

SHEFFIELD RENEWABLES LIMITED

a Registered Society under the Co-operative and Community Benefit Societies Act 2014
Registered number: 30736R

FINANCIAL STATEMENTS
for the year ended 30 September 2016



SHEFFIELD RENEWABLES LIMITED

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FOR THE YEAR ENDED 30 SEPTEMBER 2016

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SHEFFIELD RENEWABLES LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

OFFICERS AND PROFESSIONAL ADVISERS

BOARD OF DIRECTORS

| | |
|--------------------|-------------------|
| Richard Collins | Chair |
| William Barnard | |
| Christine Gilligan | |
| Karthik Suresh | Treasurer |
| Keith Alford | |
| Julia Carrell | |
| Tom Harrison | resigned 16/2/16 |
| Abigail Hathway | |
| Luke Wilson | |
| Paul Cocker | appointed 16/2/16 |

Registered number: 30736R

Registered office

South Yorkshire Energy Centre
25 Alexandra Road
Sheffield
S2 3EE

Bankers

Co-operative Bank
PO Box 250
Delf House
Southway
Skelmersdale
WN8 6WT

Independent Accountant

AMJ Ball
75 Banner Cross Road
Sheffield
S11 9HQ

SHEFFIELD RENEWABLES LIMITED

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

The directors present their report and the financial statements for the year ended 30 September 2016.

Principal Activity

The principal activity during the year was the generation of electric power by means of solar panels at three sites in South Yorkshire.

Audit

The members have passed the necessary resolution to disapply the audit requirements.

Business Review - Summary of Activities for the Year

At the end of the last financial we were waiting to hear the result of the government's consultation on the Feed -in-Tariff. We were very disappointed when cuts were announced – a drop of 40% from the existing rates. This will affect our future schemes, but we have developed a new financial model.

Our third scheme at Attecliffe Police Station was completed at the end of 2015 and is generating slightly above expected output. This means we now have three 50kW schemes generating renewable electricity. We discovered towards the end of 2015 that Swinton Fitzwilliam Primary school (our second scheme) was not using all the electricity we were generating during the summer months, and particularly during the school holidays. We have been metering at the site to ensure we have correct figures, but at the moment it means this scheme is not earning as much in electricity sales as expected. We have applied for funding from the M & S Energy Fund to buy storage batteries for the school, so that all the electricity generated could be used on site.

The total income for the year from electricity sales and feed-in-tariff is just over £20,000. Expenditure from this income has been for insurance for the solar panels and repaying the loan from Key Fund. The directors will be putting a resolution to the AGM to repay some capital and pay interest to our shareholders in May 2017.

We have continued for most of this year to be a volunteer organisation, though we received a grant from the Urban Community Energy Fund at the beginning of 2016, which meant we were able to employ a Project Worker for five months to help us develop our next three schemes ready to run another share offer. We were also awarded a grant from Naturesave towards planning permission for our next schemes, developing the share offer document and some investment in our next share offer. This money will not be received until we have completed the work.

SHEFFIELD RENEWABLES LIMITED

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

In spite of having a paid worker, work on developing our next schemes has been very slow due to the difficulty of building relationships with partner organisations who are focused on their core activities. In particular we have made contact with several schools who at first were very keen, but then due to their work load have difficulty taking a scheme forwards. We are still working with Sheffield City Council and hope they will be a partner with one of our schemes. Our Project Worker made contact with over twenty organisations, and proposals were made to nearly all of them. We can announce that our next scheme will be at Lembas Wholefood Co-operative, who are very keen to work with us.

During the year we were paid for some Peer Mentoring work carried out by David Berry with funding from the Co-operative Mentoring scheme.

At our AGM in February, Tom Harrison stood down as a director and Paul Cocker took his place.

Towards the end of the financial year we were awarded funding from the Co-operatives Booster Programme/Power to Change to help develop more schemes and develop our next share offer. Co-ops UK have also offered capital investment in the share offer.

Financial Review

The directors are pleased to report an operating surplus with the electricity sales being sufficient to cover depreciation of the installed panels and administrative costs which are now all done by volunteers. In the short term this model should enable the Society to build up surpluses which can be invested in further projects and also be used to consolidate the balance sheet and service the requirements of the share capital.

