

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31 2018

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MORECAMBE BAY COMMUNITY RENEWABLES LTD
Community Benefit Society Number 31421 R

Legal and administrative information

The society Morecambe Bay Community Renewables Ltd (also known as MORE Renewables) was registered in England and Wales on the 3rd October 2011 under the Industrial and Provident Society Act 1965, (now superseded by the Co-operative and Community Benefit Societies Act 2014) and is governed by its Rules. In June 2015 the Society became a Community Benefit Society, under the 2014 Act.

Directors

Anne C Chapman
Gillian I Fenna
Caroline J Jackson
Stephen J Wrigley

Caroline Jackson was re-elected at the AGM on 4 May 2016. Gill Fenna and Stephen Wrigley were re-elected at the AGM on 11th May 2017. Anne Chapman was re-elected at the AGM on 12 April 2018.

Registered Number: Community Benefit Society Number 31421 R

Registered Office

Halton Mill
Mill Lane
Halton
Lancaster
LA2 6ND

Bank

Co-operative Bank PLC
P O Box 250, Delf House
Southway,
Skelmersdale
WN8 6WT

MORECAMBE BAY COMMUNITY RENEWABLES LTD
Community Benefit Society Number 31421 R

Report of the Directors

The Directors present their report and the financial statements for the year ended 31 December 2018.

Exemptions

The Directors have decided to take the exemption from audit for this financial period as provided for in its Rules, and agreed by the members on 12 April 2018.

Society Objectives

The society's objectives as stated in the Rules are :

(a) to establish sustainable renewable technologies; and

(b) to enhance the sustainability and resilience of these local communities; and

(c) to promote the prudent use of resources, efficient energy use and environmental awareness and behaviour.

Report for the period

The outlook for smaller renewable energy systems continues to be unfavorable and we did not install any new systems in 2018.

The sunny weather in 2018 meant that, despite the loss of output from the Halton Mill PV system caused by the fire at the end of 2017, overall output was 14% above our predictions, at 94,000 kWh and income 17% above. With the insurance claim, which covered about two-thirds of our expenditure following the fire, we made a small surplus for the year of £477 before tax.

Following agreement of members at the 2018 AGM to invest in other community energy projects in the North West we purchased £5000 worth of shares in Burneside Community Energy. This was to fund a new solar PV system.

During the year we gave the accumulated community benefit payment for 2016 and 2017 (£3275 in total) to Lancaster and Morecambe CAB, to help fund their work with people in fuel poverty.

Directors Responsibilities for the Financial Statements

The directors are responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the society and of the surplus or deficit of the society for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and 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 operation;
- state whether applicable accounting standards of recommended practice have been followed subject to any departures disclosed and explained in the financial statements.

MORECAMBE BAY COMMUNITY RENEWABLES LTD
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The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the society and to enable them to prepare financial statements.

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.

This report was approved by the Directors on 16 May 2019 and is signed on their behalf by:

S Wrigley (Chair)

Anne Chapman (Secretary)

Gillian Fenna (Treasurer)

MORECAMBE BAY COMMUNITY RENEWABLES LTD
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Income Statement
For the year ended 31 December 2018

	Note	Y.E 31 Dec 2018 £	Y.E 31 Dec 2017 £
TURNOVER	11	26,148	21,830
Administrative Expenses	12	17,644	15,620
OPERATING PROFIT/(LOSS)	2	8,504	6,210
Loss on disposal of assets		0	2,071
Interest and Community Benefit payable	3	(8,237)	(8,237)
NET PROFIT/(LOSS) BEFORE TAX		267	(4,098)
Interest Received		209	161
PROFIT/(LOSS) on Ordinary Activities before taxation		477	(3,937)
Tax on surplus/(deficit) on ordinary activities	4	43	28
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		434	(3,965)

Statement of total recognised gains and losses

The company does not have any gains or losses to report other than the Profit and Loss for the period.

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Statement of Financial Position at 31 December 2018

	Notes	31 December 2018		31 Dec 2017	
		£	£	£	£
FIXED ASSETS	5		126,832		134,300
INVESTMENTS	13		5,000		0
CURRENT ASSETS					
Debtors	6	2,233		13,133	
Cash at bank and in hand		<u>20,405</u>		<u>20,115</u>	
			22,638		33,247
CREDITORS					
Amounts falling due within one year	7	9,496		13,007	
Loans from Directors	8	<u>1,983</u>		<u>1,983</u>	
			11,479		14,990
NET CURRENT ASSETS			<u>11,160</u>		<u>18,285</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			142,991		152,557
CREDITORS: Amounts falling due after more than one year			<u>0</u>		<u>0</u>
NET ASSETS			<u><u>142,991</u></u>		<u><u>152,557</u></u>
CAPITAL AND RESERVES					
Called up Share Capital	9		154,735		164,735
Profit and Loss Account	10		(11,744)		(12,178)
Shareholders' Funds			<u><u>142,991</u></u>		<u><u>152,557</u></u>

For the year ending 31 December 2018 the directors are satisfied that the Society is entitled to exemption from the requirement to obtain an audit under section 84 of the Co-operative and Community Benefit Societies Act 2014.

Members have not required the society to obtain an audit under the above section

The directors acknowledge their responsibilities for:

(a) ensuring that the society keeps proper accounting records
and

(b) preparing financial statements in accordance with FRS 102/1a which give a true and fair view of the state of affairs of the society at the end of the financial year and of its profit or loss (surplus or deficit) for the financial year in accordance with the requirements of the Co-operative and Community Benefit Society Act 2014.

