

Registered number  
007152R

Sustainable Energy 24 Limited  
Report and Unaudited Accounts  
31 December 2019

## **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 2019.

**Principal activities**

Sustainable Energy 24 Ltd (SE24) was incorporated as a Community Benefit Society (CBS) on 29 June 2015. Our 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 local fuel poverty.

**Background and activities during the year**

Our fourth full year of operation saw consolidation of operations at St Christopher's Hospice in Sydenham SE23 (with 2\*30kW systems), at Dulwich College SE21 (with 4\*30kW systems) and at Herne Hill Methodist Church Hall and Herne Hill United Church, both in SE24 (each with some 10 kW). In July 2019, a new 25kW facility was commissioned and started producing electricity at Walworth Methodist Church (WMC) in Camberwell. This brings the total SE24 portfolio to 225kW.

The new WMC facility contributed to increasing our total income, which rose from £18,543 in the year ending December 2018 to £51,787 in this current year. This figure however includes one-off grants from London Community Energy Fund (LCEF) and British Airways Carbon Fund used to support delivery of the WMC project. If these grants are deducted the remaining generation income from the 5 sites at £26,600 exceeded the £25,000 projected in our 16 June 2017 Share Offer.

As reported in our 2018 accounts we were supported by our partners at St Christopher's Hospice and Dulwich College with loans that helped fund the initial design and development costs at those sites. As also reported, we experienced considerable project delivery delays and expenses that increased total capital expenditure beyond our original projections. We reviewed the position with our partners explaining the challenges we faced and asking whether in the circumstances the loans might be recognised as partner contributions to capital costs rather than repayment obligations. We are pleased to confirm that both St Christopher's Hospice and Dulwich College have generously agreed to this proposal, which has been reflected in the accounts.

Another challenge that has become clearer during the year is lower than expected generation performance of the solar PV systems. We knew that a gradual reduction in generation performance is likely over the life of the systems, but the reductions have been bigger than expected. We are looking into the reasons for this, but a significant contributory factor is system availability in that it is taking longer to detect faults and breakdowns and carry out repairs. New parts, such as replacement inverters, are taking longer than expected to order, and getting timely access to sites to carry out the work can also create additional delays.

Improving the availability of our solar PV systems will be a focus in the coming year. Central to this will be procuring a new operations and maintenance contractor which we hope will streamline our asset management arrangements and reduce system downtime.

**Sustainable Energy 24 Limited**  
**Registered number: 007152R**  
**Directors' Report**

During the year, two of our larger shareholders requested to withdraw their investments. We are pleased to say that after consulting our other investors, at our June AGM, we successfully achieved this and paid out the remaining capital value of the shares (£31,030.50). The withdrawal was funded by a combination of new and existing investors buying some of the shares (£23,720) and a contribution from reserves (£7,310).

The result is that our outstanding shareholder capital fell during the year by more than that expected to £203,477. This has the benefit of reducing shareholder capital liability and that it will mean lower pay-out requirements in the years ahead.

**Cashflow in 2019 accounts**

We paid out to First Share Offer investors (thus their second payment) a sum of £3,270 comprising an interest payment of £1,718 and a capital repayment of £1,552. Second Share Offer investors were paid their first payment of £14,174 comprising an interest payment of £7,705 and a capital repayment of £6,469. So our total pay-out to shareholders (effected in September) was £17,384. These payments were exactly in line with the 4% return prospectus laid out in our Share Offer prospectus.

As mentioned above, after deducting the one-off LCEF and the BA Carbon Fund contributions, our 2019 income was £26,600. In a full year across all 5 sites we would expect that income to grow to over that figure per year provided we retain/improve upon current system availability.

We will issue statements as to the proportion of payments that are interest as opposed to a repayment of capital invested to facilitate tax returns.

**Community Fund**

In the early spring of 2019, we ran a pilot home insulation scheme for 4 low-income households on the Kingswood estate in Southwark. The project delivered significant cost benefits and an improved environment for all the households and was well received.

Our review of the project agreed that overall we had expended a disproportionate amount of time developing the project in relation to the outcomes. We also agreed that it was unlikely that we could streamline the process significantly.