SHEFFIELD RENEWABLES LIMITED

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

Statement of directors' responsibilities

Law applicable to companies in England and Wales requires the directors to prepare financial statements for each financial period, which gives a true and fair view of the state of affairs of the society's financial activities during the year and of its financial position at the end of the year. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Society will continue in operation.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Society and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014 and the Rules of the Society. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the directors on 29 October 2016 and is signed on their behalf by

R Collins – Chair

J Tinsley – Secretary

SHEFFIELD RENEWABLES LIMITED

Independent Accountant's Report under Section 85 of the Co-operative and Community Benefit Societies Act 2014

I report to the members on the unaudited accounts for the year ended 30 September 2016 set out on pages 6 to 11.

RESPECTIVE RESPONSIBILITIES OF OFFICERS AND REPORTING ACCOUNTANTS

The society's officers are responsible for the preparation of the accounts, and they consider that the society is entitled to opt out of an audit. It is my responsibility to carry out procedures designed to enable me to report my opinion.

This report is made to the society's members, as a body, in accordance with the terms of my engagement. My work has been undertaken so that I might compile the accounts that I have been engaged to compile, report to the society's members that I have done so, and state those matters that I have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the society and the society's members, as a body, for my work or for this report.

BASIS OF OPINION

My work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so my procedures consisted of comparing the accounts with the accounting records kept by the society, and making such limited enquiries of the officers of the society as I considered necessary for the purposes of this report. These procedures provide the only assurance expressed in my opinion.

OPINION

In my opinion:

- (a) The accounts, including the revenue account and balance sheet, are in agreement with the accounting records kept by the society under s75 of the Co-operative and Community Benefit Societies Act 2014;
- (b) Having regard only to, and on the basis of, the information contained in those accounting records the revenue account and balance sheet comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- (c) For the preceding year of account, the financial criteria for the exercise of the power conferred by section 84 were met in relation to the year.

AMJ Ball

Chartered Accountant
75 Banner Cross Road
Sheffield S11 9HQ
29 October 2016

SHEFFIELD RENEWABLES LIMITED

INCOME AND EXPENDITURE ACCOUNT

For the Year Ended 30 September 2016

| | Notes | 2016 £ | 2015 £ |
|--|-------|-----------------|-----------------|
| INCOME | | | |
| Electricity sales | | 21,511 | 20,924 |
| Grants and donations | 2 | 18,347 | 1,016 |
| Fee income | | 336 | 7,782 |
| Bank interest | | 322 | 415 |
| | | <u>40,516</u> | <u>30,137</u> |
| EXPENSES | | | |
| Staff costs | 7 | 8,870 | 5,660 |
| Rent and room hire | | 2,400 | 2,400 |
| Printing stationery and office | | 291 | 180 |
| Marketing and publicity | | 1,114 | 336 |
| Insurance | | 1,077 | 581 |
| Business development | | 81 | 1,172 |
| Technology and projects | | 945 | 3,628 |
| Travel and volunteers | | 81 | 358 |
| Telephone | | 171 | 167 |
| Fees and subscriptions | | 155 | 740 |
| Loan interest | | 312 | 750 |
| Accountancy | | 450 | 450 |
| Depreciation | | 13,612 | 8,693 |
| | | <u>29,559</u> | <u>25,115</u> |
| Profit on ordinary activities before taxation | | 10,957 | 5,022 |
| Taxation | 8 | - | - |
| Retained for the year | | 10,957 | 5,022 |
| Total funds brought forward | | (39,242) | (44,264) |
| Retained funds carried forward | | <u>(28,285)</u> | <u>(39,242)</u> |

There are no recognised gains or losses other than the deficit for the year.

SHEFFIELD RENEWABLES LIMITED

BALANCE SHEET

At 30 September 2016

| | Notes | 2016 £ | 2015 £ |
|---|-------|-----------------------|-----------------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 3 | <u>141,214</u> | <u>93,326</u> |
| CURRENT ASSETS | | | |
| Deposits on solar panels | | - | 12,500 |
| Debtors and prepayments | 4 | 6,434 | 7,301 |
| Cash at bank and in hand | | 45,951 | 74,454 |
| | | <u>52,385</u> | <u>94,255</u> |
| CREDITORS: amounts falling due within one year | 5 | <u>(562)</u> | <u>(4,503)</u> |
| NET CURRENT ASSETS | | <u>51,823</u> | <u>89,752</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 193,037 | 183,078 |
| CREDITORS: amounts falling due after one year | 6 | - | (1,000) |
| NET ASSETS | | <u>193,037</u> | <u>182,078</u> |
| RESERVES | | | |
| Called up share capital | 9 | 221,322 | 221,320 |
| General unrestricted income fund | | (28,285) | (39,242) |
| Restricted funds | 12 | - | - |
| CAPITAL EMPLOYED | | <u>193,037</u> | <u>182,078</u> |

For the year ending 30 September 2016 the society was entitled to exemption from an audit conferred by section 84 of the Co-operative and Community Benefit Societies Act 2014.

