

South Somerset Community Energy Society

Treasurer's Report for the AGM on 24th June 2024 7pm

Chris Adcock

Equity and Assets 2023

Shareholder Equity Held

- £513,000 at start of 2022
- £506,400 at Year End
- The Board agreed to repay £6,600 following investors' requests
- No new shares were issued.

Value of Tangible Assets after Depreciation at 5% per annum

- £266,349 at end of 2023 (after depreciation of £23,266)

Cash

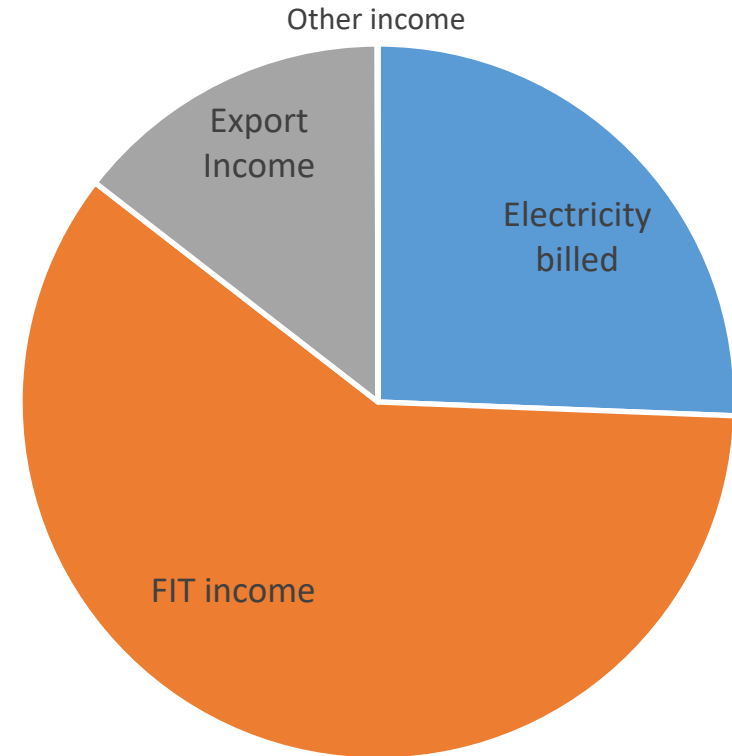
- £142,082 (up by £10,752 on £131,330 at end of 2022)

2023 Turnover £63,403

- Electricity Billed: £16,241 (£14,632 in 2022)
- FIT Income: £37,965 (£39,254 in 2022)
- Export Income: £9,172 (£18,002 in 2022)
- Other Income: £25

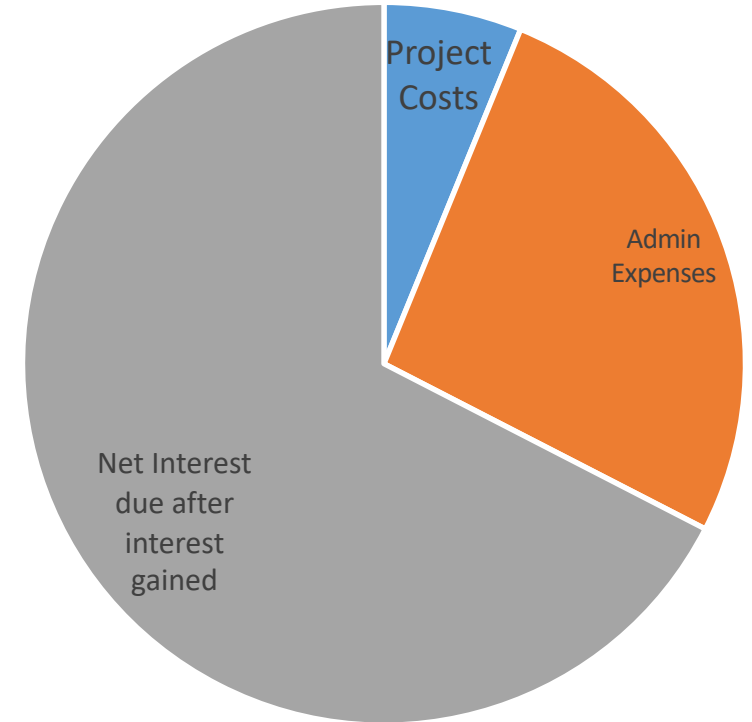
Notes:

- The drop in export income is attributed to late receipt of payments from 2021 in 2022 and the faults at Holyrood Academy that are currently being addressed.
- The 2023 accounts show a debtors total of £9,892.

