

Registered number
007152R

Sustainable Energy 24 Limited

Report and Unaudited Accounts

31 December 2016

Sustainable Energy 24 Limited
Report and unaudited accounts
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Sustainable Energy 24 Limited
Legal and administrative information

Directors

Alan Jones
Mark Hughes
Jim Belben
Harriet Lamb

Accountants

Shruti Soni Limited
Chistlehurst Business Centre
1 Bromley Lane
Chislehurst
Kent
BR7 6LH

Registered office

8 Poplar Walk
Herne Hill
London
SE24 0BU

Registered number

Sustainable Energy 24 Limited is a Society for the Benefit of the Community registered with the Financial Conduct Authority with registration number 007152R

Sustainable Energy 24 Limited

Registered number: **007152R**

Directors' Report

The Directors present their report and accounts for the period ended 31 December 2016.

Principal activities

Sustainable Energy 24 Limited (the Society) was incorporated on 29th June 2015. The Society's principal activity is to develop the supply of renewable resources in the South East London area. The Society does this for the benefit of the community by working to alleviate fuel poverty in South East London

Background

Sustainable Energy 24 Ltd (SE24) was incorporated as a Community Benefit Society (CBS) on 29 June 2015. The principal activity is to develop locally-owned renewable energy plants, mainly roof-mounted PV solar systems on community-owned buildings, around SE24's neighbourhood in South East London that will help reduce carbon emissions. The Society has additional objectives to establish a Community Fund to be used to educate on the means of reducing energy consumption and carbon emissions, the principal cause of Climate Change, and help alleviate fuel poverty in and around our neighbourhood.

Our first full year of operation saw the society move successfully into operations. Despite set-backs, caused primarily by changing government legislation, we have completed our first two installations of solar panels, generated support from the local community and positioned ourselves for future growth. The following is the broad timeline of activities relating to the accounting period:

- Spring/Summer 2015. SE24 applied for and received mentor assistance from Ovesco (an established Community Energy organisation centred around Lewes on the South Coast) and a £20k grant from the Urban Community Energy Fund. This support helped to establish and fund our early business activities and get us to the point where we are now.
- Summer 2015. As part of launching the company as a CBS in July 2015, SE24 consulted with and surveyed opinion in our neighbourhood on the importance of Climate Change and the appetite and support for a Community Energy organisation enabling locally-funded renewable energy projects. Responses were very positive.
- Summer 2015 to Summer 2016. SE24 contacted and raised interest among various community building owners and were proceeding with a handful of good prospects when Government announced a review of the Feed-in tariff (FIT) support arrangements. FIT rates were going to be cut significantly and there was a tight time window within which applications for existing FIT rates had to be made. This meant we had to speed up business development activities to try and obtain Ofgem accreditation for the levels of FiT rates before a cut-off period. This required project completion and commissioning before the end of September 2016. Three prospective roof owners moved forward with us within the tight timelines.
- Summer/Autumn 2016. SE24 worked in partnership with another Community Energy organisation, South East London Community Energy Ltd, and held a competitive tender to select an installation provider, GHG Energy Ltd, offering the best value-for-money.
- In relation to the three projects under development, following success in getting Ofgem accreditation, SE24 issued a Share Offer in July and attracted total investment offers of £80,000. In parallel, it established financial models and legal tools, including leases and power purchase agreements, as well as arrangements for project insurance, operation and maintenance undertakings, and risk-mitigation.

Sustainable Energy 24 Limited

Registered number: 007152R

Directors' Report

- In September 2016, SE24 completed the installation and commissioning of projects on two of the three sites which were the target of the Share Offer: at Herne Hill United Church (HHUC) at the top of Red Post Hill in Herne Hill (an installation of 10.45kWp), and at Herne Hill Methodist Church Hall (HHMCH) on Half Moon Lane (an installation of 8.8kWp).
- The two operational sites have been producing electricity since September 2016. This period is at a low point for energy production, and thus income for SE24, over the year. And we have incurred significant start-up costs principally funded by the UCEF grant, which is mainly allocated as income over this first accounting period.
- Refunds were made to investors in respect of money no longer required for the third project advertised in our Share Offer, at Alleyn's School in Dulwich, which did not proceed owing to time constraints relating to the availability of an economically viable FIT rate.
- Rebates on VAT charges in our capital and project development expenditures in this accounting period have provided cash for the development the two new projects in 2017, as described below.
- In addition, the capital allowances associated with the capital spends at these first two projects, which provide further tax shields, create a positive start to the tax environment for following years.

