



Directors Report 2021/2022

Welcome to our sixth anniversary and AGM

A special welcome for those bondholders and members joining us for the first time.

The Directors propose to pay 4% interest on the first year of our Series II bond.

Whether it was fortune, or good planning, we were able to refinance our variable loan rate with Charity Bank in full (with no early redemption penalty) last December, swapping it for our projected 4% per annum 5 year Series II Solar bond, just prior to inflation and interest rates turning upwards.

With prudent asset management, and portfolio revenues linked to inflation, the Society's finances are in a favorable position.

This year, both in the residential and commercial solar portfolio's we have had more remedial works than usual, and additional spend on professional services; however the portfolio revenue has beaten our forecasted expectations.

In the residential portfolio our inverters have started to fail (just outside of the warranty period) and we are replacing them with a new inverter, which comes with a 10-year warranty. In the commercial portfolio we have replaced two inverters. We have also had instances of solar edge optimisers failing. These were the devices that enhanced panel performance and were not meant to fail.

As we do not have communication to the inverter portal (most often because of preventative firewall access at schools) it was difficult to track failure rates. We have replaced those optimisers, which have failed and introduce remote monitors in order to spot failures on the inverter portal.

Our 2021/22-community solar fund grant (£11,000) went to the Dodworth Miners Welfare Association. The Association provides a series of indoor and outdoor sporting facilities, used regularly by all ages of the community, especially as we returned to sports after COVID lockdowns.

The grant paid for a local contractor to replace all tungsten lights with LED lights to the astroturf area (16no 250W metal halide Astroturf lights to 8no 200W LED floods), bowling area (24no 250W/400W floodlights to 24no 150W/200W LED floods). car park area (1no 250W and 1no 70W changed to 50W/100W LED) and 8no swan neck sign lights to change to 8no 10W LED floods, and a series of wall mounted and bulkheads changed to LED or 12W bulkheads.

We are grateful for Eric Richardson from Dodworth Miners Association for presenting at our AGM detailing the financial and carbon savings from these measures.



Whether by luck or good timing again, these measures were estimated to save £900 per month, prior to the electricity price increases.

This year we have had great success working with AgeUK Barnsley, National Energy Action and Berneslai Homes delivering our Smart Solar project, grant funded through the Energy Redress Scheme. We have installed 75 smart batteries to homes with solar to increase tenant electricity bill savings, prevent excess spill to the grid, and continue with our work on decarbonizing social housing. With a successful MP visit, and very favorable comments from tenants, we look forward to the final project research report.

We also concluded our BEIS 3 year domestic demand side response project with Oxford Brookes University, Passiv Systems and Northern Powergrid in March.

One of the outcomes of the project is our Energise Barnsley financial model for decarbonising social housing. We are part of a South Yorkshire Combined Authority finance group exploring ways to finance social housing decarbonisation, so that tenants are not left behind in a 'just transition' to net zero.

Our 1000 homes solar PV project, which passed Barnsley Council Cabinet last September, and reached final heads of terms at Christmas, then got held up in a wide ranging review many local authorities are undertaking, with regard to their partnering relationships. Both the Society and BMBC wish to strengthen our relationship, and we have agreed to incorporate additional new policies including a governance statement, conflict of interest policy, and additional powers to the Custodian Trustee (subject to FCA approval). The directors are supportive of the measures and passed the motions at a quarterly board meeting. We are grateful to Peter Parker of Wrigleys Solicitors to give a background summary and context of the additional governance measures to the AGM.

We are also pleased to confirm that our £1 million grant application in the Innovation section of the Energy Redress Scheme for our 1000 homes solar model 'FIT for solar' was approved in the third quarter of 2022, with a two year project start date commencing in November 2022. At the same time, BMBC has confirmed, retained FiT incomes of £1 million for the 1000 homes project, to reflect the time it has taken to progress from conception to the point we are currently at. We expect to offer a Community Solar Bond in early 2023, which will be our largest to date. The benefits for 1000 tenanted homes, and carbon emissions saved across the borough, in addition to the innovative nature of the project, and the ability for it to be replicated nationally really excite our board, and council members. We look forward to giving you further good news early next year.

We would like to pay enormous thanks to Elaine Marsh, who stood down as a board member this year. Elaine has been an excellent tenant representative, and even represented Energise Barnsley on Australian radio and in the Financial Times. Elaine will be sorely missed and we wish her well. The Society has increased its' board membership with Robin Clark, Ade Babeyemi and Lee Winterbottom joining, with all three providing valuable input to the Society.



Our thanks also goes to Society Secretary Bethan Wynton and Generation Community Ventures, who have performed another excellent secretarial and asset management role in 2021/22.

