



Plymouth Energy Community Limited
Annual report for the year ending
June 2015

Chairman's Statement, Tim Sydenham



General Summary:

This report summarises Plymouth Energy Community (PEC)'s evolution and triumphs during our second year of business. On behalf of our Board and team, I am honoured as Chairman of such a dynamic and highly achieving community organisation to present this report to you, our members and supporting organisations.

Reflecting on the year behind us, I appreciate just how much our Community Benefit Society has managed to achieve. If last year was about planting the seeds, this year has been about digging deeper and stronger roots. The development of the holistic nature of our core services, with particular spotlight on our volunteer Energy Team, has rapidly turned vision into reality. We have shown, a thousand times over, that to give our community the tools to change their energy future, personal conversations with a friendly, trusted source works.

PEC is now an established contributor to the improvement of our local community. We have cleared over £110,000 in fuel debt, provided energy advice to over 2000 households, assisted 300 homes with external wall insulation, trained 48 volunteers, recruited 400 new members and installed 2MW solar power on 28 community buildings. We have continued to attract investment into the city from national and international sources. This has fuelled our work (excuse the pun!) and boosted income in the city by offsetting what would otherwise have been spent by schools, businesses, households and Plymouth City Council. Our investment has generated jobs in the city. We've also offered two apprenticeships, demonstrating how the work of PEC contributes not only to tackling climate change but also to the city's economic development, employment and regeneration. This year, we proudly received the Observer Ethical Award for 'Community Energy Project' in recognition of our work.

Once again, we must commend the support provided by Plymouth City Council (PCC). Through provision of land and roofs, loans and access to funding streams, we have been able to act at an unprecedented rate for a community energy group. It's only when compared nationally that we fully comprehend how unique our collaboration with our local government is and how groups all over the country are striving to replicate it. The Council has extended the vital commitment of shared staff services for PEC by three years, giving us stability for our continued development.

The passion and dedication of our committed members, enthusiastic volunteers, exceptional staff team and my fellow volunteer Directors provide the backbone of our organisation and I extend a heartfelt thank-you to you all. Without each of you, we would not be here today.

For another year, we have adapted to, and recognised opportunities in every challenge thrown at us and, in the face of continual changes in the energy efficiency and renewable energy agendas of central government, we will continue to do so. Our example of how a community energy group can actively tackle environmental and social issues is now being used on the national lobbying stage to show the wide-reaching implications of the short-sighted policy changes currently occurring. We will use our reputation, proven track record and affiliations with regional and national organisations to stimulate change. We have reached thousands of Plymouth residents through our activities, yet fuel poverty in the city continues to

rise and we will continue to find innovative ways to change how we buy, use and generate energy and empower our community.

Present and future activity summaries:

Fuel Debt Advice Service

Since April 2014, PEC has been working with the British Gas Energy Trust to help residents struggling to pay their energy bills apply to have their debts cleared. This work has developed and matured significantly over the last year of business and we were pleased that BGET extended our contract through to June 2016. Through this partnership we employ two dedicated Fuel Debt Advisors whose sterling efforts have now provided support to over 400 households and helped residents clear over £110,000 of debt.

Volunteer and home energy team programme

In November 2014, we launched a NESTA and PCC funded 'impact volunteering' pilot, to explore how we could drive a step change in voluntary action on energy advice to the fuel poor. Through this 'Energy Team' made up of 50 we have:

- Provided advice and support to over 2000 households, saving them £134,000 over the next year
- Provided free bespoke energy awareness training to 48 volunteers; including to staff of some of our organisational members
- Trained four champions to Level 3 City & Guilds in Energy Awareness
- Supported 54 households through provision of a home visit
- Saved householders an average £203 a year by switching and £141 through advice
- Increased our membership by 400
- Increased the number of community events that we can attend; 43 in 10 months

The Energy Team is now well established as the face of PEC and symbiotically refers residents to our other services as needs require. We have seen a clear demand for home visits from residents with additional care and support needs and we continue to refine our services to support these individuals.

We are currently in the process of applying for different funding streams with the hope that funding can be secured to extend this pilot beyond January 2016.

Home energy improvements

In partnership with PCC, British Gas, and local installers we have been offering external wall insulation (EWI) grants to private homeowners, funded by the government's Green Deal Community fund. 300 Plymouth households are warmer as a result; with 400 more booked in. Our target of 700 by March 2016 has been fulfilled. The anticipated total cost saving is estimated at £4.5m over the lifetime of the measures and some properties have cut their heating bill by as much as 66%. Through our partnership with British Gas and PCC we are also able to offer free boilers to residents on qualifying benefits.