The members have not required the officers to obtain an audit of its accounts for the year in question in accordance with the Act.

The officers acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small company regime.

The financial statements were approved by the Board on 29 October 2016 and signed on their behalf by

R Collins - Director

SHEFFIELD RENEWABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

1. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014 and with applicable accounting standards. The accounts are prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Income

Electricity income (from sales and feed-in-tariff) and fee income is accounted for on an accruals basis. Revenue grants are recognised in the income and expenditure account in the period during which the related expenditure is incurred or services are provided, subject to meeting any conditions of the grant. Capital grants and donations are accounted for on receipt.

Expenditure

Expenditure is recognised in the income and expenditure account on an accruals basis, in the period during which it is incurred.

Fund accounting

Income which is received for a specific purpose within the general objectives of the company is accounted for in a separate funds and related costs are allocated to that fund.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and any provision for diminution in value. Depreciation is provided on tangible assets to write them off over their expected useful lives, over the following periods:

| | |
|--------------|----------|
| Solar panels | 12 years |
|--------------|----------|

SHEFFIELD RENEWABLES LIMITED

NOTES TO THE ACCOUNTS

At 30 September 2016

2. Grants and donations

| | 2016 | 2015 |
|-----------------------------------|---------------|--------------|
| | £ | £ |
| Urban Community Energy Fund | 9,597 | - |
| Community Share Booster Programme | 8,750 | - |
| Trafford Hall | - | 300 |
| Donations | - | 716 |
| | <u>18,347</u> | <u>1,016</u> |

3. Tangible fixed assets

| | Solar panels £ |
|-----------------------------------|-------------------|
| Cost or recoverable amount | |
| At 1 October 2015 | 108,658 |
| Additions | <u>61,500</u> |
| At 30 September 2016 | <u>170,158</u> |
| Depreciation | |
| At 1 October 2015 | 15,332 |
| Charge for the year | <u>13,612</u> |
| At 30 September 2016 | <u>28,944</u> |
| Net book value | |
| At 30 September 2016 | <u>141,214</u> |
| At 30 September 2015 | <u>93,326</u> |

4. Debtors

| | 2016 | 2015 |
|----------------|--------------|--------------|
| | £ | £ |
| Trade debtors | - | 820 |
| Accrued income | 5,498 | 5,800 |
| Prepayments | 936 | 681 |
| | <u>6,434</u> | <u>7,301</u> |

SHEFFIELD RENEWABLES LIMITED

NOTES TO THE ACCOUNTS

At 30 September 2015

5. Creditors: amounts falling due within one year

| | 2016 | 2015 |
|---------------|-------------------|---------------------|
| | £ | £ |
| Taxes | 112 | 53 |
| Key Fund loan | - | 4,000 |
| Accruals | 450 | 450 |
| | <u>562</u> | <u>4,503</u> |

6. Creditors: amounts falling due after more than one year

| | | |
|---------------|-----------------|---------------------|
| Key Fund loan | <u>-</u> | <u>1,000</u> |
| | <u>-</u> | <u>1,000</u> |

7. Staff Costs

| | | |
|-----------------------|---------------------|---------------------|
| Wages and salaries | 8,870 | 5,633 |
| Social security costs | - | - |
| | <u>8,870</u> | <u>5,633</u> |

The average number of employees on a full time equivalent basis were:

| | | |
|-------------------------------|------------|----------|
| Management and administration | <u>0.3</u> | <u>1</u> |
|-------------------------------|------------|----------|

No employees earned over £60,000.

8. Taxation

The Society does not have charitable status and is liable to corporation tax. Losses are available from previous years against the profit this year.

9. Members shares

As a Community Benefit Company, the Society offers shares of £1 each for membership. All shares originally made as Pioneer or Early Bird offers have now been consolidated into one general issue which may be repaid on demand.

The shares are not eligible for dividends but can receive interest at 3% pa and it is expected that interest will be paid from 2017 onwards.

During the year a total of £2 shares were issued at par.

SHEFFIELD RENEWABLES LIMITED

NOTES TO THE ACCOUNTS

At 30 September 2016

10. Directors' remuneration and expenses

During the year no director received any remuneration or expenses from the company as directors. (2015: £nil)

11. Control

The company is owned by a large number of individual shareholders, none of whom is able to exercise control.