Finally, given the change in the national monetary situation since last year, we are offering on a first come first served basis the opportunity for members to redeem their bonds after the AGM with the 4% interest payment. The Society has sufficient cash reserves to redeem some bonds, which will benefit the Society, if members wish to withdraw their bonds shortly after the AGM. The offer is capital repayment and one interest payment of 4%. Please contact Bethan Wynton or myself if this of interest .

Warm wishes for the festive season,

Kind regards,

Andy Heald



Solar Performance and O&M Report (Period: 01 Aug 2021 to 31 July 2022)

Residential – Generation & Weather Conditions

The generation performance of the residential portfolio was 4% higher than that seen during the previous 12 months. We can contribute that mostly to the high levels of irradiance from Jan – July 2022.

- The first half of this period (Aug – Dec 2021) had slightly less irradiance than we would typically expect, which meant that the overall generation was lower than forecast. However, that was then balanced out with 6 months of higher irradiance levels than usual (Jan – Jul 2022). Each month in this period had an average generation 18% higher compared to the year before.
- Due to ongoing issues with covid restrictions, gaining access to vulnerable people’s homes, and supply chain issues with solar equipment, there was a higher level of systems offline than we would usually expect to see in 2021. We have spent a lot of 2022 processing this backlog and getting many of the homes back online. In Spring 2022 we purchased several invertors, and were able to get access to homes of vulnerable people.
- Met Office datasets for the Midlands record 444.4 hours of sunshine between Aug-Dec 2021, which is slightly lower than the 30 year average of 518 hours. Then the records show 1,065.4 hours of sunshine between Jan – Jul 2022. This exceeds the regional 30-year mean (960.7).

Residential O&M

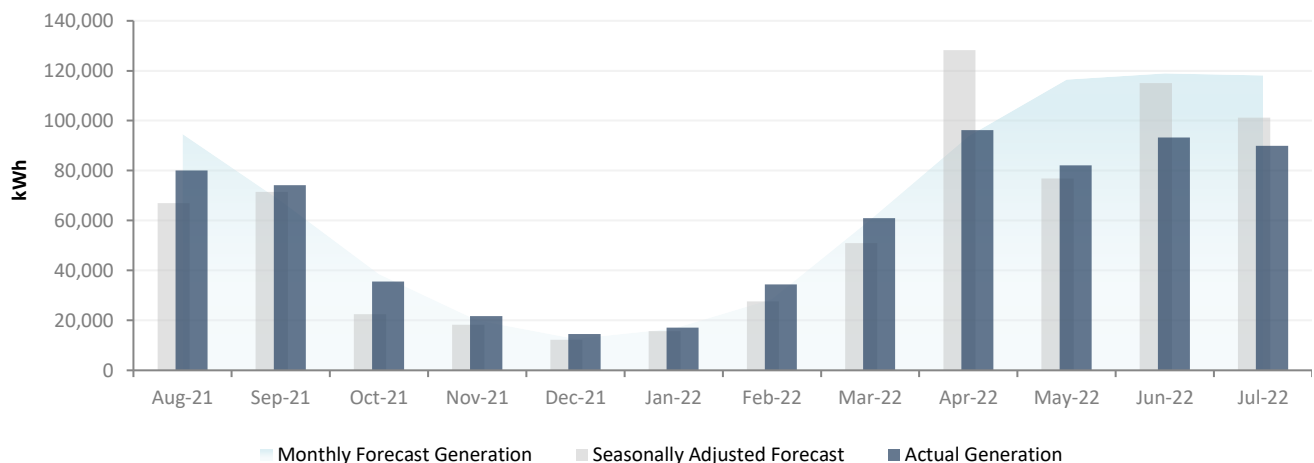
At various points during the previous year of reporting, pandemic lockdown restrictions limited our ability to carry out O&M visits, especially in cases where elderly or vulnerable residents were shielding. So Energise Barnsley has worked hard with Berneslai Homes to ‘catch up’ with O&M visits in the last 9 months. In total 12 systems have received inverter replacements which is in line with expectations at this stage in the life of the portfolio. We also continue to hold several replacement inverters in reserve (as per our commitment at the 2019 AGM). This allows us to replace equipment quickly and is proving especially important due to intermittent shortages in the supply of equipment post-Brexit and continuing covid restrictions abroad. We currently have 11 offline systems, which are being addressed as rapidly as possible by coordinating with Berneslai Homes.

Residential – Revenue

Feed-in Tariff revenue from the solar PV generated electricity increased by 13% relative to the previous 12 months. This is partly due to high irradiance levels in the first two quarters of 2022, and the 7.5% uplift provided by feed in tariff indexation which took effect from April 2022.