Energy supplier switching

In November 2014, we launched a new instant service. Anyone can now use our website or call our partners to receive instant tariff recommendations. This quick and easy system has received positive customer feedback. Our home Energy Team has been able to help people compare prices and switch using this service in their home, saving some households up to £400. Whilst this service does not offer a significant return for PEC, it is low-maintenance and continues to be a vital service.

Plymouth's own energy tariff

Over the last year we have been working with OVO Energy on an opportunity to offer Plymouth residents a locally-owned and controlled energy tariff. The opportunity to set up a local energy supply business where surpluses are put back into local fuel poverty and renewable energy projects is an exciting one. We remain committed to exploring how this could be realised, but have concluded that the OVO model is not a good fit for us at this time. We are monitoring emerging local energy tariff markets closely and are exploring a number of models which could enable local tariffs in the future.

Healthy Homes project

We are pleased to be extending our British Gas Energy Trust partnership to support Plymouth Community Healthcare patients suffering from medical conditions exacerbated by living in cold or damp homes, such as respiratory problems and cardiovascular disease. We will employ two case workers to provide a holistic approach to the issues faced. They will focus on providing bespoke advice, as well as overseeing the installation of physical measures into homes, such as heating systems and ventilation. This project will run for one year and will be evaluated to show both the positive impact on an individual's health and return on investment. The project will target 100 homes and will launch in January 2016.

PEC Renewables & community-owned solar schemes

We established PEC Renewables Ltd in 2013 to allow community owned renewable energy. It is managed by a separate Board and this aspect of our business continues to shine. Following on from our highly-successful first community share offer last year, we launched a second in February 2015. Once again, our local and national supporters eagerly responded and we have added more schools and community buildings to our portfolio, including the City's largest solar roof now crowning Plymouth Life Centre. Over both share offers, we have leveraged £1.45million in community investment, have 319 investor members and have 28 solar sites totalling 2MW of power. Our existing installations are not affected by falling subsidies and will continue to provide a valuable community benefit fund for us and savings for hosts.

Advice and guidance

We continue to be contacted by other community energy groups, local councils and environmental and social campaign groups throughout the country for advice, guidance and participation in national campaigns. We continue to be a Mentor under the national Energy Mentoring Programme and are now able to support other groups wishing to secure a Community Share Compliance Mark.

Recognition and awards

In November 2014, we were proud to receive 'Investment Deal of the Year', in conjunction with our partners Ethex, at the UK Social Enterprise Awards and also 'Best Community Energy Initiative' at RegenSW's Green Energy Awards.

National accolades for our work were continued with the 'Community Energy Project' of the year award at the 10th Observer Ethical Awards in July. This included a cash prize which we have used to put solar panels on the Shekinah drop-in centre, a Devon-based charity providing opportunities for those on the road of recovery.

PEC has been shortlisted in the Best Energy Efficiency category at RegenSW's Green Energy Awards for our external wall insulation scheme. We are also thrilled that Plymouth City Council has also been shortlisted, for the second year running, in recognition for its support of our organisation in the Most Proactive Local Authority category. Winners will be announced in Bath in November.

Membership

1111 individual members, 10 organisation members (15 October 2015).

Summary of the financial position

The Society's reserves have been increased from £22,114 to £86,575 which, with the commitment by Plymouth City Council to continue to provide shared support services for a further 3 years, provides a sustainable footing going forward. PEC Renewables provides a long term solution for supporting PEC's core activities and ambitions but significant surplus profits from this organisation are not forecast to arrive for a few years. We are pleased that we have already achieved a baseline balance sheet that will help us bridge the gap.

During the year we renegotiated the agreement to provide PEC Renewables with management services that more accurately reflected the staffing and on costs involved for both the day to day running of the business and the officer time in developing and delivering new share offers.

Profit and Loss Statement

	2013/2014	2014/2015
Turnover	£155,254	£201,271
Gross Surplus	£132,513	£154,244
Operating Surplus	£22,038	£63,852
Surplus before taxation	£22,133	£64,461
Net Surplus	£22,114	£64,461

The Board

Under Plymouth Energy Community Rules, for our second election, one third of our elected Directors must stand down, however they can stand for re-election. It is intended that the society will have a maximum of 11 Directors comprised of up to eight elected members, one Plymouth City Council representative and up to two co-opted Directors.

This year, Malcolm Snowdon will be retiring and will not be standing for re-election. As a founder Board member and proud Plymouth resident, Malcolm brought extensive experience in social housing and community groups to our table. His contribution and engaging personality will be sorely missed and we wish him all the best for the future. Tracey Sherston will be standing down and will be standing for re-election.

On behalf of the Board and staff of Plymouth Energy Community, I therefore commend this report for acceptance and approval by our members.

