

**SOUTH EAST LONDON COMMUNITY ENERGY LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

South East London Community Energy Limited
Directors' Report and Financial Statements
For The Year Ended 31 March 2023

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South East London Community Energy Limited
Society Information
For The Year Ended 31 March 2023

Directors

Alex Hartley
Camilla Berens
Andrew Rendel
Nadia Smith
Jason Blanchard
Anna Fairtlough
Ying Man
Adam Pope
Alexander Rountree
Kate Parker
Tauseef Anwar

Society Number

32417R

Registered Office

The Forum@Greenwich
Trafalgar Road
London
SE10 9EQ

Accountants

Third Sector Accountancy Limited
Chartered Accountants and Registered Auditors
Holyoake House
Hanover Street
Manchester
M60 0AS

South East London Community Energy Limited
Society No. 32417R
Directors' Report For The Year Ended 31 March 2023

The directors present their report and the financial statements for the year ended 31 March 2023 .

Review of the Business

This financial year has seen an expansion of our work both in terms of our reach and scale. Our turnover has increased from £407,833 to £662,563 which is a rapid step up compared to the steady growth of previous years. We have for the first time made a modest profit of £28,576. However, this is in part due to a prior year error which resulted in an increased loss in the prior year, I've posted the corrections in the current year.

We have rapidly expanded our energy advice work in light of the deepening energy crisis which left approximately a quarter of Southeast London Residents struggling to meet the rising cost of electricity and gas. We have worked with more clients than ever before increasing the number of households supported from 1,058 to 1,425. We have continued to offer energy advice that enables clients to access grants and discounts, increase the energy efficiency of their homes and decrease energy demand and bills. Clients collectively saved £343,000; this is an average of £240.36 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 lightbulb. Across all clients these actions are expected to reduce emissions by 3,726,429.19 kgCO₂e

However, this year we have found new ways to support residents. Working with the London Borough of Lewisham we launched our Lewisham Heat Doctor service that is based on the premise that an efficient boiler costs less to run and is responsible for fewer greenhouse gas emissions. Simon, our Heat Doctor, has worked tirelessly to ensure that vulnerable households have a boiler that works to it's peak efficiency by bleeding radiators, repressurising boilers, cleaning out sludge, lowering the flow control and by doing simple repairs. In addition, we supported Lewisham Council to provide vital funds and support to the most vulnerable families via the Household Support Fund We supported them with payments towards energy costs or top up vouchers alongside battery charged electric heated gilets or blankets that provide extremely low-cost heat close to the skin. We made sure this funding reached those who are most in need by engaging with community groups who support those facing significant hardship.

The Mayors Warmer Homes Scheme aimed to improve the energy efficiency of low-income households by installing loft, cavity or underfloor insulation, heating upgrades or solar PV. This year we worked in partnership with Retrofit Works to find ways to ensure that the most vulnerable households in London could access the funded measures. We advocated for households who would otherwise struggle to navigate a complex process of application, offer and installation. Selce also supported other 'advocate' organisations in London to engage in the Warmer Homes Scheme.

This year our work has taken a new focus on the Private Rental Sector. Working with Lewisham and Greenwich local authorities we worked in a "carrot and stick" fashion both reminding landlords of their legal obligations whilst also supporting them and their tenants to access home energy improvements through the Warmer Homes Scheme. This project resulted in the energy advice team taking on more cases that focus on advocacy with private or social landlords.

This year we installed our first Community Financed LED Retrofits in three community sites: Greenwich West Community Centre, V22 Community Libraries in Sydenham and Forest Hill. The business model resembles that of our solar business model: We redesign the lighting systems of community venues carefully calculating the costs and potential energy savings associated with community financed LED retrofit. We use the community share capital to purchase LED's and charge the site a lighting fee We repay the capital investment over a period of 10 years whilst also generating a small community fund to be used for tackling fuel poverty. As a result of this, sites dramatically reduce their lighting costs and their carbon footprint whilst co-funding our energy support for the most vulnerable in our community. We developed this social business model in partnership with our neighbouring community energy group, SE24 with whom we continue to share resources and expertise. Both SE24 and Selce have worked to share our learning about LED retrofit with other groups via Community Energy London.