Residential – Summary Table

	Generation (kWhs)		Revenue (£) net of VAT	
Aug20-July21	700,060	+4.7%	Aug20-July21	109,697
Aug21-July22	732,879		Aug21-July22	124,129
				+13%





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

The generation performance of the commercial portfolio was 3.4% lower than the previous 12 months. The commercial installations are fitted with voltage optimisers which make them more adaptive to changing weather conditions. As a result, the reduction in output for the commercial sites has been less steep than might otherwise be the case. O&M issues have been kept to a minimum with no equipment failures – enabling the portfolio to make the most of the sunlight available.

In the commercial portfolio we have found that the SolarEdge optimisers have failed in some instances. However, as we do not have direct communications with the inverter (sometimes due to school internet firewall protection), it proved difficult to detect when the optimisers were failing. To remedy this we are looking to install remote routers with a roaming SIM card, so that we have access to the inverter communications in real time, and can efficiently send out remedial works where necessary.

Athersley South Primary School and Cherry Dale School were both underperforming for some of 2022. Both of these sites had invertors replaced at the end of summer 2022 and so are now performing as expected. Lacewood also had several O&M visits during the summer holidays as it needed minor repairs, which then highlighted the need for an inverter replacement. Being a large building this required scaffolding to be erected.

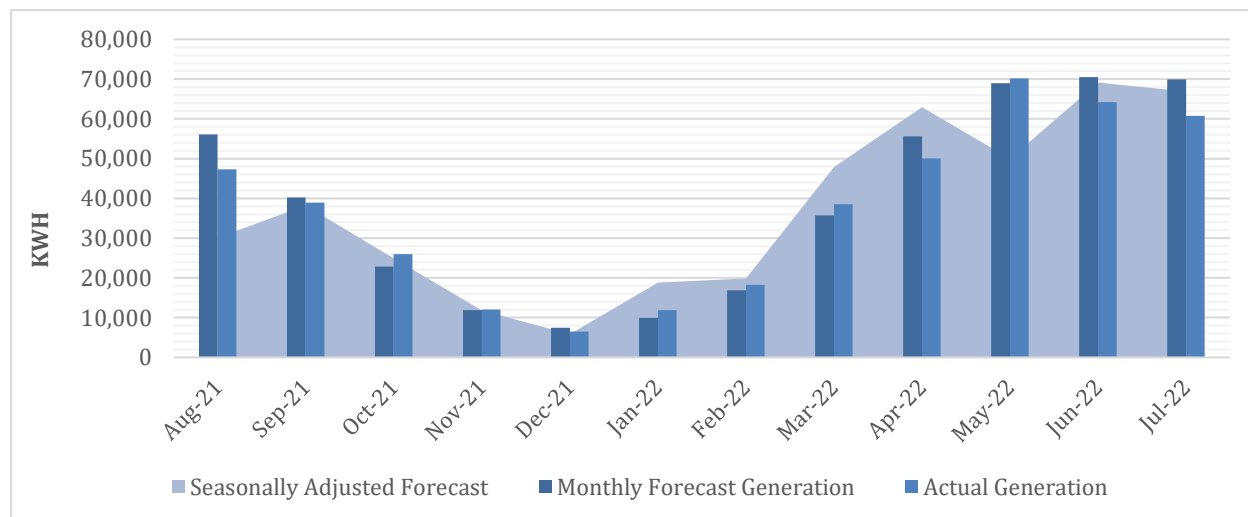
Commercial – Revenue

FIT Revenue from the commercial systems was 2.6% lower than equivalent period last year – cushioned by the 7.5% rise in feed-in tariff indexation which became effective from 01 April 2022.

PPA (power purchase agreement) revenue from the latest billing period (August 2021 to July 2022) came in at £65,197 which is substantially higher than the previous year, due to not being able to access the export meters for a couple of years on some sites.

Commercial – Summary Table

	Generation (kWhs)		Revenue (£) net of VAT		
Aug20-July21	459,861	-3.4%	Aug20-July21	57,811	-2.6%
Aug21-July22	444,614		Aug21-July22	56,293	



Overall Summary of Portfolio Revenue

	Previous Period	Current Period	Change vs Last Year
	Aug-20 to July-21	Aug-21 to July-22	
Residential Income	£109,697	£124,129	
Commercial Income	£57,811	£56,293	
PPA Income	£16,634	£24,942	
TOTAL	£184,142	£205,364	+12%



Independent accountant's report to the members on the unaudited accounts of Energise Barnsley Limited

We report on the financial statements of the company for the year ended 31 July 2022 on page 4-10.

