

Registered number  
007152R

Sustainable Energy 24 Limited  
Report and Unaudited Accounts  
31 December 2020

## **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 2020.

#### **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 fifth 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) and the new (July 2019 commissioned) 25kW facility at Walworth Methodist Church (WMC) in Camberwell bringing a full years operation of this 225kW portfolio.

Despite this full year's operation of the total portfolio, generation income fell during the year to £24,454 (some 8% below the 2019 figure) as a consequence of further system availability issues at several sites and the adverse effect of COVID on on-site demand as several of our sites at schools and churches were essentially closed. At the same time, in 2019 we had reduced our cash balances at the bank to help fund shareholder withdrawals and partly fund the new WRMC facility. This £24,454 income figure is probably some £3,500 lower than expected given the £26,600 generation income in 2019 and the full year operation of the WRMC facility

We reported in our 2019 accounts that there had been reduced system availability and generation performance 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. This continued and worsened in 2020 with further restrictions on site access, supply chain concerns on replacement parts including inverters and poor maintenance performances.

The COVID impact was felt particularly on our school and church sites with declines in on-site consumption which represents a significant proportion of our income being much more profitable than payments for exports.

In the 2019 accounts, we mentioned that improving the availability of our solar PV systems will be a focus and that 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. We held a competitive tender at the end of which we appointed as from 1st September 2020 a new Operations and Maintenance provider, Joju Solar Ltd who have started the process of taking over responsibilities for the sites and installing some bespoke metering and monitoring systems designed to improve monitoring and fault analyses and diagnoses and with it improved system availability.

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

Adding to our Community Benefit projects was another intention for 2020 and we kicked off a new process of support to families in fuel poverty through our Community Energy cousins Re-powering where we provided £5,000 to help them reach and advise vulnerable energy consumers. This accounted for a good deal of incremental expenditure in 2020 (at £26,653 compared to £21,041 in 2019).

At the same time, in 2019 we had reduced our cash balances at the bank to help fund shareholder withdrawals and partly fund the new WRMC facility. Both at the time well-intentioned and we retain the benefit of lower pay-out requirements in coming years.

The implications of these several events and uncertainties as we alerted our shareholders to during the course of the year, were that the Directors recommended to our Shareholders that we should halve our expected shareholder payments due around September 2020 and protect our cash balances to manage any risks and at least maintain our current prudent level of cash reserves which is £10,000. In the event that our cash flows recover and we get back on track with our generation income we may pay back the held back half of expected shareholder payments. This will be kept under review.

**Cashflow in 2020 accounts**

We paid out to First Share Offer investors (thus their third payment) a sum of £1,662.20 comprising an interest payment of £20.6 and a capital repayment of £1,641.60. Second Share Offer investors were paid their second payment of £6,790.60 comprising an interest payment of £343.60 and a capital repayment of £6,447. So our total pay-out to shareholders (effected in October) was £8,452.80. We have now issued 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 December 2019 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. As reported above we have supported Repowering with grants of £5,000 in 2020.

Sustainable Energy 24 Limited  
Registered number: 007152R  
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

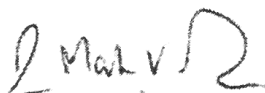
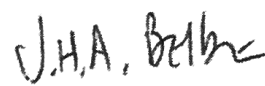
**Financial review**

The Society's income for the period was £34,972 (2019: £51,787). At the end of the period there was a net profit of £7,957 (2019: 21,323) after dividend on Community Share Capital of £362 (2019: £9,423).

This report was approved by the board on 28 June 2021 and signed on its behalf



Alan Jones  
Director

  
Mark Hughes  
Director  
Directors

## **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 2020**

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 2020 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 Limited  
Chartered Certified Accountants  
117A St Johns Road  
Sevenoaks  
Kent  
TN13 3PE

29/6/2021

**Sustainable Energy 24 Limited**  
**Profit and Loss Account**  
**for the year ended 31 December 2020**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>	34,972	51,787
Administrative expenses	(26,653)	(21,041)
<b>Operating (loss)/profit</b>	<u>8,319</u>	<u>30,746</u>
<b>(Loss)/profit before taxation</b>	<u>8,319</u>	<u>30,746</u>
Tax on (loss)/profit	-	-
<b>(Loss)/profit for the financial year</b>	<u>8,319</u>	<u>30,746</u>