Tim Sydenham

Chairman, Plymouth Energy Community

Report of the Directors and
Financial Statements
For The Year Ended 30 June 2015
for
Plymouth Energy Community Limited

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For The Year Ended 30 June 2015

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Plymouth Energy Community Limited

Company Information
For The Year Ended 30 June 2015

DIRECTORS: C J Penberthy
M R Sowden
Ms B M Hampson
M Harriott
Ms T Sherston
D Pearce
D Shelton
T Sydenham

SECRETARY: C J Penberthy

REGISTERED OFFICE: Ballard House
West Hoe Road
Plymouth
Devon
PL1 2AE

REGISTERED NUMBER: 32108R (England and Wales)

AUDITORS: Bromhead
Chartered Accountants
Statutory Auditors
Harscombe House
1 Darklake View
Plymouth
Devon
PL6 7TL

Report of the Directors
For The Year Ended 30 June 2015

The directors present their report with the financial statements of the company for the year ended 30 June 2015.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2014 to the date of this report.

C J Penberthy
M R Sowden
Ms B M Hampson
M Harriott

Other changes in directors holding office are as follows:

P J Flukes - resigned 13 November 2014
J R Hargreaves - resigned 18 November 2014
D R Garland - resigned 18 March 2015
Ms S S Simpson - resigned 13 November 2014
Ms T Sherston - appointed 18 December 2014
D Pearce - appointed 18 December 2014
D Shelton - appointed 18 December 2014
T Sydenham - appointed 18 December 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law 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 company and of the surplus or deficit of the company 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Bromhead, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

C J Penberthy - Secretary

22 September 2015

**Report of the Independent Auditors to the Members of
Plymouth Energy Community Limited**

We have audited the financial statements of Plymouth Energy Community Limited for the year ended 30 June 2015 on pages four to eight. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2015 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

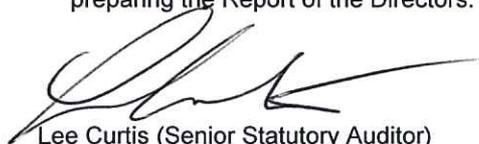
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.



Lee Curtis (Senior Statutory Auditor)
for and on behalf of Bromhead
Chartered Accountants
Statutory Auditors
Harscombe House
1 Darklake View
Plymouth
Devon
PL6 7TL

Date: *5th October 2015*

Plymouth Energy Community Limited (Registered number: 32108R)

Income and Expenditure Account
For The Year Ended 30 June 2015

		Year Ended 30.6.15 £	Period 21.6.13 to 30.6.14 £
	Notes		
TURNOVER		201,271	155,254
Cost of sales		<u>47,027</u>	<u>22,741</u>
GROSS SURPLUS		154,244	132,513
Administrative expenses		<u>155,473</u>	<u>172,310</u>
		(1,229)	(39,797)
Other operating income		<u>65,081</u>	<u>61,835</u>
OPERATING SURPLUS	2	63,852	22,038
Interest receivable and similar income		<u>2,559</u>	<u>95</u>
		66,411	22,133
Interest payable and similar charges		<u>1,950</u>	<u>-</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		64,461	22,133
Tax on surplus on ordinary activities	3	-	19
SURPLUS FOR THE FINANCIAL YEAR		<u>64,461</u>	<u>22,114</u>

The notes form part of these financial statements

Plymouth Energy Community Limited (Registered number: 32108R)

Balance Sheet
30 June 2015

	Notes	30.6.15 £	£	30.6.14 £	£
FIXED ASSETS					
Investments	4		50		50
CURRENT ASSETS					
Debtors	5	1,038,036		577,206	
Cash at bank and in hand		217,940		175,416	
		<u>1,255,976</u>		<u>752,622</u>	
CREDITORS					
Amounts falling due within one year	6	64,756		105,558	
NET CURRENT ASSETS			<u>1,191,220</u>		<u>647,064</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,191,270</u>		<u>647,114</u>
CREDITORS					
Amounts falling due after more than one year	7		(1,000,000)		(500,000)
ACCRUALS AND DEFERRED INCOME	8		(104,695)		(125,000)
NET ASSETS			<u><u>86,575</u></u>		<u><u>22,114</u></u>
RESERVES					
Income and expenditure account	9		86,575		22,114
			<u><u>86,575</u></u>		<u><u>22,114</u></u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 22 September 2015 and were signed on its behalf by:

T Sydenham - Director

C J Penberthy - Director

The notes form part of these financial statements

Notes to the Financial Statements
For The Year Ended 30 June 2015

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax, except in respect of service contracts where turnover is recognised when the company obtains the right to consideration.

Grant income relating to ongoing projects at the year end have been allocated based on the expenditure incurred.

Investments

Investments are held at cost and are subject to review for any diminution in value.

