

Registered number
007152R

Sustainable Energy 24 Limited
Report and Unaudited Accounts
31 December 2021

Sustainable Energy 24 Limited Company Information

Directors

Alan Jones
Mark Hughes
Jim Belben
Harriet Lamb
Paul Hallas
Laura Wilson
Colin Crooks

Accountants

Shruti Soni Limited
117A St Johns Road
Sevenoaks
Kent
TN13 3PE

Registered office

8 Poplar Walk
Herne Hill
London
SE24 0BU

Registered number

007152R

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 year ended 31 December 2021.

Principal activities

Sustainable Energy 24 Ltd (SE24) was incorporated as a community benefit society on 29th June 2015. Our principal area of activity is to develop roof mounted PV solar systems and LED retrofit projects at community owned buildings around SE24's neighbourhood in South East London that will help reduce carbon emissions. The SE24 has additional objectives to maintain 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 local fuel poverty.

Overview on activities during the year

Our sixth full year of operation saw a focus on delivering:

a new 117kW solar installation – one of our largest projects to date – at Charter School North Dulwich and restoring an existing inoperative 10kW solar installation. Taken together these installations increase SE24's total solar capacity across all sites to 346 kW, generating some 285 MWh annually, equivalent to 90 households' consumption, and saving our site partners around £1,500 per year at 2021 energy prices;

two new LED retrofit projects, at Charter School North Dulwich and at Charles Dickens Primary School, Borough (part of the same multi-academy trust). These LED projects, a new development for SE24, were delivered in partnership with neighbouring community energy group Selce and involved replacing around 1,900 high energy bulbs with more efficient long-life LEDs, which will save around 30 tonnes of CO₂ per year and in total save the two schools around £8,000 per year at 2021 energy prices.

These three projects were financed through a combination of GLA grants and a community share raise. The latter achieved £216,000. This mainly explained the significant increase in Shareholder Funds (which rose from £192,146 to £456,076; see page 9 of this report). By the end of 2021, these projects were around 75% installed, with final completion, income generation, and their incorporation into SE24's existing operations and maintenance regime, starting in 2022. This has increased fixed assets from £191,721 to £334,683.

Towards the end of 2021, SE24 successfully applied to the GLA's London Community Energy Fund for over £24,000 of grant to finance LED feasibility studies and contribute to the capital cost of a new LED project at Goodrich Community Primary School in Southwark, to be delivered in 2022.

Sustainable Energy 24 Limited
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Directors' Report

Income

Turnover increased significantly from the 2020 value of £34,972 to £102,366 primarily as a consequence of the more than £70k of grants received for the new projects from the GLA (see below). Covid remained a drag on our income in 2021 but we are anticipating that this drag will reduce in coming years.

As part of our ongoing objective to improve system availability across our portfolio of sites, our operations and maintenance provider, Joju Solar Ltd, completed their programme of installing more modern and reliable metering and monitoring systems designed to improve fault analyses and diagnoses that helped to identify issues at Herne Hill United Church.

To finance the new solar and LED projects mentioned above, SE24 successfully applied for £70,600 from the fourth round of the GLA's Community Energy Fund. A further £236,000 was raised through a community share offer in July, although this was more than the £216,000 (referred to above) required to meet the project costs and £20,000 was subsequently returned to the seven largest investors in the 2021 Share Offer.

Expenditure and Operating Profits

SE24-funded Capital expenditure on the solar and LED projects' feasibility, design, legal and installation work during the year was £206,103. With the expansion of sites and facilities, operational expenditure increased from £26,653 to £37,743. Thus, the significant rise in revenues overcame the rise in costs such that operating profits rose from £8,319 to £64,623.

With a focus on delivering the three major new projects and the need to control associated budgets, SE24's community Fund expenditure was reduced from 2020 levels to £1,000 in 2021. This was supplemented by members' donations from their Winter Fuel Allowances to the local Christians Against Poverty group, who used the money to help people in need with fuel vouchers and emergency cold weather packs. It brought our cumulative total Community Fund contributions to around £7,000.

In 2019/20 SE24 agreed with our shareholder investors that we should halve payments to investors to recognise cash flow issues caused, inter alia, by reduced on-site income as a consequence of COVID-related reductions in on-site consumption and income. In 2021 SE24 paid investors the half of the previously un-paid 2020 shareholder payment and half of the expected 2021 planned investor payments. Thus in 2021 SE24 paid investors in the 1st and 2nd Share Offers the equivalent of a full year shareholder payments. The plan in 2022 is to make shareholder payment investors in the 1st and 2nd Share Offers to both meet the second catch-up payments for 2021 and a full payment of "normal" 2022 shareholder payments. This is contingent on retaining a prudent level of operating reserves in our bank account.