**Sustainable Energy 24 Limited**

**Registered number:**

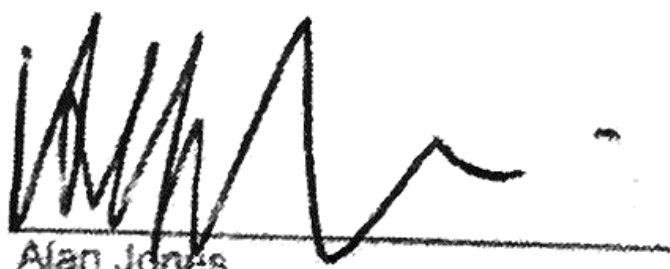
007152R

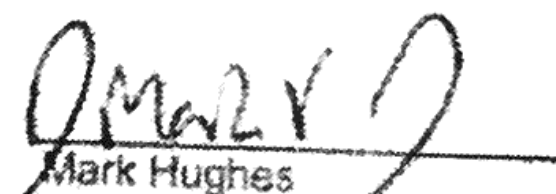
**Balance Sheet**

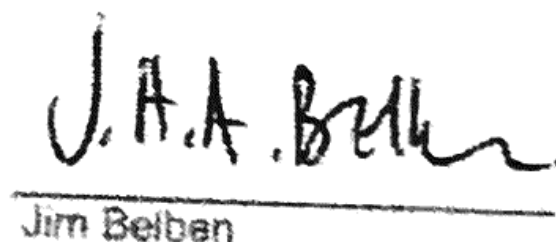
**as at 31 December 2020**

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	2	191,721	203,030
<b>Current assets</b>			
Debtors	3	1,640	674
Cash at bank and in hand		17,414	11,059
		19,054	11,733
<b>Creditors: amounts falling due within one year</b>	4	(1,908)	(4,845)
<b>Net current assets</b>		17,146	6,888
<b>Total assets less current liabilities</b>		208,867	209,918
<b>Creditors: amounts falling due after more than one year</b>	5	(16,721)	(17,705)
<b>Net (liabilities)/assets</b>		<u>192,146</u>	<u>192,213</u>
<b>Capital and reserves</b>			
Called up share capital		195,453	203,477
Profit and loss account		(3,307)	(11,264)
<b>Shareholders' funds</b>		<u>192,146</u>	<u>192,213</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  
Director

  
Mark Hughes

  
Jim Belben

Approved by the board on 28 June 2021

**Sustainable Energy 24 Limited**  
**Statement of Changes in Equity**  
**for the year ended 31 December 2020**

	Share capital	Share premium	Re- valuation reserve	Profit and loss account	Total
	£	£	£	£	£
At 1 January 2019	218,808	-	-	(32,587)	186,221
Loss for the financial year				30,746	30,746
Dividend on Community Share Capital				(9,423)	(9,423)
Shares issued	23,720	-			23,720
Shares redeemed	(39,051)				(39,051)
At 31 December 2019	203,477	-	-	(11,264)	192,213
At 1 January 2020	203,477	-	-	(11,264)	192,213
Profit for the financial year				8,319	8,319
Dividend on Community Share Capital				(362)	(362)
Shares redeemed	(8,024)				(8,024)
At 31 December 2020	195,453	-	-	(3,307)	192,146

**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 futher 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 2020**

**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 2020**

**Going Concern**

At the year end the Society had net assets of £192,146 (2019: net assets £192,213). During the year it made a profit before provision for dividend on Community Share Capital of £8,319 (2019: £30,746). After providing dividend on Community Shares of £362 (2019: £9,423) the profit and loss account stood overdrawn as at the year end at £3,307 (2019: £11,264). 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 2020	226,205
At 31 December 2020	<u>226,205</u>
<b>Depreciation</b>	
At 1 January 2020	23,175
Charge for the year	11,309
At 31 December 2020	<u>34,484</u>
<b>Net book value</b>	
At 31 December 2020	<u>191,721</u>
At 31 December 2019	<u>203,030</u>

**Sustainable Energy 24 Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2020**

<b>3 Debtors</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other debtors	<u>1,640</u>	<u>674</u>
<b>4 Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	-	314
Taxation and social security costs	-	1,823
Other creditors	<u>1,908</u>	<u>2,708</u>
	<u>1,908</u>	<u>4,845</u>
<b>5 Creditors: amounts falling due after one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other creditors	<u>16,721</u>	<u>17,705</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 2020**  
*This schedule does not form part of the statutory accounts*

	2020 £	2019 £
<b>Sales</b>	34,972	51,787
Administrative expenses	(26,653)	(21,041)
<b>Operating (loss)/profit</b>	<u>8,319</u>	<u>30,746</u>
<b>(Loss)/profit before taxation</b>	<u>8,319</u>	<u>30,746</u>

**Sustainable Energy 24 Limited**  
**Detailed profit and loss account**  
**for the year ended 31 December 2020**  
*This schedule does not form part of the statutory accounts*

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Sales</b>		
Sales	<u>34,972</u>	<u>51,787</u>
<b>General administrative expenses:</b>		
Insurance	851	850
Depreciation	11,310	10,682
Sundry expenses	122	697
	<u>12,283</u>	<u>12,229</u>
<b>Legal and professional costs:</b>		
Accountancy fees	888	843
Other legal and professional	13,482	7,969
	<u>14,370</u>	<u>8,812</u>
	<u>26,653</u>	<u>21,041</u>