

**Report of the Directors and
Unaudited Financial Statements
for the Year Ended 31 March 2022
for
South East London Community Energy**

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for the Year Ended 31 March 2022**

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South East London Community Energy

**Company Information
for the Year Ended 31 March 2022**

DIRECTORS:	Miss C N Berens Miss A Z L Hartley A T Rendel Miss N Smith J E Blanchard C Rauch Miss A Fairlough
SECRETARY:	Dr G B Speciale - CEO
REGISTERED OFFICE:	Fourm At Greenwich Trafalgar Road London SE10 9QF
REGISTERED NUMBER:	IP32417R (England and Wales)
ACCOUNTANTS:	Accountancy Co-operative 56 Dorchester Road Lytchett Minster Poole Dorset BH16 6JE
BANKERS:	The Co-operative Bank P O Box 101 1 Balloon Street Manchester M60 4EP

South East London Community Energy

Chief Executive Officer's Report for the Year Ended 31 March 2022

This financial year has seen an expansion of our work both in terms of our reach and scale. Our turnover has increased from £352,056 to £465,747

Our income from community financed solar PV projects slightly decreased in '21 - '22 compared to the previous financial year. This is mainly because significant remedial works took place on the solar PV arrays on Mulgrave, Alderwood, and Bannockburn Schools resulting in extensive periods of isolation during which the solar PV arrays were 'switched-off.' Furthermore, despite multiple attempts to raise the issue with the Feed-in Tariff provider, we have not yet received any payments for the largest of our sites - the Aluna Moon Clock/Intercontinental Hotel site. Counteracting this, however, solar production per unit of solar installed (kWh per kWp) has increased following remedial works on school sites and remains excellent on our sites included in our third share offer. Our community financed solar PV continue to bring benefits in terms of avoided emissions (84,654 kgCO₂e) and reduced electricity costs for community sites; moreover, we have continued to work on developing new community financed solar PV sites thanks to feasibility funding from the Mayor's London Community Energy Fund

Working in partnership with our neighbouring community energy group SE24, two large schools' sites in Southwark benefited an upgrade to low-cost and low-carbon LED lighting. Selce audited and Project Managed the work, and SE24 raised with community finance for it.

Our Future Fit Homes service continues to provide impartial, practical advice to undertake small and large scale domestic deep retrofit projects. Funded by the Joseph Rountree Trust we worked with two other energy cooperatives to be able to share learning and codify and communicate best practice in respect of community approaches to retrofit.

Given price increases and volatility in the energy market, our fuel poverty alleviation work is more relevant than ever. In the . By the end of the year, we had expanded our team to 7 energy advisors, increased the range of advice we provided, moved offices, and adapted a new IT system. In the past year alone SELCE has supported 1079 vulnerable Southeast Londoners who are struggling to pay for electricity and gas. We helped them to get the best deal, apply for utility discounts, and manage utility debt. Clients collectively saved £381,593; this is an average of £354 per client.

Enabling an understanding of the link between behaviour and costs is a key part of our work. We also install 'light measures' such as draught proofing and LED lightbulbs and by applying for grant-funded home energy improvements. Across all clients these actions are expected to reduce emissions by 5,031,412 kgCO₂e (1,918,005 kgCO₂e through behavioural advice, 3,113,407 kgCO₂e through provision of light measures.) This work was funded by a combination of grants and commissions (£191,795,) and delivered in close collaboration with our local authorities and other community sector organisations.

Greener Business in Greenwich is a new service funded by The Royal Borough of Greenwich. Our task was to audit and identify carbon and cost saving measures for SME's. We directly engaged with more than 60 of them and provided an environmental audit for 25 small businesses that gives each business a detailed pathway to increased sustainability as well as lower costs.

Selce is now one of the largest Community Energy co-operatives in London. Working with Community Energy London we have worked to share our learning by providing courses and mentoring to build the capacity of the sector.

Selce employed 11 members of staff throughout with an average capacity of 9 full-time equivalents.