Over the summer we looked at alternative ways of utilising the community fund that ranged from local tree planting to investing in international renewable energy projects. Having explored the alternatives, we agreed we should identify an established organisation in the field of energy advice and relief of fuel poverty and seek to support their work.

In December we began discussions with Repowering and have now agreed to support their energy advice work in the Loughborough and Angell Town estates in Brixton. Repowering offers expert advice and guidance on energy saving measures in these communities. The Covid 19 crisis has made this work even more critical with so many households out of work and consuming even more power while they are stuck at home. With our support they can offer advice to more than 400 households and provide in depth support to at least 17 households which will save them a projected aggregate amount of £3400 per annum.

This support includes a very generous donation from one of our investors who has developed a large solar farm in East Sussex and provided £2,800 of the generation income to support SE24's work to educate on energy efficiency and combat fuel poverty.

## **Sustainable Energy 24 Limited**

**Registered number: 007152R**

### **Directors' Report**

#### **Forward look to 2020-21**

We have moved into profit after our start up years. This was expected and provides evidence that we are a going concern and able to fund operations and meet/manage shareholder and creditor expectations. We aimed to make payments this coming September 2020, but this will depend on asset availability performance and on-site consumption demand at our sites. Regarding the latter, the ongoing Covid-19 lockdown has meant that the church and school sites have been closed resulting in demand reductions that will inevitably reduce those elements of SE24's income. FIT generation income across the sites will however be unaffected and St. Christopher's Hospice has remained open.

So our next steps are

1. establish improved asset management regime to protect and assure the performance of our assets principally through tendering a new operations and maintenance contractor
2. determine what we should be doing with our growing funds to address our Community Fund objectives;
3. take what steps we can to add project development opportunities.

#### **Directors**

The following persons served as directors during the year:

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

At the July 2019 AGM, the following 3 new Directors were appointed to strengthen our SE24 Board:

1. Laura Wilson an expert in Community Energy and an advisor at Pure Leapfrog an expert financing agency;
2. Paul Hallas, senior energy advisor and a previous Director of various businesses in Centrica;
3. Colin Crooks, founder of Tree Shepherd and a Community Engagement specialist and enthusiast.

#### **Financial review**

The Society's income for the period was £51,787 (2018: £18,543). At the end of the period there was a net profit of £21,323 (2018: loss of £13,303) after dividend on Community Share Capital of £9,423 (2018: £1,778). The Society's additional capital spend for installing solar panels at new Walworth Methodist Church site in 2019 was £25,144 which was funded by a capital grant from BA Carbon Fund and a contribution from reserves.

This report was approved by the board on 30 June 2020 and signed on its behalf.

*Alan Jones*

Alan Jones (Jun 24, 2020 09:10 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 2019**

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 2019 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, as a body, in accordance with the terms of our letter of engagement dated 23 May 2018. 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

Shruti Soni (Jun 25, 2020 10:28 GMT+1)

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

/06/2020

Jun 25, 2020

**Sustainable Energy 24 Limited**  
**Profit and Loss Account**  
**for the year ended 31 December 2019**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>	51,787	18,543
Administrative expenses	(21,041)	(30,074)
<b>Operating (loss)/profit</b>	<u>30,746</u>	<u>(11,531)</u>
<b>(Loss)/profit before taxation</b>	<u>30,746</u>	<u>(11,531)</u>
Tax on (loss)/profit	-	-
<b>(Loss)/profit for the financial year</b>	<u><u>30,746</u></u>	<u><u>(11,531)</u></u>



**Sustainable Energy 24 Limited**  
**Registered number:** 007152R  
**Balance Sheet**  
**as at 31 December 2019**

	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	2	203,030	188,568
<b>Current assets</b>			
Debtors	3	674	1,128
Cash at bank and in hand		<u>11,059</u>	<u>14,405</u>
		11,733	15,533
<b>Creditors: amounts falling due within one year</b>			
	4	(4,845)	(17,880)
<b>Net current assets</b>			
		<u>6,888</u>	<u>(2,347)</u>
<b>Total assets less current liabilities</b>			
		<u>209,918</u>	<u>186,221</u>
<b>Creditors: amounts falling due after more than one year</b>			
	5	(17,705)	-
<b>Net (liabilities)/assets</b>			
		<u>192,213</u>	<u>186,221</u>
<b>Capital and reserves</b>			
Called up share capital		203,477	218,808
Profit and loss account		(11,264)	(32,587)
<b>Shareholders' funds</b>			
		<u>192,213</u>	<u>186,221</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*  
Alan Jones (Jun 24, 2020 09:10 GMT+1)