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South East London Community Energy Limited
Directors' Report (continued)
For The Year Ended 31 March 2023

Review of the Business - continued

Our income from our solar PV investments has increased from £62,689 to £77,723 in 22 – 23. This is mainly due to inflation: both the solar subsidy (the Feed in Tariff) and sales to sites increase with RPI, therefore as inflation rises so did our income. Furthermore, remedial works completed in previous years have resulted in increased yield and fewer outages. This year we completed remedial works on Ashmead School. This school featured in our first share offer. Of all the sites installed by GHG Energy Ashmead School presented the most complexities. The repairs cost in excess of £34K. On Deansfield School the solar system was isolated for the winter period this was partly due to a structural issue on one of the buildings. Nonetheless our community financed solar PV continue to bring benefits in terms of avoided emissions (95,064.6gCO₂e) and reduced electricity costs for community sites of £34,486.68. 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

Our Future Fit Homes service continues to provide impartial, practical advice to undertake small and large scale domestic deep retrofit projects. Funded by MCS and the Environmental Funders Network we have been able to continue to work cooperatively with Carbon Coop and BHESCo to find new ways to enable domestic retrofit. Our Future Fit Streets project trailed a place-based approach that aimed to enable neighbours of one street (Gordonbrock Road in Lewisham) to support one another through the domestic retrofit process. Over the course of the year, residents met to learn about a whole-house approach to retrofit, benefitting from individualised reports and designs. We supported residents to procure measures as a group which meant lower cost measures installed by contractors vetted by us.

Selce continues to grow, to learn, to listen and to innovate. We continue to find new ways to make Southeast London cleaner, greener, and fairer. Many thanks for all staff, Directors, volunteers, members and supporters who have made this possible.

Directors

The directors who held office during the year were as follows:

Alex Hartley	
Camilla Berens	
Andrew Rendel	
Nadia Smith	
Jason Blanchard	
Anna Fairtlough	
Christian Rauch	Resigned 15/09/2022
Ying Man	Appointed 15/09/2022
Adam Pope	Appointed 15/09/2022
Alexander Rountree	Appointed 15/09/2022
Kate Parker	Appointed 15/09/2022
Tauseef Anwar	Appointed 04/10/2022

**South East London Community Energy Limited
Directors' Report (continued)
For The Year Ended 31 March 2023**

Statement of Directors' Responsibilities

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

Society 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 society 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 society and of the profit or loss of the society for that period. In preparing the financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 society will continue in business.

The directors are responsible for keeping adequate 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the society's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Small Society Rules

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Co-operative and Community Benefit Societies Act 2014.

By order of the board

Date

South East London Community Energy Limited
Accountant's Report
For The Year Ended 31 March 2023

We report on the accounts for the year ended 31 March 2022 set out on pages 6 to 12.

Respective responsibilities of the committee of management and the independent reporting accountant

The society's committee of management is responsible for the preparation of the accounts, and they consider that the society is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our procedures consisted of comparing the accounts with the books of account kept by the society and making such limited enquiries of the officers of the society as we considered necessary for the purpose of this report. These procedures provide the only assurance expressed in our opinion.

Opinion

In our opinion:

- the revenue account and balance sheet for year ended 31 March 2023 are in agreement with the books of account kept by the society under section 75 of the Co-operative and Community Benefit Societies Act 2014;
- having regard only to, and on the basis of the information contained in the books of account, the revenue account and balance sheet for the year ended 31 March 2023 comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- the society met the financial criteria enabling it to disapply the requirement to have an audit of the accounts for the year specified in section 84 of the Co-operative and Community Benefit Societies Act 2014.

