

Registered number: 7242

Southill Community Energy Limited

Financial Statements

and

Group Financial Statements

for the year ended 30 September 2020

Southill Community Energy Limited

Legal and administrative details as at 30 September 2020

Status

A society registered with the Financial Conduct Authority under the Co-operative and Community Benefit Society Act 2014 on 16th November 2015.

Registered number: 7242

Registered Office

The Pump House
Coton Hill
Shrewsbury
SY1 2DP

Trading Address

Southill Solar Limited
Fawler Road
Charlbury
Chipping Norton
OX7 3EW

Directors

Timothy Crisp
Elizabeth Reason
Tom Johnstone
Richard Slark
Christopher Barras

Secretary

Jon Halle

Auditors

Third Sector Accountancy Limited
Holyoake House
Hanover Street
Manchester
M60 0AS

Bankers

Triodos Bank
Deanery Road
Bristol
BS1 5AS

Southill Community Energy Limited
Report of the directors
for the year ended 30 September 2020

The directors present their report and the accounts for the year ended 30 September 2020.

Principal activities

The Society's principal activity during the year was developing and operating a solar array via its wholly owned subsidiary, Southill Solar Ltd.

Statement of responsibilities of the society's directors

The Co-operative and Community Benefit Societies Act 2014 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the society as at the balance sheet date and of its income and expenditure for the year then ended. In preparing those 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 financial statements on the going concern basis unless it is inappropriate to presume that the co-operative will continue in business.

The directors are responsible for keeping proper books of account such as are necessary to give a true and fair view of the society's state of affairs and to explain its financial transactions. The directors must also establish and maintain a satisfactory system of control of its books of account, its cash holdings and all its receipts and remittances, and hence are responsible for safeguarding the assets and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the board of directors and signed on its behalf.

.....
Jon Halle
(Secretary)

Date

Southill Community Energy Limited
Group and Society Revenue Account
for the year ended 30 September 2020

		The group 2020 £	The group 2019 £	The society 2020 £	The society 2019 £
	Note				
Turnover	2	594,625	632,305	-	-
Expenditure	3	(322,794)	(328,943)	(49,828)	(49,836)
Finance charges		(190,138)	(195,637)	(28,500)	(29,522)
		<hr/>	<hr/>	<hr/>	<hr/>
Operating surplus/(deficit) and surplus/(deficit) before and after taxation		81,693	107,725	(78,328)	(79,358)
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Revenue Account includes all gains and losses in the period. All results derive from continuing activities.

Southhill Community Energy Limited
Society no. 7242

Group and Society Balance Sheets
as at 30 September 2020

	Note	The group 2020 £	The group 2019 £	The society 2020 £	The society 2019 £
Fixed assets					
Tangible assets	5	3,471,494	3,635,502	-	-
Investments	6	-	-	1	1
		3,471,494	3,635,502	1	1
Current assets					
Debtors	7	342,938	327,397	1,387,883	1,512,604
Cash at bank and in hand		474,004	352,215	917	2,523
		816,942	679,612	1,388,800	1,515,127
Creditors: amounts falling due in less than one year	8	(521,750)	(491,504)	(348,711)	(332,261)
Net current assets		295,192	188,108	1,040,089	1,182,866
Total assets less current liabilities		3,766,686	3,823,610	1,040,090	1,182,867
Creditors: amount falling due in more than one year	9	(2,732,256)	(2,806,424)	(350,000)	(350,000)
Net assets		1,034,430	1,017,186	690,090	832,867
Reserves					
Share capital	10	1,089,251	1,099,250	1,089,251	1,099,250
Revenue account		(54,821)	(82,064)	(399,161)	(266,383)
Members' funds		1,034,430	1,017,186	690,090	832,867

Approved by the board of directors and signed on their behalf by:

..... Director
Tom Johnstone

..... Secretary
Jon Halle

..... Director
Tim Crisp

..... Date

Southill Community Energy Limited
Group Statement of Changes in Equity
as at 30 September 2020

	Share capital	Revenue account	Total
	£	£	£
At end date 30/09/18 and start date 01/10/18	1,099,500	(156,812)	942,688
Surplus for the year	-	107,725	107,725
Members' share interest paid	-	(32,977)	(32,977)
Share capital redeemed	(250)	-	(250)
	<hr/>	<hr/>	<hr/>
At end date 30/09/19 and start date 01/10/19	1,099,250	(82,064)	1,017,186
Surplus for the year	-	81,693	81,693
Members' share interest paid	-	(54,450)	(54,450)
Share capital redeemed	(9,999)	-	(9,999)
	<hr/>	<hr/>	<hr/>
At end date 30/09/20	1,089,251	(54,821)	1,034,430
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Parent Society Statement of Changes in Equity
as at 30 September 2020

	Share capital	Revenue account	Total
	£	£	£
At end date 30/09/18 and start date 01/10/18	1,099,500	(154,048)	945,452
Surplus for the year	-	(79,358)	(79,358)
Members' share interest paid	-	(32,977)	(32,977)
Share capital redeemed	(250)	-	(250)
	<hr/>	<hr/>	<hr/>
At end date 30/09/19 and start date 01/10/19	1,099,250	(266,383)	832,867
Surplus for the year	-	(78,328)	(78,328)
Members' share interest paid	-	(54,450)	(54,450)
Share capital redeemed	(9,999)	-	(9,999)
	<hr/>	<hr/>	<hr/>
At end date 30/09/20	1,089,251	(399,161)	690,090
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Southill Community Energy Limited
Notes to the accounts
for the year ended 30 September 2020

1 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. They have been applied consistently during the year, and in the preceding year.

a General Information

Southill Community Energy Limited is a registered society incorporated in England within the United Kingdom. The address of the registered office is given in the information on page 1 of these financial statements.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) Section 1A and the Co-operative and Community Benefit Societies Act 2014.