Next Steps

From the foundation of the first two projects, the SE24 Board, comprising its founding shareholders, have sanctioned further project development. At the point when this report is submitted, two further projects are being pursued potentially raising our portfolio capacity to nearly 200kWp. A Share Offer is being drafted for release in late May 2017 that aims to secure £200k of capital investment for these projects. The SE24 vision over the next 2 to 3 years is to extend our portfolio of projects to 500kWp. If we are successful in achieving this, it will enable us to secure economies of scale in administration and operation, thus freeing up more cash to put into our Community Fund, which in turn will help extend the reach of our community ambitions.

Directors

The following persons served as directors during the period:

Alan Jones
Mark Hughes
Jim Belben
Harriet Lamb

Financial review

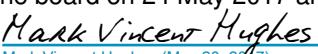
The Society's income for the period was £20,916. At the end of the period there was a small surplus of £401. The Society's total capital spend for installing solar panels at two sites was £31,874 which was mainly funded by capital from founding members.

This report was approved by the board on 24 May 2017 and signed on its behalf.



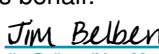
Alan Jones (May 22, 2017)

Alan Jones
Chair



Mark Vincent Hughes (May 20, 2017)

Mark Hughes
Treasurer



Jim Belben (May 22, 2017)

Jim Belben

Sustainable Energy 24 Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Law relevant to Co-operative and Community Benefit Societies require the Directors to prepare financial statements for each financial year. The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the society and of the income and expenditure of the society for that period. 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;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. 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.

Sustainable Energy 24 Limited

Report to the directors on the preparation of the unaudited statutory accounts of Sustainable Energy 24 Limited for the period ended 31 December 2016

In order to assist you to fulfil your duties under the Cooperative and Community Benefit Societies Act 2014, we have prepared for your approval the accounts of Sustainable Energy 24 Limited for the period ended 31 December 2016 which comprise of the Income and Expenditure Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes from the Society's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at http://www2.accaglobal.com/members/professional_standards/rules_standards/rulebook.

This report is made solely to the society's Directors, as a body, in accordance with the terms of our letter of engagement dated 23 March 2017. Our work has been undertaken solely to prepare for your approval the accounts of Sustainable Energy 24 Limited and state those matters that we have agreed to state to them, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at <http://www.accaglobal.com/factsheet163>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Sustainable Energy 24 Limited and its Directors as a body for our work or for this report.

It is your duty to ensure that Sustainable Energy 24 Limited has kept proper accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and income and expenditure of Sustainable Energy 24 Limited. You consider that Sustainable Energy 24 Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Sustainable Energy 24 Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Shruti Soni Ltd

Shruti Soni Ltd (May 22, 2017)

Shruti Soni Limited
Chartered Certified Accountants
Chislehurst Business Centre
1 Bromley Lane
Chislehurst
Kent
BR7 6LH

24 May 2017

Sustainable Energy 24 Limited
Income and Expenditure Account
for the period from 29 June 2015 to 31 December 2016

	Notes	2016
		£
Turnover		20,916
Administrative expenses		(20,521)
Operating profit	2	395
Interest receivable		6
Surplus on ordinary activities before taxation		401
Tax on profit on ordinary activities		-
Surplus for the financial year		<u>401</u>

Sustainable Energy 24 Limited
Statement of total recognised gains and losses
for the period from 29 June 2015 to 31 December 2016

	Notes	2016
		£
Surplus for the financial year		401
Total recognised gains and losses related to the period		<u>401</u>

Sustainable Energy 24 Limited

Balance Sheet

as at 31 December 2016

	Notes	2016 £
Fixed assets		
Tangible assets	3	31,874
Current assets		
Debtors	4	660
Cash at bank and in hand		19,197
		19,857
Creditors: amounts falling due within one year	5	(10,030)
Net current assets		9,827
Total assets less current liabilities		41,701
Creditors: amounts falling due after more than one year	6	(41,300)
Net assets		401
Capital and reserves		
Income and expenditure account	8	401
Shareholders' funds		401

The Directors are satisfied that the society is entitled to exemption from the requirement to obtain an audit under Section 83 of the Co-operative and Community Benefit Societies Act 2014. The Directors are satisfied that the Society meets the criteria set in Section 84 (1) and by using its power under Section 84 (2) of the said Act, a resolution was passed at its general meeting (at which i. less than 20% of the votes cast were against the resolution and ii. less than 10% of the votes held within the society were cast against the resolution) 'to disapply Section 83 of the Act.

