

ENERGISE BARNSELEY LIMITED

ANNUAL ACCOUNTS

(31-07-2020)

FOR THE YEAR END 31 JULY 2020

SOCIETY INFORMATION

Directors	Wendy Lowder (Chair) Andy Heald Jeremy Sykes Elaine Marsh John Townend
Society Secretary	Will Emtage
Custodian Trustee	Barnsley Metropolitan Borough Council
Company number	7180
Year End	31 st July
Registered Office	C/O Barnsley MBC PO Box 634 Barnsley S70 9GG
Accountants	David Rhodes Associates 25 Barnfield Road Harpenden Hertfordshire AL5 5TH
Solicitors	Wrigleys Solicitors LLP 19 Cookridge Street Leeds L22 3AG

Directors Report 2019/2020

The Directors are pleased to report that our rooftop solar assets are performing as expected, our positive community impact continues, and our innovation projects are paving the way for new low carbon household electricity demand profiles, with our customary update given live to BBC Radio Sheffield during the course of the year.

We hosted a very successful Town Hall 'Positive Climate Action Seminar' at the beginning of the year, with speakers from Sheffield City Region, Barnsley Council, Barnsley Academy, Booth Brothers, Faye Tomson, the Centre for Sustainable Energy, ourselves, and Teesdale Council (on behalf of the Rural Community Energy Fund).

The energy champions from Barnsley Academy were articulate and clear in their vision for the planet, with many councillors and bondholders in the room clearly impressed by their knowledge, ideas and desire to make Barnsley and the UK a more sustainable place to live. Contacts were made, and successful applications to the Rural Community Energy Fund followed on from the seminar. We will be holding our second seminar, when conditions permit.

The success of Energise Barnsley and its' strong collaboration with Barnsley Metropolitan Borough Council and Berneslai Homes, was recognised this year as we gave a key note address to 'The Association of Public Service Excellence' Energy Conference on our business model, social and environmental impact.

WPI Economics preceded this event with a report on 'The Future Of Community Energy', which concluded that Energise Barnsley 'plays an important role in helping to develop solutions to major challenges facing the energy system.'

Our 'Performance Report' which follows describes in detail this year's residential and commercial rooftop solar returns.

COVID19 negatively impacted the 'Power Purchase Agreement' income we received from the schools and other buildings, as lockdown meant that a lower amount of electricity was consumed onsite, compared to previous years. The reduced income figure was offset by lower interest rates charged by our senior debt, the Charity Bank loan, and another good year in terms of irradiance, resulting in an expected revenue figure. The Society has not secured any COVID19 related grants, loans or government support during this period.

The Directors recommend paying 5% interest to bondholders.

Our 'Barnsley Solar Bond' is now entering its fifth and final year. It is very likely that we will propose paying 5% to members next year, if we achieve the same level of performance as the previous four years.

We have started to canvass our bondholders on refinancing the bond for another 5-year bond at a proposed 3% return per annum, starting August 2021. At the same time, and due to the fact that we have an ethical lender for our senior debt (Charity Bank) with favourable refinancing terms, it will be beneficial for the Society to offer bondholders the chance to additionally refinance our outstanding senior long term loan (circa £950,000 08/2021).

We will be covering the topic of refinance at our AGM, and continue to look to 'book build' so that we can launch a bond offer in Q1 of 2021, to close Q3 2021, with a hope of increasing local community ownership of our solar assets.

We also have a couple of other solar projects in our pipeline, which might increase the size of the bond on offer at 3% by a considerable amount. Further details will be given at the AGM.

We would like to thank our Society Secretary, William Emtage, and George Lee from Barnsley Council, for working together so well with five local academy schools for a successful application to the Rural Community Energy Fund.

Our community solar fund was impacted by COVID19 this year. The energy advice clinics supplied by AgeUK Barnsley had to be scaled back, with part of the grant not drawn down. We are pleased to announce that we collaborated with AgeUK Barnsley to submit an application to the Energy Redress Scheme to increase the solar self-consumption levels for our vulnerable residents and/or those in fuel poverty. Following on from a special members vote at the AGM the community solar fund paid for the old fluorescent lighting in AgeUK Barnsley Queen's Road branch to be switched to LED lights, which has proved very popular due to the increased lumens for our senior residents who use the centre for day time meetings and events, the lower electricity bills and reduced carbon emissions.

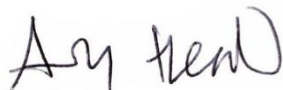
Cooking Matters was another recipient of the fund - an anti-poverty programme working with families going through an emotional or financial crisis and teaching them (children and carers) how to manage and survive on a low income and how to eat healthy. Cooking Matters had to pivot their grant activities by changing from their in person courses to online demonstrations, with cooking packs sent out in the post. More details on this will be covered in our social impact report.