This prudent level of cash reserves are assessed as that necessary to replace failing equipment given potential performance failure with the objective of restoring operating and income performance as quickly as possible. SE24 has increased this prudent level of cash reserves to £15,000 as the portfolio of assets have expanded. We will keep our level of reserves under review so we can be assured of the objective to replace failing equipment to restore operating and income performance.

Sustainable Energy 24 Limited
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Directors' Report

Directors


The following persons served as directors during the year:

Alan Jones
Mark Hughes
Jim Belben
Harriet Lamb
Paul Hallas
Laura Wilson
Colin Crooks

Financial review

The Society's income for the period was £102,366 (2020: £34,972). At the end of the period there was a net profit of £56,288 (2020: 7,957) after dividend on Community Share Capital of £8,335 (2020: £362).

This report was approved by the board on 22 June 2022 and signed on its behalf.


Alan Jones (Jun 27, 2022 14:06 GMT+1)

Alan Jones
Director

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 year ended 31 December 2021

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 year ended 31 December 2021 which comprise of the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity 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://rulebook.accaglobal.com/>

This report is made solely to the society's Directors of Sustainable Energy 24 Limited, as a body, in accordance with the terms of our letter of engagement dated 9th March 2021. 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 the Board of Directors of Sustainable Energy 24 Limited, 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 Board of 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
Shruti Soni (Jun 28, 2022 11:43 GMT+1)

Shruti Soni Limited
Chartered Certified Accountants
117A St Johns Road
Sevenoaks
Kent
TN13 3PE

22 June 2022

Sustainable Energy 24 Limited
Profit and Loss Account
for the year ended 31 December 2021

	2021	2020
	£	£
Turnover	102,366	34,972
Administrative expenses	(37,743)	(26,653)
Operating (loss)/profit	<u>64,623</u>	<u>8,319</u>
(Loss)/profit before taxation	<u>64,623</u>	<u>8,319</u>
Tax on (loss)/profit	-	-
(Loss)/profit for the financial year	<u>64,623</u>	<u>8,319</u>

Sustainable Energy 24 Limited
Registered number: 007152R
Balance Sheet
as at 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	2	334,683	191,721
Current assets			
Debtors	3	5,905	1,640
Cash at bank and in hand		134,453	17,414
		<u>140,358</u>	<u>19,054</u>
Creditors: amounts falling due within one year	4	(3,228)	(1,908)
Net current assets		<u>137,130</u>	<u>17,146</u>
Total assets less current liabilities		<u>471,813</u>	<u>208,867</u>
Creditors: amounts falling due after more than one year	5	(15,737)	(16,721)
Net (liabilities)/assets		<u>456,076</u>	<u>192,146</u>
Capital and reserves			
Called up share capital		403,095	195,453
Profit and loss account		52,981	(3,307)
Shareholders' funds		<u>456,076</u>	<u>192,146</u>

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.


Alan Jones (Jun 27, 2022 14:06 GMT+1)

Alan Jones
 Director

Approved by the board on 22 June 2022


mark hughes (Jul 28, 2022 10:14 GMT+1)

Mark Hughes


Jim Belben (Jun 28, 2022 10:40 GMT+1)

Jim Belben

Sustainable Energy 24 Limited
Statement of Changes in Equity
for the year ended 31 December 2021

	Share capital	Share premium	Re- valuation reserve	Profit and loss account	Total
	£	£	£	£	£
At 1 January 2020	203,477	-	-	(11,264)	192,213
Profit for the financial year				8,319	8,319
Dividend on Community Share Capital Shares redeemed	(8,024)			(362)	(362)
				(8,024)	(8,024)
At 31 December 2020	<u>195,453</u>	<u>-</u>	<u>-</u>	<u>(3,307)</u>	<u>192,146</u>
At 1 January 2021	195,453	-	-	(3,307)	192,146
Profit for the financial year				64,623	64,623
Dividend on Community Share Capital Shares issued	216,000	-		(8,335)	(8,335)
Shares redeemed	(8,358)				(8,358)
At 31 December 2021	<u>403,095</u>	<u>-</u>	<u>-</u>	<u>52,981</u>	<u>456,076</u>

Community Share Capital and Dividend

Shares issued is Community Share Capital raised in previous years, which is repayable in or before 20 years on an annuity basis, is treated as Equity in the Balance Sheet based on further guidance and clarification from regulatory accounting bodies. Dividend, which is also interest, can be paid and shares can be repaid, the Board can also decline to pay Dividend or to repay shares. All share holders automatically become members and have voting rights at the AGM. However, there are restriction on sale or transfer of Community shares. Unlike ordinary share capital, Community Shares receive Dividend of upto 4% payable annually at the discretion of the Directors. This Dividend while being shown in Statement of Changes in Equity, is not a distribution of profits but merely compensation for the risk and for not having access to the money.