The society has taken advantage of the provisions of section 1A of FRS 102, which provide disclosure exemptions for small entities.

Southill Community Energy Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The financial statements are presented in sterling which is the functional currency of the society, rounded to the nearest £. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b Group financial statements

These financial statements consolidate the results of the society and its wholly owned subsidiary Southill Solar Ltd on a line by line basis.

c Preparation of accounts on a going concern basis

The directors consider that there are no material uncertainties about the society's ability to continue as a going concern.

The directors have made no key judgments that have a significant effect on the accounts.

d Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Development costs relating to the solar array project have been capitalised including professional fees relating to the creation of the asset, in accordance with FRS102. Interest on development loans totalling £28,405 has also been capitalised.

The fixed assets are being depreciated over their useful economic life of 25 years on a straight line basis.

Southill Community Energy Limited
Notes to the accounts
for the year ended 30 September 2020 (continued)

e Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the revenue account in other administrative expenses.

f Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently they are measured at fair value through profit or loss if the shares are publicly traded or if their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

g Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised costs using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

h Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at the balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued decrease.

i Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as the result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

j Financial assets and liabilities

The society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

k Leases

Operating leases are leases in which the title to the assets, and the risks and rewards of ownership, remain with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

Southill Community Energy Limited
Notes to the accounts
for the year ended 30 September 2020 (continued)

I Taxation

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

2 Income	The group 2020 £	The group 2019 £	The society 2020 £	The society 2019 £
Sale of electricity	272,800	325,608	-	-
Renewable Obligation Certificates	310,523	298,988	-	-
Other income	11,302	7,709	-	-
	<u>594,625</u>	<u>632,305</u>	<u>-</u>	<u>-</u>

3 Operating surplus is stated after charging:

This is stated after charging/(crediting) the following:

	The group 2020 £	The group 2019 £	The society 2020 £	The society 2019 £
Auditor's remuneration	3,000	2,600	3,000	2,600
Depreciation: owned assets	164,008	164,008	-	-
Costs of finance	190,138	195,637	28,500	29,522
	<u>£ 3,000</u>	<u>£ 2,600</u>	<u>£ 3,000</u>	<u>£ 2,600</u>
Auditor's remuneration comprised:				
Audit	2,400	2,200	2,400	2,200
Accountancy	600	400	600	400
	<u>£ 3,000</u>	<u>£ 2,600</u>	<u>£ 3,000</u>	<u>£ 2,600</u>

The average number of employees during the year was nil (2019: nil).

Southill Community Energy Limited

Notes to the accounts for the year ended 30 September 2020 (continued)

4 Corporation tax

	The group 2020 £	The group 2019 £	The society 2020 £	The society 2019 £
UK corporation tax	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

No tax was payable due to group relief and capital allowance claims.

5 Fixed assets: tangible assets

	The group 2020	The group 2019	The society 2020	The society 2019
Cost				
Brought forward	4,101,886	4,127,306	-	-
Cost adjustment	-	(25,420)	-	-
At 30 September 2020	<u>4,101,886</u>	<u>4,101,886</u>	<u>-</u>	<u>-</u>
Depreciation				
Brought forward	466,384	302,376	-	-
Charge for the year	164,008	164,008	-	-
At 30 September 2020	<u>630,392</u>	<u>466,384</u>	<u>-</u>	<u>-</u>
Net book value				
At 30 September 2020	<u>3,471,494</u>	<u>3,635,502</u>	<u>-</u>	<u>-</u>
At 30 September 2019	<u>3,635,502</u>	<u>3,824,930</u>	<u>-</u>	<u>-</u>

The society owns no fixed assets - all are held by the subsidiary company.

6 Fixed asset investments

The society is the sole subscribing member in its wholly owned subsidiary company, Southill Solar Limited (company number 10225108, incorporated in England & Wales) which was registered on 10th June 2016. The subsidiary is a company limited by shares, and the parent society owns the only share.

The society loaned £1,387,583 (2019: £1,512,579) to its subsidiary. There is no agreed term, interest rate, or security for this loan.