Our second innovation project 'Project Breathe,' the domestic demand side response project in Wombwell, has proven the worth of remote diagnostics during lockdown, with optimisation of the heat pumps, through our in home smart devices, reducing tenants electricity bills, and for those who have moved to a time of use tariff, with the battery being remotely synced to the tariff, further reductions in their electricity bills.

Through this BEIS (Department for Business, Energy and Industrial Strategy) fund, we have recently been supported by ARUP, the engineering project management and consulting services for all the built environment, to provide input into a working model for homes which wish to remove gas boilers and replace with low carbon heating, water and generation initiatives.

We continue to work with other mutual energy societies and have acted as an introducer to community impact grants associated with Barnsley Council, as well as continuing to represent Community Energy England at the Energy Networks Association Distributed Energy Steering Group.

With best and safe wishes for the remainder of 2020,



Andy Heald
Director

Solar Performance and O&M Report

(Period: 01 Aug 2019 to 31 July 2020)

Residential – Generation (kWh's and O&M)

The generation performance of the residential portfolio was 3.65% higher compared to the previous 12 months. Three main factors contributed to this:

- The period spanning January 2020 through to May 2020, was significantly drier and brighter than usual, helping to offset a dull June in which sunlight levels were poor.
- Despite the COVID-19 lockdown, our O&M programme has kept ahead of the curve in addressing maintenance issues and keeping offline systems to a minimum. By keeping O&M issues under control prior to the pandemic lockdown, the portfolio has been able to capitalise on the favourable weather between January and May 2020.

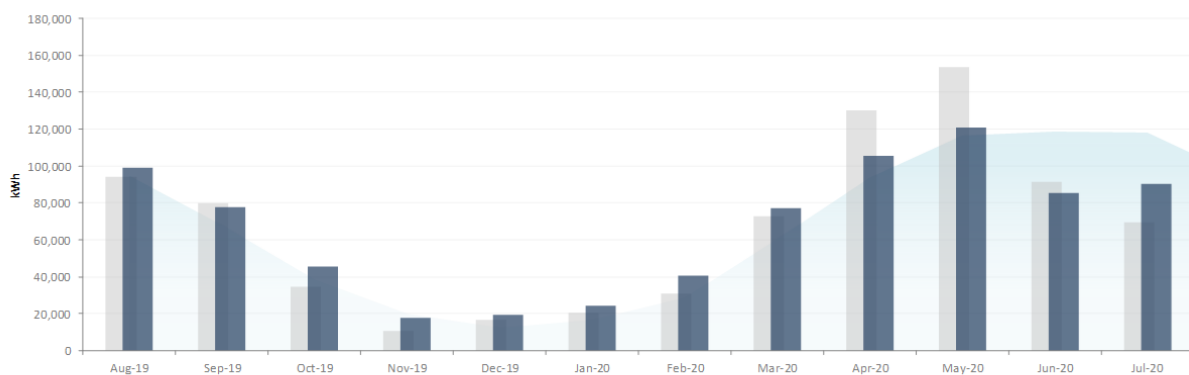
Over the 2020 summer we have had no systems requiring inverter replacements. However, as we expect inverter replacements to rise at this stage in the life of the portfolio, we have nonetheless increased the number of replacement inverters kept in reserve (as per our commitment at last year's AGM). This will allow us to sidestep any delays that might arise from ordering replacement inverters and return systems to an operational state in a much faster time.

We currently have 5 offline systems, which are being addressed as rapidly as possible, within the confines of COVID-19 restrictions and with due care exercised in respect of vulnerable persons.

Residential – Revenue

Revenue from the electricity rose by 6.24% relative to the previous 12 months. This is partly due to the feed in tariff indexation of 2.2%, which took effect from April 2020 – meaning that the income per unit of electricity generated was higher the previous year.

Residential – Summary Table					
Generation (kWhs)			Revenue (£) net of VAT		
Aug18-July19	775,879	+3.65%	Aug18-July19	116,541	+6.25%
Aug19-July20	804,203		Aug19-July20	123,826	



Commercial – Generation (kWh’s and O&M)

The generation performance of the commercial portfolio was 3.6% higher compared to the previous 12 months, owing mainly to the exceptionally bright January to May period in 2020. O&M issues have been kept to a minimum however, which has enabled the portfolio to make the most of the sunlight available.