Sustainable Energy 24 Limited
Notes to the Accounts
for the year ended 31 December 2021

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard).

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

Community Share Capital and Interest

Shares issued is Community Share Capital raised in previous years, which is repayable in or before 20 years on an annuity basis at the discretion of the Directors, is treated as Equity in the Balance Sheet based on further guidance and clarification from regulatory accounting bodies. Previously this was being treated as liability rather than Equity. This is because, although interest can be paid and shares can be repaid, the Board can also decline to pay interest or to repay shares. All share holders automatically become members and have voting rights at the AGM. However, there are restriction on sale or transfer of Community shares. Unlike ordinary share capital, Community Shares receive interest of upto 4% payable annually at the discretion of the Directors. This interest while being shown in Statement of Changes in Equity, is not a distribution of profits but merely compensation for the risk and for not having access to the money.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. The cost of minor additions or those costing less than £250 are not capitalised. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery-solar panel installations	over 20 years
LED installations	over 10 years

Sustainable Energy 24 Limited
Notes to the Accounts
for the year ended 31 December 2021

Going Concern

At the year end the Society had net assets of £456,076 (2020: net assets £192,146). During the year it made a profit before provision for dividend on Community Share Capital of £64,623 (2020: £8,319). After providing dividend on Community Shares of £8,335 (2020: £362) the profit and loss account as at the year end stood at £52,981 (2020: overdrawn £3,307). Directors believe that losses in previous financial years are due to the long gestation period between the start of the project and income being received. This is common for community energy societies like SE24. The directors believe that future revenues will cover past accumulated losses and help improve financial position. The directors consider that there are no material uncertainties about the Community Benefit Society's ability to continue as a going concern.

Key judgements that have been made which have a significant effect on the accounts include estimated useful life of fixed assets and deferral of grant income. The directors do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. As described in the Directors' report, the Directors confirm that the Society will generate enough funds in the coming years so as to be able to pay off its liabilities as and when they arise.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

2 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2021	226,205
Additions	168,563
At 31 December 2021	<u>394,768</u>
Depreciation	
At 1 January 2021	34,484
Charge for the year	25,601
At 31 December 2021	<u>60,085</u>
Net book value	
At 31 December 2021	<u>334,683</u>
At 31 December 2020	<u>191,721</u>

Sustainable Energy 24 Limited
Notes to the Accounts
for the year ended 31 December 2021

3 Debtors	2021	2020
	£	£
Other debtors	<u>5,905</u>	<u>1,640</u>
4 Creditors: amounts falling due within one year	2021	2020
	£	£
Other creditors	<u>3,228</u>	<u>1,908</u>
5 Creditors: amounts falling due after one year	2021	2020
	£	£
Other creditors	<u>15,737</u>	<u>16,721</u>

Other creditors comprise of deferred capital grants. Grants received towards solar panel installation are ammortised (written back) over the useful life of the assets which is estimated to be 20 years.

6 Other information

Sustainable Energy 24 Limited is a private company limited by shares and incorporated in England.
 Its registered office is:
 8 Poplar Walk
 Herne Hill
 London
 SE24 0BU

Sustainable Energy 24 Limited
Detailed profit and loss account
for the year ended 31 December 2021

This schedule does not form part of the statutory accounts

	2021	2020
	£	£
Sales	102,366	34,972
Administrative expenses	(37,743)	(26,653)
Operating (loss)/profit	<u>64,623</u>	<u>8,319</u>
(Loss)/profit before taxation	<u>64,623</u>	<u>8,319</u>

Sustainable Energy 24 Limited
Detailed profit and loss account
for the year ended 31 December 2021

This schedule does not form part of the statutory accounts

	2021	2020
	£	£
Sales		
Sales	<u>102,366</u>	<u>34,972</u>
General administrative expenses:		
Insurance	924	851
Depreciation	25,601	11,310
Sundry expenses	<u>1,275</u>	<u>122</u>
	<u>29,614</u>	<u>12,283</u>
Legal and professional costs:		
Accountancy fees	1,078	888
Other legal and professional	<u>7,051</u>	<u>13,482</u>
	<u>8,129</u>	<u>14,370</u>
	<u>37,743</u>	<u>26,653</u>