South East London Community Energy

Report of the Directors for the Year Ended 31 March 2022

The directors present their report with the financial statements of the company for the year ended 31 March 2022.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of South East London Community Energy Limited (SELCE, the Society) was incorporated on 18th June 2014. It is registered as a Society for the Benefit of the Community with the FCA N: 32417 R. The Society's principal activity is to develop the supply of renewable resources in the South East London area. The Society does this for the benefit of the community - by offering the chance to part-own these renewables people get the chance to get involved in renewable energy and develop further renewable schemes. The Society has also undertaken work to alleviate fuel poverty in South East London.

The Society is kindly hosted by Greenwich Co-operative Development Agency.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

Miss C N Berens
Miss A Z L Hartley
A T Rendel
Miss N Smith
J E Blanchard

Other changes in directors holding office are as follows:

C Rauch - appointed 20 September 2021
Miss A Fairlough - appointed 20 September 2021
Miss R Bradshaw - resigned 20 September 2021
Miss L Giles - resigned 20 September 2021
J Sherward - resigned 20 September 2021
Z Preston - Co-opted - resigned 20 September 2021
I Westmoreland - resigned 20 September 2021
Dr D Dixon - Co-opted - resigned 20 September 2021

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

ON BEHALF OF THE BOARD:

Chief Executive Officer
Dr G B Speciale - CEO - Secretary

15 September 2022

South East London Community Energy

Income Statement for the Year Ended 31 March 2022

	Notes	31.3.22 £	£	31.3.21 £	£
TURNOVER	3		465,747		352,056
Distribution costs		86,139		52,396	
Administrative expenses		331,750		241,090	
			417,889		293,486
OPERATING PROFIT	5		47,858		58,570
Interest payable and similar expenses			10,333		24,131
PROFIT BEFORE TAXATION			37,525		34,439
Tax on profit			92,631		-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR			(55,106)		34,439

The notes form part of these financial statements

South East London Community Energy (Registered number: IP32417R)

Balance Sheet
31 March 2022

	Notes	31.3.22 £	£	31.3.21 £	£
FIXED ASSETS					
Intangible assets	7		-		-
Tangible assets	8		<u>443,608</u>		<u>456,244</u>
			443,608		456,244
CURRENT ASSETS					
Debtors	9	<u>127,850</u>		184,826	
Cash at bank and in hand		<u>300,691</u>		<u>197,143</u>	
		428,541		381,969	
CREDITORS					
Amounts falling due within one year	10	<u>254,833</u>		<u>236,619</u>	
NET CURRENT ASSETS			<u>173,708</u>		<u>145,350</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			617,316		601,594
PROVISIONS FOR LIABILITIES	11		<u>83,466</u>		-
NET ASSETS			<u><u>533,850</u></u>		<u><u>601,594</u></u>
CAPITAL AND RESERVES					
Called up share capital			<u>536,842</u>		549,480
Retained earnings			<u>(2,992)</u>		<u>52,114</u>
SHAREHOLDERS' FUNDS			<u><u>533,850</u></u>		<u><u>601,594</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2022 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Balance Sheet - continued
31 March 2022

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 15 September 2022 and were signed on its behalf by:

Miss C N Berens - Director

A T Rendel - Director

**Notes to the Financial Statements
for the Year Ended 31 March 2022**

1. **STATUTORY INFORMATION**

South East London Community Energy is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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 is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of nil years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 10% on cost

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

3. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

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

4. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 9 (2021 - 8).

5. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.3.22	31.3.21
	£	£
Depreciation - owned assets	32,654	34,490
Computer software amortisation	-	78
	<u> </u>	<u> </u>

6. **EXCEPTIONAL ITEMS**

	31.3.22	31.3.21
	£	£
Sundry & beneficial expenses	(10,333)	(12,207)
	<u> </u>	<u> </u>

7. **INTANGIBLE FIXED ASSETS**

		Other intangible assets £
COST		
At 1 April 2021 and 31 March 2022		<u>256</u>
AMORTISATION		
At 1 April 2021 and 31 March 2022		<u>256</u>
NET BOOK VALUE		
At 31 March 2022		<u>-</u>
At 31 March 2021		<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

8. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 April 2021	574,324
Additions	<u>20,018</u>
At 31 March 2022	<u>594,342</u>
DEPRECIATION	
At 1 April 2021	118,080
Charge for year	<u>32,654</u>
At 31 March 2022	<u>150,734</u>
NET BOOK VALUE	
At 31 March 2022	<u><u>443,608</u></u>
At 31 March 2021	<u><u>456,244</u></u>

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 trailer over 10 years
Plant and machinery - solar panel installations over 20 years
Vehicles over 5 years
Fixtures, fittings, tools and equipment over 5 years

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22 £	31.3.21 £
Trade debtors	112,040	137,583
Other debtors	<u>15,810</u>	<u>47,243</u>
	<u><u>127,850</u></u>	<u><u>184,826</u></u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22 £	31.3.21 £
Trade creditors	22,032	10,926
Taxation and social security	19,100	8,146
Other creditors	<u>213,701</u>	<u>217,547</u>
	<u><u>254,833</u></u>	<u><u>236,619</u></u>

11. PROVISIONS FOR LIABILITIES

	31.3.22 £	31.3.21 £
Deferred tax	<u><u>83,466</u></u>	<u><u>-</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

11. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Provided during year	83,466
Balance at 31 March 2022	83,466

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

12. POST BALANCE SHEET EVENTS

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.

The directors acknowledge their responsibilities for complying with the requirements of the Cooperative and Community Benefit Societies Act 2014 with respect to accounting records and the preparation of accounts.

13. COMMUNITY SHARE CAPITAL AND INTEREST

Shares issued is Community Share Capital raised in previous years, that is withdrawable by the holder after a fixed period of time at the discretion of the Directors is treated as Equity in the Balance Sheet based on future 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.

14. OTHER INFORMATION

South East London Community Energy Limited is a Community Benefit Society not having share capital incorporated in England under the Co-operative and and Community Benefit Societies Act 2014.

It's registered office is:
Forum At Greenwich
Trafalgar Road
London
SE10 9QF

South East London Community Energy

**Report of the Accountants to the Directors of
South East London Community Energy**

As described on the Balance Sheet you are responsible for the preparation of the financial statements for the year ended 31 March 2022 set out on pages four to ten and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Accountancy Co-operative
56 Dorchester Road
Lytchett Minster
Poole
Dorset
BH16 6JE

15 September 2022

South East London Community Energy

Detailed Profit and Loss Account for the Year Ended 31 March 2022

	31.3.22		31.3.21	
	£	£	£	£
Turnover				
Sales	210,594		146,651	
HMRC JRS Grant	18,860		27,062	
Donations & General Income	7,136		7,218	
Grant Income	229,157		171,125	
		465,747		352,056
Expenditure				
Sub-Contractors	86,139		52,396	
Wages and salaries	213,795		161,153	
Pensions	5,360		3,778	
Premises hire	7,697		10,825	
Insurance	3,442		1,235	
Telephone	3,179		4,387	
Post and stationery	2,916		875	
Advertising & PR costs	1,359		837	
Travelling & Subsistence	301		893	
Motor expenses	6,052		4,325	
Subscriptions	1,706		440	
Repairs and renewals	973		709	
Volunteers and staff training	4,726		1,928	
Consultancy	39,419		13,168	
Accountancy	2,950		1,343	
Computer Software & Repairs	5,221		1,624	
Amortisation of intangible fixed assets				
Computer software	-		78	
Depreciation of tangible fixed assets				
Plant and machinery	32,654		34,490	
Profit/loss on sale of tangible fixed assets	-		(998)	
		417,889		293,486
		47,858		58,570
Finance costs				
Members interest on community share	-		11,924	
Sundry & beneficial expenses	10,333		12,207	
		10,333		24,131
NET PROFIT		37,525		34,439

This page does not form part of the statutory financial statements