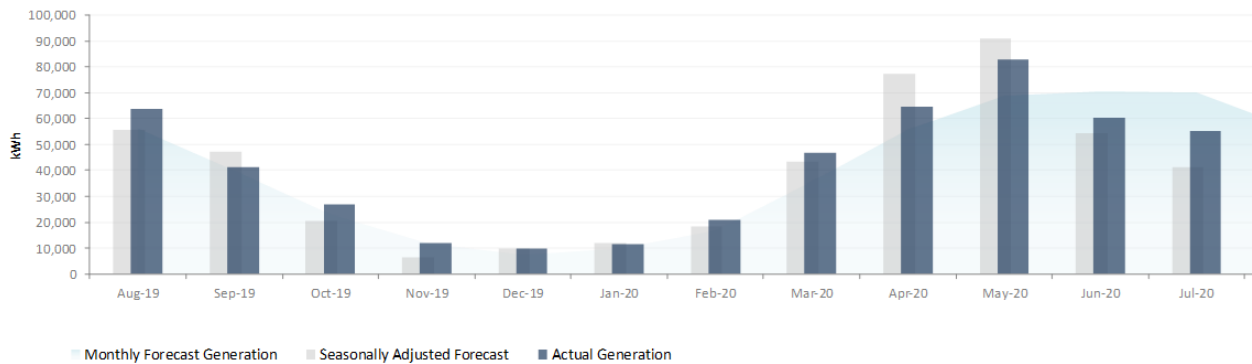
Commercial – Revenue

FIT Revenue from the commercial systems was 6.31% above the equivalent period last year. This lift correlates with a 2.2% rise in the feed in tariff indexation which took effect from April 2020.

PPA (power purchase agreement) revenue from the latest billing period (August 2019 to July 2020) came in at £8,091, substantially lower than the level forecast for that period in the portfolio model. This is attributable to a dramatic fall in onsite electricity consumption that occurred during the lockdown period.

Commercial – Summary Table					
Generation (kWhs)			Revenue (£) net of VAT		
Aug18-July19	479,442	+3.60%	Aug18-July19	57,805	+6.31%
Aug19-July20	496,725		Aug19-July20	61,453	

PPA Revenue (£)		
Modelled Level	14,674	PPA revenue is markedly lower than model forecasts due to a dramatic fall in on-site consumption associated with the COVID-19 lockdown measures.
July19-Aug20	8,091	



Overall Summary of Portfolio Revenue (July 19 to Aug 20)

Residential Income	£123,826
Commercial Income	£61,453
PPA Income	£8,091
TOTAL (July18 to Aug 19)	£193,370

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED (31-07-2020)

	Notes	£	£
Revenue	1	168,694	
Grant Income (Res Battery)		302,231	
Miscellaneous Income			
			470,925
Direct Costs	2	24,765	
Donations			
Asset Management Fees	3	11,003	
Grant Costs (Res Battery)		279,066	
			314,834
			156,091
Trading Surplus			156,091
<u>Overheads</u>			
Staffing			
Insurance		632	
Print/Post/Stationary			
Telephony & IT			
Travel & Entertaining		31	
Miscellaneous			
Accounting/Finance/Regulatory		2,077	
Legals			
Professional Fees			
Marketing/Website		80	
			153,272
EBITDA			153,272
Depreciation			50,657
EBIT			102,614
Interest			79,990
EBT			22,624
Taxation			0
PAT			22,624

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BALANCE SHEET FOR THE YEAR ENDED (31-07-2019)

	Notes	£	£
<u>Assets</u>			
Plant & Machinery		1,273,376	
Other		216,480	
<u>Current Assets</u>			
Trade Debtors		0	
Other Debtors	4	56,633	
Taxation			
Cash		324,081	
		<hr/>	
		380,715	
<u>Current Liabilities:</u>			
Trade Creditors	5	40,992	
Other Creditors		0	
Accruals	6	66,465	
Taxation		(755)	
		<hr/>	
		106,702	
Current Assets Less Current Liabilities			274,013
Total Assets Less Current Liabilities			<hr/>
			1,763,869
Long Term Liabilities			
Ignite			
Charity Bank		1,004,769	
Bond Capital		791,000	1,795,769
Net Assets			<hr/>
			(31,900)
<u>Capital & Reserves</u>			
Share Capital			11
Deferred Share Capital			0
Share Premium			0
Reserves			(54,534)
Profit & Loss Account			22,624
Shareholder Funds			<hr/>
			(31,899)
			<hr/>

FINANCIAL STATEMENTS

ENERGISE BARNESLEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED (31-07-2019)

Accounting Convention

The financial statements have been prepared under the historical convention and in accordance with the Financial Reporting Standard for Small Entities (effective April 2008)

1	Feed In Tariff Receipts from residential & commercial & PPA income
2	O&M fees + Inverter Replacement fund contributions
3	GCV Asset Management fees
4	Accrued Bond income (£100) Barnsley MBC July 19-20 (£8,091.33) Good Energy Q2 2020 (£48,442.05)
5	Sonnen Batteries
6	Inverter Replacement Fund (£24,000) Aug/July 20Bond Interest: £791,000 @ 5% (£39,550) Q2 GCV Fees (£2,750) David Rhodes Accounting (£165)