2. OPERATING SURPLUS

The operating surplus is stated after charging:

	Year Ended 30.6.15	Period 21.6.13 to 30.6.14
	£	£
Auditors' remuneration	2,500	2,500
	<hr/>	<hr/>
Directors' remuneration and other benefits etc	-	-
	<hr/>	<hr/>

3. TAXATION

Analysis of the tax charge

The tax charge on the surplus on ordinary activities for the year was as follows:

	Year Ended 30.6.15	Period 21.6.13 to 30.6.14
	£	£
Current tax:		
UK corporation tax	-	19
	<hr/>	<hr/>
Tax on surplus on ordinary activities	-	19
	<hr/>	<hr/>

4. FIXED ASSET INVESTMENTS

	Interest in other participating interests £
COST	
At 1 July 2014 and 30 June 2015	50
	<hr/>
NET BOOK VALUE	
At 30 June 2015	50
	<hr/>
At 30 June 2014	50
	<hr/>

Notes to the Financial Statements - continued
For The Year Ended 30 June 2015

5.	DEBTORS	30.6.15	30.6.14
		£	£
	Amounts falling due within one year:		
	Trade debtors	22,996	68,202
	Other debtors	15,040	9,004
		<u>38,036</u>	<u>77,206</u>
	Amounts falling due after more than one year:		
	Other debtors	<u>1,000,000</u>	<u>500,000</u>
	Aggregate amounts	<u>1,038,036</u>	<u>577,206</u>
6.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	30.6.15	30.6.14
		£	£
	Trade creditors	1,779	38,176
	Taxation and social security	-	4,209
	Other creditors	62,977	63,173
		<u>64,756</u>	<u>105,558</u>
7.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	30.6.15	30.6.14
		£	£
	Other creditors	<u>1,000,000</u>	<u>500,000</u>
	Amounts falling due in more than five years:		
	Repayable by instalments		
	Other loans more 5yrs instal	<u>966,667</u>	<u>466,667</u>
8.	ACCRUALS AND DEFERRED INCOME	30.6.15	30.6.14
		£	£
	Accruals and deferred income	<u>104,695</u>	<u>125,000</u>
9.	RESERVES		Income and expenditure account
			£
	At 1 July 2014		22,114
	Surplus for the year		<u>64,461</u>
	At 30 June 2015		<u>86,575</u>

Notes to the Financial Statements - continued
For The Year Ended 30 June 2015

10. RELATED PARTY DISCLOSURES

Mrs B Hampson, a director of the company, invoiced the company £89 (2014: £897) for the provision of drop ins, workshops and related travel expenses. Nothing was owing at the period end.

Actuate Marketing, a company with director in common of David Pearce, invoiced the company £19,955 (2014: £0) for the provision of marketing services. A balance of £256 (2014: £0) was outstanding at the period end

A loan existed between the company and PEC Renewables Ltd, a company with directors in common. At the period end £1,000,000 (2014: £500,000) was owed by PEC Renewables Ltd. In addition £1,950 (2014: £0) has been charged in terms of interest for the year.

Plymouth Energy Community Ltd also provided set up, business development and administration services to PEC Renewables Ltd totalling £56,916 (2014: £66,835). A balance of £5,499 (2014: £66,779) was outstanding at the period end.

11. ULTIMATE CONTROLLING PARTY

The company is controlled by its directors.

Detailed Income and Expenditure Account
For The Year Ended 30 June 2015

	Year Ended 30.6.15		Period 21.6.13 to 30.6.14	
	£	£	£	£
Turnover				
Referral Fees	7,293		-	
Grants	193,978		155,254	
		201,271		155,254
Cost of sales				
Workshops	436		940	
British Gas Energy Trust	-		627	
Grants	-		4,700	
Fuel debt advisors	46,591		16,474	
		47,027		22,741
GROSS SURPLUS		154,244		132,513
Other income				
Management charges	25,000		5,000	
Recharged expenditure	40,081		56,835	
Deposit account interest	609		95	
Loan Interest Receivable	1,950		-	
		67,640		61,930
		221,884		194,443
Expenditure				
Insurance	1,527		184	
Administration charges	61,000		37,580	
IT & office equipment	3,278		1,187	
Telephone	642		-	
Post and stationery	125		-	
Advertising	-		627	
Directors travel	-		346	
Start up costs	40,717		68,430	
Recharged expenditure	40,081		56,835	
Sundry expenses	249		109	
Subscriptions	434		1,005	
Accountancy	1,195		1,500	
Legal fees	3,700		1,957	
Auditors' remuneration	2,500		2,500	
		155,448		172,260
		66,436		22,183
Finance costs				
Bank charges	25		50	
Interest payable	1,950		-	
		1,975		50
NET SURPLUS		64,461		22,133