This report is made solely to the members as a body. Our reporting work has been undertaken so that we might state to the members those matters we are required to state to them in an independent accountant's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the members as a body, for our work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF MANAGEMENT COMMITTEE AND THE INDEPENDENT ACCOUNTANT

The Management Committee is responsible for the preparation of the accounts, and they consider that an audit is not required for this year and that an independent accountant's report is needed. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF THE INDEPENDENT ACCOUNTANT'S OPINION

Our procedures consisted of comparing the accounts with the books of account kept by the society and making such limited enquiries of the officers of the society as we considered necessary for the purpose of this report. These procedures provide the only assurance expressed in our opinion.

INDEPENDENT ACCOUNTANT'S OPINION

In our opinion:

- (1) the accounts are in agreement with those accounting records kept by the company under the Co-operative and Community Benefit Societies Act 2014, s. 75;*
- (2) having regard only to, and on the basis of, the information contained in those accounting records, the accounts have been drawn up in a manner consistent with the accounting requirements of the applicable legislation; and*
- (3) the company satisfied the financial criteria enabling it to disapply the requirement to have an audit of the accounts for the year as specified in the Co-operative and Community Benefit Societies Act 2014, s. 84(1), as amended by the Co-operative and Community Benefit Societies Act 2014 (Amendments to Audit Requirements) Order 2018.*

*Thomas Quinn Chartered Accountants
15 Station Road, St Ives, Cambs, PE27 5BH*

Date: 01 November 2022



ENERGISE BARN斯LEY
Profit & Loss Account 31-7-2022

	£	£	
Revenue	194,157		BG/Good Energy/ Barnsley MPC/
Grant Income (Res Battery & Project BEIS)	235,673		
Miscellaneous Income			
		429,830	
O&M	58,909		Centrica/Passiv Inverter fund increase
Donations			
Asset Management Fees	11,477		GCV
Grant Costs (Res Battery & Project BEIS/Comm Fund)	251,756		Brooks Passiv Centrica GCV
		322,143	
Trading Surplus		107,688	
<u>Overheads</u>			
Staffing			
Insurance	1,278		
Print/Post/Stationary			
Telephony & IT	745		DR/Bank Chgs/TQ
Travel & Entertaining			
Miscellaneous			Wrigleys
Accounting/Finance/Regulatory	3,438		
Legals	16,511		GCV Model
Professional Fees	10,000		
Marketing/Website			
FX Diff	-	992	
EBITDA		76,708	
Depreciation and Amortisation		85,852	
EBIT		(9,144)	CB/Bond int
Interest		84,236	
EBT		(93,379)	
Taxation		0	
PAT		<u>(93,379)</u>	



ENERGISE BARNLSLEY
Balance Sheet 31-07-2022

	£	£
<u>Assets</u>		
Plant & Machinery	1,132,598	
Other	215,554	
<u>Current Assets</u>		
Stock	1,500	
Trade Debtors	33,914	
Other Debtors	80,916	
Taxation	7,365	
Cash	308,037	
	431,732	
<u>Current Liabilities:</u>		
Trade Creditors	17,137	
Other Creditors	0	
Accruals	121,333	
Taxation	138,471	
	138,471	
Current Assets Less Current Liabilities		293,262
Total Assets Less Current Liabilities		1,641,414
<u>Long Term Liabilities</u>		
Charity Bank		
Bond Capital	1,739,268	1,739,268
Net Assets		(97,854)
<u>Capital & Reserves</u>		
Share Capital		11
Deferred Share Capital		0
Share Premium		0
Reserves		(4,485)
Profit & Loss Account		(93,379)
Shareholder Funds		(97,853)



Energise Barnsley					
31st July 2022					
Balance Sheet Breakdown		Date	£		
Stock	3 Inverters @ 500		1,500.00		
Trade debtors					
	BG Q2 22		29,516.82	Paid August 22	
	BG Q1-3 21		4,397.00		
			33,913.82		
Other debtors					
			-		
Prepayments & Accrued Income					
	Barnsley MPC 22		10,000.00		
	BG FIT Jul 22		10,000.00		
	Good Energy July 22 - Estimate		15,000.00		
	Good Energy Q2 2022		45,916.00		
			80,916.00		
Trade creditors					
	Ardessa		272.39		
	Centrica		11,487.90		
	GCV		2,663.64		
	Wrigleys		2,713.20		
			17,137.13		
Sundry Creditors					
			-		
Accruals					
31/7/17	Inverter Replacement fund		35,648.54		
31/7/21	GCV Jul 21 Fees		948.87		
31/7/22	David Rhodes		165.00		
31/07/2022	O&M 22		15,000.00		
	Bond Int 2022 @4%		69,571.00		
			121,333.41		
Other creditors					
			-		
Director loans					
			-		
Deferred income					
			-		
Taxation	VAT		- 7,365.20		
			- 7,365.20		