



**Plymouth Energy Community Limited**  
**Annual report for the year ending**  
**June 2014**



## Chairman's Statement, Peter Flukes

### General summary:

This report summarises the story of Plymouth Energy Community (PEC)'s development and achievements during our first full year of business, since our independent co-operative was established in June 2013. On behalf of our Board and staff, I feel privileged and proud as our inaugural Chair to be able to present this report to you, our members and supporting organisations. I would like to commend it for your approval and draw attention to the truly outstanding achievements of our society within this short period of time as well as to highlight some of our plans for the future.

Let us also be very clear, without the substantial and ongoing support from Plymouth City Council (PCC) and the leadership shown by both individual Councillors and the Council as a whole, none of this would have been at all possible. They share our values and beliefs concerning the need to address fuel poverty and to promote both education and action, concerning a wider spectrum

of opportunities, in respect of more environmentally friendly energy generation and more efficient usage and conservation. Therefore, we want to sincerely thank all of those city Councillors and council staff for their unwavering support and vision.

It is also true that our cooperative's achievements to date, have resulted from, and been enhanced by, the leadership, unstinting dedication and hard work of my colleagues on our volunteer Board of Directors, every one of our exceptional staff team who support us, and of the support of our members. The Board and staff have operated as a united team and our governance and operating processes have evolved to take account of the changing circumstances during this period. In particular we have operated against a very fluid and unpredictable business background.

- We are delighted at the speed Plymouth Energy Community has been recognised as one of the most successful energy co-operatives in the UK.
- Already PEC has delivered significant benefits for the residents of Plymouth as we continue to transform how we buy, use and generate energy in the city, and take local action to reduce fuel poverty and address climate change.
- We feel confident that we are increasing awareness of energy issues across Plymouth through the wide range of services we are now able to offer.
- We are rapidly establishing ourselves as a trusted community organisation working on behalf of Plymouth residents to address their local energy concerns.

### **Specific areas of report:**

Here are specific reports of our current and future services, programmes and activities across the whole spectrum of our interest and values:

#### **Energy supplier switching**

- *To date:* Our bespoke tariff switching service has provided over 600 households with guidance on their best energy tariff; offering an average saving of £180 pa per household. Whilst conversion rates have been lower than forecast, we continue to see this as an important part of our service.
- *Future:* We are launching a new instant service; our customers will be able to phone us or go to our website, input their details and receive instant tariff recommendations. They can then apply to switch instantaneously to ensure that they are on the most cost efficient tariff for their energy needs as soon as possible.

#### **Energy Champions and volunteer programme**

- *To date:* We trained three energy champions who have since attended over 100 community events, supported 100 front line staff working in adult social care, financial inclusion and housing benefit, and provided advice direct to over 280 energy consumers.  
*Future:* Our volunteer team will continue to attend as many events as possible and our presence in the city will increase with the launch of our new volunteer programme in November. This will be supported by a dedicated Co-ordinator who will be assisted by two Energy Apprentices. We will be running a comprehensive volunteer support and training programme, and our ambition is for residents to be able to call the PEC volunteer team to provide an 'energy makeover' for their property.

#### **Home energy improvements**

- *To date:* Through our unique partnership with Plymouth City Council and British Gas, we have successfully promoted uptake of energy efficiency grants to 2750 households, booked 342 insulation surveys and helped hard to treat houses become insulated by combining ECO funding and Green Deal finance.
- *Future:* We are currently delivering a £3million solid wall insulation scheme; funded by the government's Green Deal Community fund. Grants have been offered to specific target properties, ensuring that resident's benefit based on the greatest need. Over 300 free assessments have been booked to date and 32 installations confirmed. We are on target for 700 installations by March 2015.

#### **Fuel Debt Advice Service**

- *To date:* In April, PEC recruited two dedicated Fuel Debt Advisors. They help residents struggling to pay their gas and electricity bills, to apply to the British Gas Energy Trust to have their debts cleared. They also provide energy advice to avoid this happening again in the future. They have been busy establishing a referral network, and have held over 100 private referral interviews and successfully helped residents clear over £9000.
- *Future:* The advisors hold weekly drop in sessions at local job centres, as well as attending a wide range of community events. They are now extending their service to cover other areas in Devon and Cornwall.