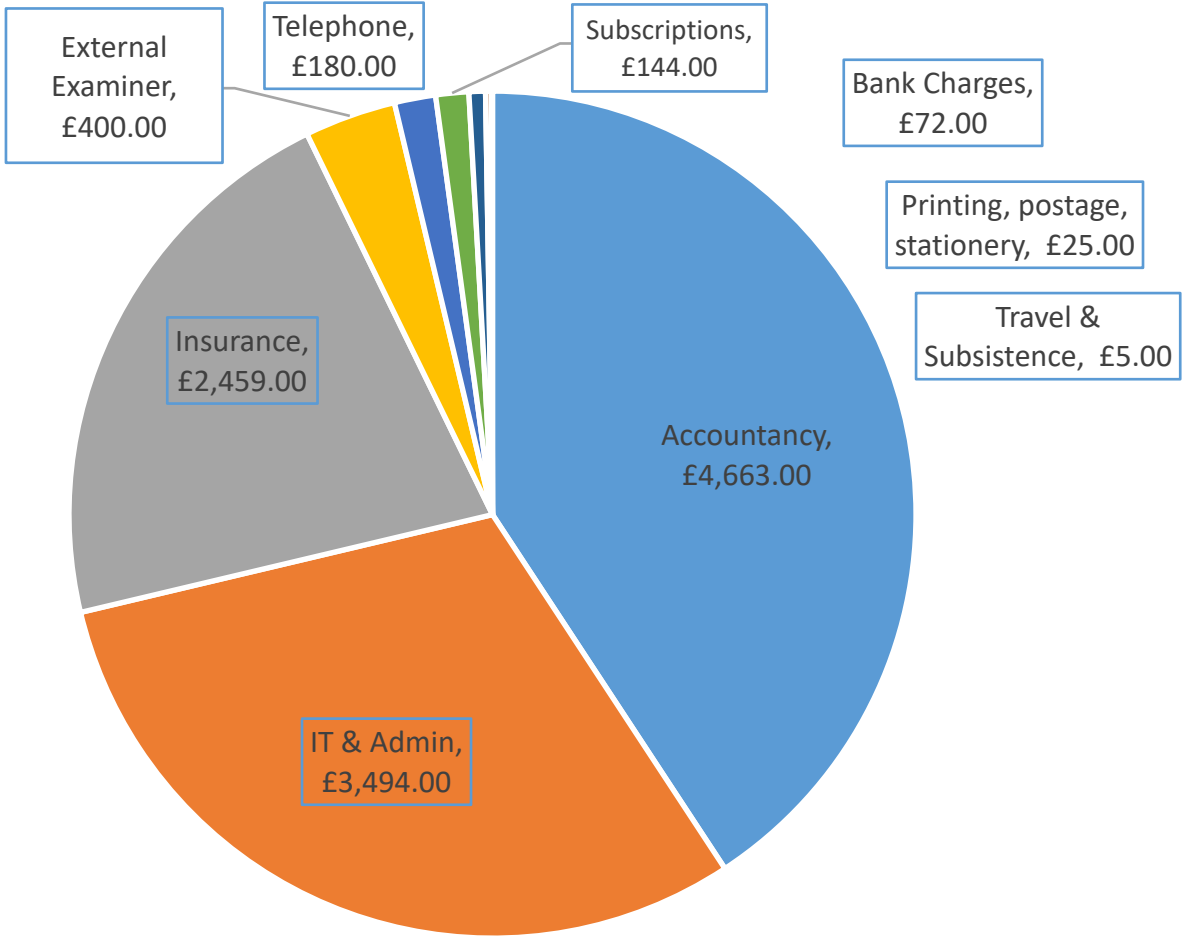


Outgoings in 2023: £42,503 (excluding depreciation)

- Project Costs: £2,625 (£1,218 in 2022)
- Administrative Expenses: £11,214 - see next chart (£10,577 in 2022)
- Net Interest Due: £28,664 (£30,126 in 2022)
 - Mainly to Members at 6% (assumed) of year end shareholder equity held (£506,400).
 - Also allows for £1,720 interest received from the bank



Administrative Expenses in 2023, £11,214



Note: The total on the chart is £11,442, the total of expenses is reduced because:
An old debt of £182 previously allowed for was written off as no invoice was received
Web site costs had been overestimated previously and a correction of £46 was applied this year

Profit/Loss and Tax

- Profit is calculated as
 - Turnover – Outgoings – Depreciation = -£2,366 (+£6,701 last year)
 - i.e. a loss of £2,366
- No corporation tax to pay due to losses in previous years.
- Approval of the accounts for 2023 is the subject of Resolution 1 on the agenda for this AGM.

Financial Risks Occurring in 2023

- Part of Holyrood Academy system continued to operate intermittently.
- SSCES was still unable to complete repairs to replace damaged panels and inverters at Holyrood Academy or to resolve intermittency issues there due to tightening of Health and Safety rules.
- The access issues and system faults at Holyrood Academy will be resolved this year (2024) at significant cost to SSCES in the region of £15k.
- The potential cost of safety equipment needed for work on the other installations on flat roofs continues to be a financial risk.
- In common with other Community Energy Groups, SSCES was unable to obtain insurance cover for wind damage to ballasted flat roof installations.
 - The Board is consulting with Community Energy England and will seek improved cover for the next renewal in September 2024.

Interest Payment for 2023 performance

- Following a review of cash flow and email exchange on 4th June 2024, the Board recommends that interest is paid this year at the rate of 6% for performance in 2023.
- Approval of the interest payment this summer for performance in 2023 is the subject of Resolution 2 on this agenda.
- Payment will be made within 6 weeks of this AGM.

Capital Repayment

- Repayment of Capital to Members began for Share Offer 1 in 2024 (Resolution 3 was passed at 2022 AGM to repay one fifth every 3 years)
- Members were asked individually whether they wished to receive:
 - No repayment
 - One fifth of their investment, or
 - A preferred amount up to their total investment
- Most of the members' requests were met, with just the 4 largest of the 55 requests being scaled back so that the target of repayment of 1/5th of the Share Offer 1 holdings was realised within 0.4%.
- In 2025, Members will receive the first scheduled repayments for their investments in Share Offers 2 and 3.

The Future

- SSCES has allocated £5,000 to the Somerset Community Foundation for its Somerset Environment Fund.
- 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 has developed a revised business plan to allow inclusion of new business to sustain SSCES beyond 2035, funded by current assets and new share offers, as approved in the poll of members undertaken in Spring 2023.
- It is hoped that the first new project since 2016 for a 25 kW installation at the River Cale Café will be approved by the owners, Wincanton Town Council on 24th June 2024.
- The Board is actively developing plans for new projects in South Somerset and to work in collaboration with other community energy groups.