Signed

Date

Third Sector Accountancy Limited
Chartered Accountants and Registered Auditors
Holyoake House
Hanover Street
Manchester
M60 0AS

South East London Community Energy Limited
Revenue Account
For The Year Ended 31 March 2023

	Notes	2023 £	2022 £
TURNOVER		662,563	407,833
GROSS PROFIT		662,563	407,833
Administrative expenses		(646,940)	(428,225)
Other operating income		12,953	7,136
OPERATING PROFIT/(LOSS) AND PROFIT/(LOSS) FOR THE FINANCIAL YEAR		28,576	(13,256)

The notes on pages 9 to 12 form part of these financial statements.

South East London Community Energy Limited
Balance Sheet
As At 31 March 2023

		2023		2022	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	5		424,750		443,608
			424,750		443,608
CURRENT ASSETS					
Debtors	6	314,245		127,850	
Cash at bank and in hand		237,211		300,691	
			551,456		428,541
Creditors: Amounts Falling Due Within One Year	7	(412,145)		(296,449)	
			139,311		132,092
NET CURRENT ASSETS (LIABILITIES)			139,311		132,092
TOTAL ASSETS LESS CURRENT LIABILITIES			564,061		575,700
NET ASSETS			564,061		575,700
CAPITAL AND RESERVES					
Called up share capital	8		513,340		536,842
Revenue Account			50,721		38,858
			564,061		575,700

The notes on pages 9 to 12 form part of these financial statements.

For the year ending 31 March 2023 the society was entitled to disapply the requirement to have its financial statements for the financial year audited. The members passed a resolution in general meeting to disapply the audit requirement, as required by S84(2) Co-operative and Community Benefit Societies Act 2014.

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

Approved by the board on _____ and signed on their behalf by:

(NAME, Director)

(NAME, Director)

(NAME, Secretary)

South East London Community Energy Limited
Statement of Changes in Equity
For The Year Ended 31 March 2023

	Share Capital	Revenue Account	Total
	£	£	£
As at 1 April 2021	536,842	52,114	588,956
Loss for the year and total comprehensive income	-	(13,256)	(13,256)
As at 31 March 2022 and 1 April 2022	536,842	38,858	575,700
Profit for the year and total comprehensive income	-	28,576	28,576
Interest paid on members' shares	-	(16,713)	(16,713)
Arising on shares issued during the period	500	-	500
Members' shares redeemed	(24,002)	-	(24,002)
As at 31 March 2023	513,340	50,721	564,061

South East London Community Energy Limited
Notes to the Financial Statements
For The Year Ended 31 March 2023

1. General Information

South East London Community Energy Limited is a community benefit society, limited by shares, incorporated in England & Wales, registered number 32417R . The registered office is The Forum@Greenwich, Trafalgar Road, London, SE10 9EQ.

2. Accounting Policies

2.1. Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 section 1A Small Entities "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Co-operative and Community Benefit Societies Act 2014.

2.2. Turnover

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 is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Rendering of services

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. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

2.3. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Solar and LED Assets

Solar Panels- 10 to 20 years
Solar Trailer- 5 Years
LED Assets- 10 years

Motor Vehicles

Motor Vehicles- 5 years

Plant & Equipment

Office and computer equipment- 5 years

South East London Community Energy Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2023

2.4. Grant Income

Grants are recognised in the revenue 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

2.5. Share capital

Member shares have a nominal value of £1 and are non-transferable shares which are withdrawable at the discretion of the board. The shares confer membership of the society, and entitle the member holding shares to a vote at the Annual General Meeting, on the basis of one member, one vote. Interest may be paid on the shares at the discretion of the board. In the event of the society being wound up, shareholders are only entitled to repayment of their shares (assuming sufficient funds are available) and not to any distribution of the residual assets.

Interest paid on shares, 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.