### **PEC Renewables & solar share offer**

- *To date:* PEC established PEC Renewables Ltd as an associated vehicle to deliver community owned renewable energy. PEC Renewables Ltd is managed via a separate management Board under the Chairmanship of Dave Garland and this aspect of our business has already been an outstanding success. Our first solar share offer went from conception to installation in less than 6 months. PCC supported the offer with a loan of £500,000; this enabled us to complete site feasibilities and to fund the initial legal and financial costs associated with the share offer. We launched Plymouth's first community share offer in February and within 7 weeks this was closed, being oversubscribed at £607,000. The scheme drew £400,000 of community investment from outside of the southwest into renewable energy in Plymouth and has enabled installation of 0.8MW of solar PV on 21 schools and community buildings; increasing Plymouth's solar PV generation by 6% in just one year. An estimated 6960t CO2 will be saved over 20 years. It has also resulted in a valuable educational resource, already being used in the classroom and by saving costs for the schools, has released much needed funds for other resources.
- *Current and future:* PEC Renewables' income from energy sales, Feed In Tariff and exports to the grid remain broadly consistent with the forecast at the time of the share offer and therefore we remain confident that the scheme will provide the targeted return for investors as well as generate a community benefit surplus for PEC to deliver programmes to address fuel poverty and climate change (estimated £900,000 over next 20 years). We are in the process of putting together our next solar share offer, expected to launch early next year.

### **PEC tariff**

- As has been reported in the national media, we have started working with OVO Energy to become the first energy group to join their innovative OVO Communities scheme. We will effectively become an energy supplier; creating competitive local tariffs for householders who pay quarterly/monthly and by prepayment meter in Plymouth. We also hope to offer a 100% renewable tariff. Any profits from the sale of energy will go back into addressing PEC's aims. The details are still being confirmed, however it is intended that we will release further information in the New Year.

### **Installer referral service**

- During the installation phase of the solar share scheme, we enlisted a number of local solar installers to deliver the community owned installations. We are now creating a supplier partnership to support businesses and local householders if they want to own their own solar installation. This will ensure that our members and customers can use local, reliable, and trusted renewable energy installers whilst also generating revenue for PEC through installer referrals.

### **Member engagement**

- *To date:* In addition to the many community events that we attend to both promote our services and recruit members, we have held a number of member engagement events. Our fantastic 1st Birthday celebration at the National Marine Aquarium in July and our recent 'Open Space' session in September allowed members to convene, get to know each other, the Board and the team and gave everyone the opportunity to discuss PEC's activities and direction. We get our message out to the community through our website, social media channels (Facebook and Twitter), email updates and other organisations.
- *Future:* We will continue to offer members many different ways in which to get involved; ranging from joining our new volunteer scheme to participation in one of our frequent events. We are

currently updating our website with the latest information and we always welcome members' ideas for further improvements that we could make in this area.

### **Advice and guidance**

- Following the success of our first share offer, we have been inundated with requests for help and advice from other community energy groups and local councils throughout the country. PEC would like to help the community energy model spread and are now in the position to offer an advice and guidance service for this purpose; we also see this as another opportunity to generate revenue to meet our aims. PEC is now a Mentor under the national Energy Mentoring Programme.

### **Recognition and awards**

We were delighted that Barbara Hampson, one of our Directors and Energy Champions, had her hard work recognised when she won the UK Community Energy Volunteer of the Year award in September. We were also finalists in the Community Energy Start Up and the Local Authority Partnership categories.

PEC Renewables has been shortlisted alongside Ethex (the funding platform for the solar share offer) in the Social Investment of the Year category at the UK Social Enterprise Awards; winners will be announced in London in November.

PEC has been shortlisted in the Best Community Initiative category at RegenSW's Green Energy Awards. We are also delighted that PCC has also been shortlisted in recognition for their support of our co-operative in the Most Proactive Local Authority category. Winners will be announced in Bath in November.

In addition to these fantastic accolades, we have gained significant coverage in both national and local media. Our CEO recently presented alongside Ed Davey (Secretary of State for Energy and Climate Change) at the recent Liberal Democrat Party Conference; this was a huge honour and ensures that PEC's voice has definitely been heard in the national arena.

### **Membership**

725 individual members (661 online, 64 offline), 5 organisation members (as of 13 October 2014)

### **Summary of the financial position**

The income from referrals around ECO and switching has not generated the revenues anticipated. However PEC has been highly successful in securing external grants and short term service contracts to ensure a comfortable financial balance at the end of the year. Our first year turnover was £155,254, with an end of year surplus of £22, 114.

Our initial business plan was based on securing referral fees from switching and uptake of ECO funded insulation measure. Whilst revenues from these activities have not achieved the levels initially forecast we have been successful in generating income through external grant and short term service contracts.

