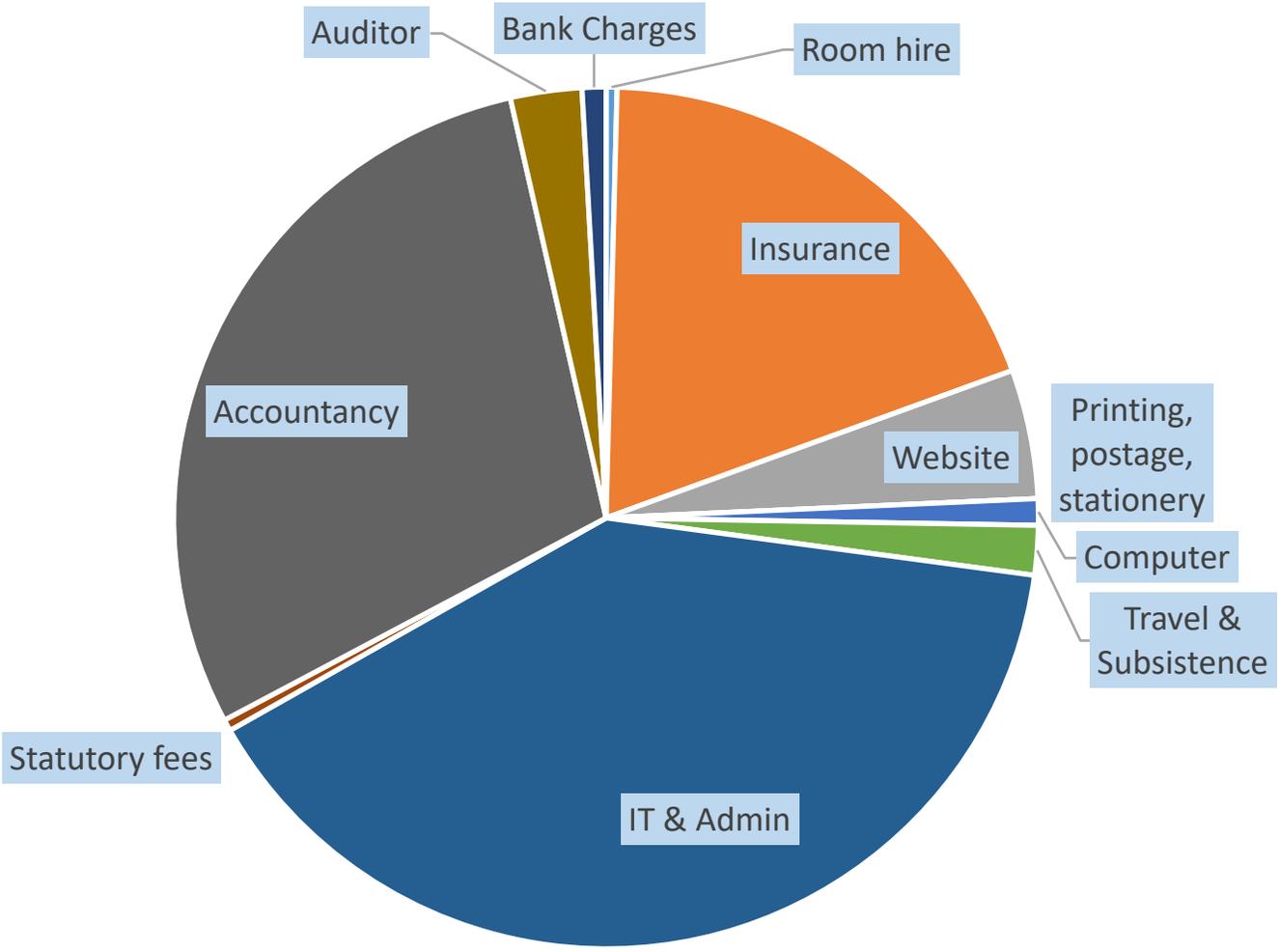


Outgoings £35,620 (excluding depreciation)

- Project Costs: £1798 (£6,788 in 2019)
- Administrative Expenses: £8,091- see next chart (£9,261 in 2019)
- Net Interest due at 5% assumed: £25,731
 - Mainly to Members at 5%
 - also allows for £119 interest received



Administrative Expenses £8,091



Profit/Loss and Tax

- Profit is calculated as
 - Turnover – Outgoings – Depreciation
- Profit of £5,608 (includes Covid grant)
- No corporation tax to pay due to losses from previous years when installation was being paid for being taken into account
- Approval of the accounts sought at this AGM

Financial Risks Occurring in 2020

- Ofgem audit of the Stanchester Academy installation
 - Unexpected and detailed audit in March 2019
 - The auditor's questions have been answered
 - Financial cost to SSCES of £850 in 2020 for Solarsense support
 - The audit has taken many hours of unpaid SSCES Director effort
- Multiple inverter and wiring failures continued to occur at Westfield and Holyrood Academies
 - It was difficult to schedule repairs and maintenance in 2020 due to Covid
- Schools not open for much of the year, less power used
 - mitigated as export tariff is similar to the schools' power purchase agreement rate

Interest Payment for 2020 performance

- The RPI inflation rate in 2021 was 1.012%, significantly lower than that of 2.3% assumed in the original financial modelling.
- The Board recommends paying interest at the rate of 4.5% for performance in the Year 2020 as to help ensure adequate cash flow to repay investors in future years should inflation remain very low.
- Approval of the interest payment this summer for performance in 2020 is sought in a resolution at this AGM
- Payment of interest falls due within 6 weeks

The Future

- Repayment of Capital to Members is scheduled to begin **next year** 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 and/or investing current cash surplus in a new project
 - How to repay investors, maintain positive cash flow, and return the maximum surplus for charitable use during 2022-2037
 - Optimisation and maintenance of of current installations
 - New projects that would be viable subsidy-free and how to fund them
 - Potential buy-in to existing operational projects