Alan Jones  
 Director

Approved by the board on 30 June 2020

*Mark V Hughes*  
Mark V Hughes (Jun 25, 2020 21:54 GMT+1)

Mark Hughes

*Jim Belben*  
Jim Belben (Jun 25, 2020 09:15 GMT+1)

Jim Belben

**Sustainable Energy 24 Limited**  
**Statement of Changes in Equity**  
**for the year ended 31 December 2019**

	Share capital	Share premium	Re- valuation reserve	Profit and loss account	Total
	£	£	£	£	£
<b>At 1 January 2018</b>	245,300	-	-	(19,278)	226,022
Loss for the financial year				(11,531)	(11,531)
Dividend on Community Share Capital Shares redeemed	(26,492)			(1,778)	(26,492)
<b>At 31 December 2018</b>	<u>218,808</u>	<u>-</u>	<u>-</u>	<u>(32,587)</u>	<u>186,221</u>
<b>At 1 January 2019</b>	218,808	-	-	(32,587)	186,221
Profit for the financial year				30,746	30,746
Dividend on Community Share Capital Shares issued	23,720	-		(9,423)	23,720
Shares redeemed	(39,051)				(39,051)
<b>At 31 December 2019</b>	<u>203,477</u>	<u>-</u>	<u>-</u>	<u>(11,264)</u>	<u>192,213</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 2019**

**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

**Sustainable Energy 24 Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2019**

***Going Concern***

At the year end the Society had net assets of £192,213 (2018: net assets £186,221). During the year it made a profit before provision for dividend on Community Share Capital of £30,746 (2018: £11,531 loss). After providing dividend on Community Shares of £9,423 (2018: £1,778) the profit and loss account stood overdrawn as at the year end at £11,264 (2018: £32,587). 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**

	<b>Plant and machinery etc £</b>
<b>Cost</b>	
At 1 January 2019	201,061
Additions	25,144
At 31 December 2019	<u>226,205</u>
<b>Depreciation</b>	
At 1 January 2019	12,493
Charge for the year	10,682
At 31 December 2019	<u>23,175</u>
<b>Net book value</b>	
At 31 December 2019	<u>203,030</u>
At 31 December 2018	<u>188,568</u>

**Sustainable Energy 24 Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2019**

<b>3 Debtors</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Other debtors	674	1,128
	<u>674</u>	<u>1,128</u>
<b>4 Creditors: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	314	-
Taxation and social security costs	1,823	-
Other creditors	2,708	17,880
	<u>4,845</u>	<u>17,880</u>
<b>5 Creditors: amounts falling due after one year</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Other creditors	17,705	-
	<u>17,705</u>	<u>-</u>

Other creditors comprise of deferred capital grants. Grants received towards solar panel installation are amortised (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 2019**

*This schedule does not form part of the statutory accounts*

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Sales</b>	51,787	18,543
Administrative expenses	(21,041)	(30,074)
<b>Operating (loss)/profit</b>	<u>30,746</u>	<u>(11,531)</u>
<b>(Loss)/profit before taxation</b>	<u>30,746</u>	<u>(11,531)</u>

**Sustainable Energy 24 Limited**  
**Detailed profit and loss account**  
**for the year ended 31 December 2019**

*This schedule does not form part of the statutory accounts*

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Sales</b>		
Sales	<u>51,787</u>	<u>18,543</u>
General administrative expenses:		
Insurance	850	929
Depreciation	10,682	10,053
Sundry expenses	<u>697</u>	<u>4,574</u>
	<u>12,229</u>	<u>15,556</u>
Legal and professional costs:		
Accountancy fees	843	1,022
Other legal and professional	<u>7,969</u>	<u>13,496</u>
	<u>8,812</u>	<u>14,518</u>
	<u>21,041</u>	<u>30,074</u>












# SE24 Accounts 2019 V9

Final Audit Report


2020-06-25

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