Our work to establish PEC Renewables was driven by the ambition that surpluses from local generation can provide a long term solution for supporting PEC's core activities and costs but these are not likely to be realised for another 6-7 years. Staff arrangements are currently delivered under a service level agreement with Plymouth City Council which currently terminates in 2015 and PEC is currently engaging with PCC to secure an extension to this.

**The Board**

Under the Plymouth Energy Community Rules, at the end of the first year all of the Directors stand down, however they can stand for re-election. It is intended that the society will have a maximum of 11 Directors comprised of eight elected members, one Plymouth City Council representative and two co-opted Directors.

This year, John Hargreaves, Sabrina Simpson and I will be retiring due to other commitments and will not be standing for re-election.

**Summary and commendation:**

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

**Peter Flukes M.B.E.**  
**Chair**

Report of the Directors and

Financial Statements

For The Period 21 June 2013 to 30 June 2014

for

Plymouth Energy Community Limited

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For The Period 21 June 2013 to 30 June 2014

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**Plymouth Energy Community Limited**  
**Company Information**  
**For The Period 21 June 2013 to 30 June 2014**

**DIRECTORS:** P J Flukes  
J R Hargreaves  
D R Garland  
Ms S S Simpson  
C J Penberthy  
M R Sowden  
Ms B M Hampson  
M Harriott  
Ms T Sherston

**SECRETARY:** C J Penberthy

**REGISTERED OFFICE:** C/O Low Carbon City Team  
Plymouth City Council  
Plymouth  
PL1 2AA

**REGISTERED NUMBER:** 32108R (England and Wales)

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

**Plymouth Energy Community Limited (Registered number: 32108R)**

**Report of the Directors**  
**For The Period 21 June 2013 to 30 June 2014**

The directors present their report with the financial statements of the company for the period 21 June 2013 to 30 June 2014.

**INCORPORATION**

The company was incorporated on 21 June 2013.

**DIRECTORS**

The directors who have held office during the period from 21 June 2013 to the date of this report are as follows:

P J Flukes - appointed 21 June 2013  
J R Hargreaves - appointed 21 June 2013  
D R Garland - appointed 21 June 2013  
Ms S S Simpson - appointed 21 June 2013  
C J Penberthy - appointed 21 June 2013  
M R Sowden - appointed 21 June 2013  
Ms B M Hampson - appointed 21 June 2013  
M Harriott - appointed 4 June 2014

Ms T Sherston was appointed as a director after 30 June 2014 but prior to the date of this report.

All the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting.

**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 Friendly and Industrial and Provident Societies Act 1968. 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 relating to small companies.

**ON BEHALF OF THE BOARD:**

C J Penberthy - Secretary

Date: 8 October 2014

**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 period ended 30 June 2014 on pages four to seven, comprising the Income & Expenditure Account and the Balance Sheet and the related notes. 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 section 9 of the Friendly and Industrial and Provident Societies Act 1968. 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**

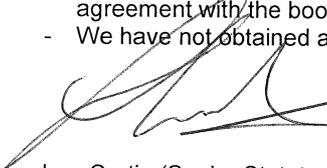
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2014 and of its surplus for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and with the requirements of the Friendly and Industrial and Provident Societies Act 1968

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Friendly and Industrial and Provident Societies Act 1968 requires us to report to you if, in our opinion:

- Proper books of account have not been kept by the society in accordance with the requirement of the legislation;
- A satisfactory system of control over transactions has not been maintained by the society in accordance with the requirements of the legislation;
- The revenue account or other accounts (if any) to which our report relates, and the balance sheet are not in agreement with the books of account of the society or
- We have not obtained all the information and explanations necessary for the purposes of our audit.



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: 10 October 2014

Plymouth Energy Community Limited (Registered number: 32108R)

Income and Expenditure Account  
For The Period 21 June 2013 to 30 June 2014

	Notes	£
<b>TURNOVER</b>		<b>155,254</b>
Cost of sales		<u>22,741</u>
<b>GROSS SURPLUS</b>		<b>132,513</b>
Administrative expenses		<u>172,310</u>
		(39,797)
Other operating income		<u>61,835</u>
<b>OPERATING SURPLUS</b>	2	<b>22,038</b>
Interest receivable and similar income		<u>95</u>
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>22,133</b>
Tax on surplus on ordinary activities	3	<u>19</u>
<b>SURPLUS FOR THE FINANCIAL PERIOD</b>		<b><u>22,114</u></b>

The notes form part of these financial statements

Plymouth Energy Community Limited (Registered number: 32108R)