These financial statements were approved by the Board of Directors and signed on its behalf by:-


Alan Jones
Alan Jones (May 22, 2017)

Alan Jones
Chair
Approved by the board on 24 May 2017


Mark Vincent Hughes
Mark Vincent Hughes (May 20, 2017)

Mark Hughes


Jim Belben
Jim Belben (May 22, 2017)

Jim Belben
Director

Sustainable Energy 24 Limited
Notes to the Accounts
for the period from 29 June 2015 to 31 December 2016

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Turnover

Turnover represents the value, net of value added tax and discounts, of work carried out in respect of services provided to customers.

Grants are recognised in the income and expenditure account so as to match them with the expenditure towards which they are intended to contribute. Grants made as a capital contribution towards fixed assets are initially deferred and recognised in the income and expenditure account over the expected useful economic lives of the related assets

Fixed Assets and Depreciation

Fixed assets are stated at cost less depreciation. The cost of minor additions or those costing less than £250 are not capitalised. Other fixed assets with an expected life of more than one year are included at cost. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery-solar panel installations over 20 years

Community Share capital

Community Share Capital
Community share capital raised during the year that is withdrawable by the holder after a fixed period of time at the discretion of the Directors is treated as a liability in the Balance Sheet rather than Equity. All share holders automatically become members and have voting rights at the AGM. However, there are restrictions on sale or transfer of Community shares. Unlike ordinary share capital, Community Shares receive interest of up to 4% payable annually at the discretion of the Directors.

Interest payable

Interest payable is charges to income and expenditure account as and when accrued.

2 Operating profit

2016
£

This is stated after charging:

Depreciation of owned fixed assets

Sustainable Energy 24 Limited
Notes to the Accounts
for the period from 29 June 2015 to 31 December 2016

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
Additions	32,277
At 31 December 2016	<u>32,277</u>
Depreciation	
Charge for the period	403
At 31 December 2016	<u>403</u>
Net book value	
At 31 December 2016	<u>31,874</u>

4 Debtors

	2016 £
Trade debtors	166
VAT recoverable	83
Prepayments	411
	<u>660</u>

5 Creditors: amounts falling due within one year

	2016 £
Accruals and deferred income	500
Community Shares	9,530
	<u>10,030</u>

6 Creditors: amounts falling due after one year

	2016 £
Community Shares	<u>41,300</u>

Creditors consists entirely of Community share capital. Community share capital of £50,830 was raised during the year which is repayable in or before 20 years. Of this amount £9,530 was returned post year end. This entire capital is held by founder members and directors of the Society. It is withdrawable at the discretion of the Directors once the Society is in a self sufficient financial position. All share holders automatically become members and have voting rights at the AGM. However, there are restriction on sale or transfer of Community shares. Interest of upto 4% is payable annually at the discretion of the Directors.

Sustainable Energy 24 Limited
Notes to the Accounts
for the period from 29 June 2015 to 31 December 2016

7 Loans	2016
	£
Creditors include:	
Amounts falling due for payment after more than five years	41,300
8 Profit and loss account	2016
	£
Profit for the period	401
At 31 December 2016	401

Sustainable Energy 24 Limited
Detailed profit and loss account
for the period from 29 June 2015 to 31 December 2016

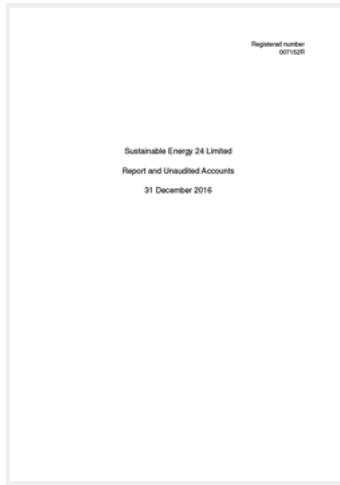
	2016 £
Sales	20,916
Administrative expenses	(20,521)
Operating profit	395
Interest receivable	6
Profit before tax	401

This page does not form part of the statutory financial statements.

Sustainable Energy 24 Limited
Detailed profit and loss account
for the period from 29 June 2015 to 31 December 2016

	2016
	£
Sales	
Sales	<u>20,916</u>
Administrative expenses	
General administrative expenses:	
Insurance	136
Start up and marketing	690
Depreciation	403
Sundry expenses	<u>515</u>
	<u>1,744</u>
Legal and professional costs:	
Accountancy fees	500
Legal and professional fees	<u>18,277</u>
	<u>18,777</u>
	<u>20,521</u>

This page does not form part of the statutory financial statements.



SE24 Accounts 2016v2

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