Southill Community Energy Limited
Notes to the accounts
for the year ended 30 September 2020 (continued)

7 Debtors

	The group 2020 £	The group 2019 £	The society 2020 £	The society 2019 £
Trade debtors	143,708	112,264	-	-
Amount owed by group undertaking	-	-	1,387,583	1,512,579
Prepayments and accrued income	199,230	215,133	300	25
	<u>342,938</u>	<u>327,397</u>	<u>1,387,883</u>	<u>1,512,604</u>

8 Creditors: amounts falling due in less than one year

	The group 2020 £	The group 2019 £	The society 2020 £	The society 2019 £
Accruals	155,767	134,216	99,779	88,329
Taxation	46,565	54,197	599	599
Other creditors	-	5,700	-	-
Bank loans	71,085	54,058	-	-
Other loans	248,333	243,333	248,333	243,333
	<u>521,750</u>	<u>491,504</u>	<u>348,711</u>	<u>332,261</u>

9 Creditors: amounts falling due after more than one year

	The group 2020	The group 2019	The society 2020	The society 2019
Bank loans	1,882,256	1,956,424	-	-
Bonds	350,000	350,000	350,000	350,000
Other loans	500,000	500,000	-	-
	<u>2,732,256</u>	<u>2,806,424</u>	<u>350,000</u>	<u>350,000</u>

The bank loans are secured on the assets of the subsidiary company. The total of bank loans payable after five years is £nil. On 31 December 2023 the bank loans must be repaid and the total payable on that date is £1,740,972.

The bonds are unsecured and are due for repayment in June 2023.

In November 2020, the bank loans were repaid in full and the group took out a new loan with West Oxfordshire District Council. This loan is repayable in instalments over 15 years.

Southill Community Energy Limited
Notes to the accounts
for the year ended 30 September 2020 (continued)

10 Share capital

	The group 2020 £	The group 2019 £	The society 2020 £	The society 2019 £
Brought forward	1,099,250	1,099,500	1,099,250	1,099,500
Issued	-	-	-	-
Cancelled	(9,999)	(250)	(9,999)	(250)
	<hr/>	<hr/>	<hr/>	<hr/>
Carried forward	1,089,251	1,099,250	1,089,251	1,099,250
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

11 Related party transactions

Sustainable Charlbury

Timothy Crisp and Elizabeth Reason are trustees of Sustainable Charlbury (charity number 1177404). During the year Southill Solar Limited donated £45,000 (2019: £45,000) to Sustainable Charlbury.

12 Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	The group 2020 £	The group 2019 £	The society 2020 £	The society 2019 £
Less than 1 year	22,344	22,344	-	-
One to five years	89,376	89,377	-	-
Over five years	379,847	402,196	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	491,567	513,917	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

13 Post balance sheet event

In November 2020, the bank loans owed by Southill Solar Limited to Close Leasing Limited were repaid in full and the group took out a new loan with West Oxfordshire District Council. This loan is repayable in equal instalments over 15 years.

The effect of this on the accounts is that the balloon payment of £1.7m which was due on 31 December 2023 will be spread over future years and the loan will now only be finally repaid in 2035. This re-financing had always been part of the business plan and has been completed two years earlier than originally anticipated.

In addition, loan fees that were paid up front to Close Leasing Limited have been carried forward to be amortised over the period of the loan, as required by accounting standards. As the loan is being repaid early, the full remaining amount of these fees will be released to the revenue account in the year ended 30 September 2021. This will mean an extra cost in the revenue account in that year of £82k.

Southhill Community Energy Limited
Detailed Revenue Account
for the year ended 30 September 2020

	The group 2020	The group 2019	The society 2020	The society 2019
Turnover	£	£	£	£
Sales:Embedded Benefits	46,099	43,826	-	-
Sales:Exported to the grid	226,701	281,782	-	-
Sales:REGOS	4,714	4,020	-	-
Sales:ROCS	305,809	294,968	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	583,323	624,596	-	-
Other income				
Grant income	2,500	-	-	-
Other income	7,687	6,294	-	-
Investment income	1,115	1,415	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	11,302	7,709	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total income	594,625	632,305	-	-
Administrative expenses				
Operation and management	42,556	44,087	-	-
Administration Services	20,385	20,229	-	-
Advertising and Promotion	-	-	-	-
Audit fee	2,400	2,200	2,400	2,200
Bank Service Charges	5,613	6,055	53	23
Directors' expenses	-	(452)	-	-
Directors' remuneration	2,000	2,000	2,000	2,000
Dues and Subscriptions	634	369	375	75
Import electricity	4,038	4,014	-	-
Insurance Expense	5,136	4,752	-	290
Land management	-	6,325	-	-
Legal fees	500	-	-	-
Marketing	-	911	-	-
Metering	120	120	-	-
Miscellaneous Expense	-	-	-	-
Professional Fees	2,619	6,636	-	-
Regulatory fees	-	248	-	248
Rent and Rates	22,344	21,769	-	-
Repairs and Maintenance	5,409	112	-	-
Travel and meeting costs	32	60	-	-
Donations	45,000	45,500	45,000	45,000
Beekeeping	-	-	-	-
Depreciation	164,008	164,008	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	322,794	328,943	49,828	49,836
Finance charges	190,138	195,637	28,500	29,522
	<hr/>	<hr/>	<hr/>	<hr/>
Net surplus/(deficit)	£ 81,693	£ 107,725	£ (78,328)	£ (79,358)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>