3. Operating Profit

The operating profit is stated after charging:

	2023	2022
	£	£
Depreciation of tangible fixed assets	33,574	32,654

4. Average Number of Employees

Average number of employees, including directors, during the year was as follows: 12 (2022: 9)

South East London Community Energy Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2023

5. Tangible Assets

	Land & Property				Total
	Freehold	Leasehold	Plant & Machinery	Motor Vehicles	
	£	£	£	£	
Cost					
As at 1 April 2022	581,149	-	13,193	-	594,342
Additions	-	17,618	4,279	5,600	27,497
Disposals	(12,625)	-	(1,215)	-	(13,840)
As at 31 March 2023	<u>568,524</u>	<u>17,618</u>	<u>16,257</u>	<u>5,600</u>	<u>607,999</u>
Depreciation					
As at 1 April 2022	141,120	-	9,614	-	150,734
Provided during the period	30,067	-	2,948	560	33,575
Disposals	(32)	-	(1,028)	-	(1,060)
As at 31 March 2023	<u>171,155</u>	<u>-</u>	<u>11,534</u>	<u>560</u>	<u>183,249</u>
Net Book Value					
As at 31 March 2023	<u>397,369</u>	<u>17,618</u>	<u>4,723</u>	<u>5,040</u>	<u>424,750</u>
As at 1 April 2022	<u>440,029</u>	<u>-</u>	<u>3,579</u>	<u>-</u>	<u>443,608</u>

6. Debtors

	2023	2022
	£	£
Due within one year		
Trade debtors	291,669	112,040
Prepayments and accrued income	22,576	15,810
	<u>314,245</u>	<u>127,850</u>

7. Creditors: Amounts Falling Due Within One Year

	2023	2022
	£	£
Trade creditors	48,121	22,032
VAT	46,052	10,175
Payroll related liabilities	7,797	465
Accruals and deferred income	310,175	263,777
	<u>412,145</u>	<u>296,449</u>

South East London Community Energy Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2023

8. Share Capital

	2023	2022
	£	£
Members' shares	<u>513,340</u>	<u>536,842</u>

Member shares have a nominal value of £1 and are non-transferable shares which are withdrawable at the discretion of the board. The shares confer membership of the society, and entitle the member holding shares to a vote at the Annual General Meeting, on the basis of one member, one vote. Interest may be paid on the shares at the discretion of the board. In the event of the society being wound up, shareholders are only entitled to repayment of their shares (assuming sufficient funds are available) and not to any distribution of the residual assets.

Interest paid on shares, 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.

South East London Community Energy Limited
Detailed revenue Account
For The Year Ended 31 March 2023

	2023		2022	
	£	£	£	£
TURNOVER				
Grant Income		232,554		178,377
Commission Income		267,663		137,409
FIT Payments		30,318		26,349
Electricity Supply		38,139		33,229
Export Payments		9,266		3,111
Other trading income		84,623		29,358
		662,563		407,833
GROSS PROFIT		662,563		407,833
Administrative Expenses				
Wages and salaries	335,292		219,155	
Staff training	7,299		3,932	
Travel and subsistence expenses	1,597		301	
Vehicle running costs	6,386		6,052	
Computer and IT consumables	7,165		5,456	
Repairs, renewals and maintenance	45,665		738	
Insurance	3,044		3,442	
Postage	1,012		2,916	
Advertising and marketing costs	11,159		1,359	
Telecommunications	1,519		3,179	
Professional fees	54,648		42,369	
Consultancy fees	27,966		16,285	
Subscriptions	3,135		1,706	
Other office costs	12,943		7,697	
Depreciation	33,574		32,654	
Sundry expenses	1,706		1,017	
Metering Costs	2,156		1,229	
Volunteer Costs	1,780		796	
Beneficiary Expenses	72,361		8,088	
Partner Costs	12,033		69,854	
Awards and Grants	4,500		-	
		(646,940)		(428,225)
Other Operating Income				
Gifts & Donations	12,953		7,136	
		12,953		7,136
OPERATING PROFIT/(LOSS) AND PROFIT/(LOSS) FOR THE FINANCIAL YEAR		28,576		(13,256)