Balance Sheet  
30 June 2014

	Notes	£	£
<b>FIXED ASSETS</b>			
Investments	4		50
<b>CURRENT ASSETS</b>			
Debtors	5	577,206	
Cash at bank and in hand		<u>175,416</u>	
		752,622	
<b>CREDITORS</b>			
Amounts falling due within one year	6	<u>230,558</u>	
<b>NET CURRENT ASSETS</b>			<u>522,064</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			522,114
<b>CREDITORS</b>			
Amounts falling due after more than one year	7		<u>500,000</u>
<b>NET ASSETS</b>			<u><u>22,114</u></u>
<b>RESERVES</b>			
Income and expenditure account	8		<u>22,114</u>
			<u><u>22,114</u></u>

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 8 October 2014 and were signed on its behalf by:

P J Flukes - Director

M R Sowden - Director

The notes form part of these financial statements

Notes to the Financial Statements  
For The Period 21 June 2013 to 30 June 2014

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 projects not yet started has been deferred to the following year.

2. OPERATING SURPLUS

The operating surplus is stated after charging:

Auditors' remuneration	£ <u>2,500</u>
Directors' remuneration and other benefits etc	<u>-</u>

3. TAXATION

**Analysis of the tax charge**

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

Current tax:	£
UK corporation tax	<u>19</u>
Tax on surplus on ordinary activities	<u>19</u>

4. FIXED ASSET INVESTMENTS

	Interest in other participating interests £
<b>COST</b>	
Additions	<u>50</u>
At 30 June 2014	<u>50</u>
<b>NET BOOK VALUE</b>	
At 30 June 2014	<u>50</u>

5. DEBTORS

Amounts falling due within one year:	£
Trade debtors	68,202
Other debtors	<u>9,004</u>
	<u>77,206</u>
Amounts falling due after more than one year:	
Other debtors	<u>500,000</u>
Aggregate amounts	<u>577,206</u>

Plymouth Energy Community Limited (Registered number: 32108R)

Notes to the Financial Statements - continued  
For The Period 21 June 2013 to 30 June 2014

6.	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	
	Trade creditors	£
	Taxation and social security	38,176
	Other creditors	4,209
		<u>188,173</u>
		<u>230,558</u>
7.	<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	
	Other creditors	£
		<u>500,000</u>
	Amounts falling due in more than five years:	
	Repayable by instalments	
	Other loans more 5yrs instal	<u>466,667</u>
8.	<b>RESERVES</b>	
		Income and expenditure account
		£
	Surplus for the period	<u>22,114</u>
	At 30 June 2014	<u>22,114</u>
9.	<b>RELATED PARTY DISCLOSURES</b>	
	Mrs B Hampson, a director of the company, invoiced the company £897 for the provision of drop ins, workshops and related travel expenses. Nothing was owing at the period end.	
	A loan existed between the company and PEC Renewables Ltd, a company with directors in common. At the period end £500,000 was owed by PEC Renewables Ltd.	
	Plymouth Energy Community Ltd also provided set up, business development and administration services to PEC Renewables Ltd totalling £66,835. A balance of £66,779 was outstanding at the period end.	
	Plymouth Energy Community Ltd also subscribed for £50 of shares which were fully paid by the period end.	
10.	<b>ULTIMATE CONTROLLING PARTY</b>	
	The company is controlled by its directors.	

Plymouth Energy Community Limited (Registered number: 32108R)

Detailed Income and Expenditure Account  
For The Period 21 June 2013 to 30 June 2014

	£	£
<b>Turnover</b>		
Grants		155,254
<b>Cost of sales</b>		
Workshops	940	
British Gas Energy Trust	627	
Grants	4,700	
Fuel debt advisors	<u>16,474</u>	
		<u>22,741</u>
<b>GROSS SURPLUS</b>		<b>132,513</b>
<b>Other income</b>		
Management charges	5,000	
Recharged expenditure	56,835	
Deposit account interest	<u>95</u>	
		<u>61,930</u>
		<b>194,443</b>
<b>Expenditure</b>		
Insurance	184	
Administration charges	37,580	
IT & office equipment	1,187	
Advertising	627	
Directors travel	346	
Start up costs	68,430	
Recharged expenditure	56,835	
Sundry expenses	109	
Subscriptions	1,005	
Accountancy	1,500	
Legal fees	1,957	
Auditors' remuneration	<u>2,500</u>	
		<u>172,260</u>
		<b>22,183</b>
<b>Finance costs</b>		
Bank charges		<u>50</u>
<b>NET SURPLUS</b>		<u><u>22,133</u></u>