This report was approved by the Directors on:-

and signed on their behalf by:-

Gill Fenna

MORECAMBE BAY COMMUNITY RENEWABLES LTD
Community Benefit Society Number 31421 R

Notes to the financial statements
For the year ended 31 December 2018

1. ACCOUNTING POLICIES

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.
- b) Turnover represent revenue income earned in the year.
- c) Expenditure is included in the accounts on an accrual basis
- d) Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life, commencing in the financial year following purchase.

Solar PV panels (LCH PV)	4% per annum on straight line basis.
Solar PV panels additions in 2014 (LCH Terr D PV)	5% per annum on straight line basis
Solar PV panels in shared ownership (B & G C PV)	6.67% on straight line basis
Biomass boiler	10% per annum on straight line basis, but written off in 2017 as it was sold.

2. OPERATING PROFIT/(LOSS) is stated after charging:-

After charging	2018	2017
Depreciation	7,468	7,468

3. INTEREST AND COMMUNITY BENEFIT PAYABLE

Community benefit payment	1,647	1,647
Interest paid to members	6,589	6,589
Loan interest paid	0	0
	8,237	8,237

4. TAXATION

Liability to UK Corporation tax in 2018 was £43 (2017 £28).

	LCH - PV panels	LCH Terr D PV panels	B&GC - PV	Biomass boiler	Total £	Total £
5. FIXED ASSETS COST						
At 1 January	94,839	52,940	15,395	0	163,174	179,491
Additions					0	0
Disposals						(16,317)
At end of period	94,839	52,940	15,395	0	163,174	163,174
DEPRECIATION						
At 1 January	18,970	7850	2054	0	28,874	26,302
Charge for period	3,794	2,647	1,027	0	7,468	7,468
Written off on disposal						(4,896)
At end of period	22,764	10,497	3,081	0	36,342	28,874
NET BOOK VALUE						
At 31 December	72,075	42,443	12,314	0	126,832	134,300
At 1 January	75,869	45,090	13,341	0	134,300	153,189

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Notes to the financial statements
For the year ended 31 December 2018

	<u>2018</u>	<u>2017</u>
6. DEBTORS	£	£
Trade debtors	2,233	13,133
	<u>2,233</u>	<u>13,133</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	203	278
Accountancy fees	600	600
Share interest payments	6,589	6,589
Community benefit payment	1,647	3,274
HMRC VAT	344	2,196
HMRC Corporation Tax	113	70
	<u>9,496</u>	<u>13,007</u>

8. LOANS FROM DIRECTORS

Loans from Directors	<u>1,983</u>	<u>1,983</u>
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Four directors made loans of £2000 each in September 2011 to fund a project co-ordinator and launch costs for a set of PV projects. Part of this was repaid in cash, and £1,610 was repaid in shares in 2012. £760 was repaid in shares in 2015. £661 was paid in cash to a retiring director in 2016, with the bonus of 50% of the outstanding loan after the cash repayment in 2012 .

9. SHARE CAPITAL

Allotted, called up and paid	<u>154,735</u>	<u>164,735</u>
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154,735 Ordinary shares of £1 each

10,000 shares were issued during the year (2017 no shares were issued).

During the year 20,000 shares were withdrawn (2017 13,250).

10. RESERVES

At 1 January	(12,178)	(8,212)
Profit/(loss) for the year	434	(3,965)
At 31 December	<u>(11,744)</u>	<u>(12,178)</u>

MORECAMBE BAY COMMUNITY RENEWABLES LTD
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Notes to the Financial Statements
For the year ended 31 December 2018

11. TURNOVER	<u>2018</u>	<u>2017</u>
Electricity payments	7,534	6,561
Feed in tariffs	14,013	12,114
RHI payments (for 2017 included Horton boiler)	96	2,726
Heat payments (for 2017 included Horton boiler)	29	329
Insurance claim	4,476	-
Mentoring fees		100
	<u>26,148</u>	<u>21,830</u>
 12. ADMINISTRATIVE EXPENSES		
Maintenance (increase due to fire at Halton mill)	6,588	831
Insurance of solar PV systems	1,010	785
Extension of inverter warranties	-	3,775
Administration costs	2,087	2,237
Bank charges	30	-
Legal and regulatory fees	246	240
Fees to mentors	-	-
Travel, events, conferences and memberships	215	284
Depreciation (see note 5)	7,468	7,468
	<u>17,644</u>	<u>15,620</u>

13. Investments

Shares in Burnside Community Energy, to help fund the installation of a solar PV system.

14. RELATED PARTIES

In 2018 fees for administrative support were paid to one Director (2017 one).

15. CONTINGENT LIABILITIES

i) At the end of the year the company had liabilities relating to loans provided for start up costs. None of these loans were repaid in 2018 (2017 0). See note 8.

ii) As noted in the initial Share Prospectus, in 2017 the society purchased 15 year warranties for inverters on the PV systems at Lancaster Cohousing installed in 2012. Likewise, the warranties for inverters on the systems installed in 2014 will be extended in 2019 and that for the inverter in the Boys and Girls Club in 2020. No provision has been made in these accounts for these purchases.

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MORECAMBE BAY COMMUNITY RENEWABLES LTD

**INDEPENDENT ACCOUNTANTS' REPORT UNDER SECTION 85 OF THE CO-OPERATIVE
AND COMMUNITY BENEFIT SOCIETIES ACT 2014**

We report to the members on the unaudited accounts for the year ended 31st December 2018 set out on pages 5 to 9.

Respective responsibilities of officers and reporting accountants

The society's officers are responsible for the preparation of the accounts, and they consider that the society is entitled to opt out of an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

This report is made to the society's members, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the accounts that we have been engaged to compile, report to the society's members that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members, as a body, for our work or for this report.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records 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:

- (a) The accounts, including the revenue account and balance sheet, are in agreement with the accounting records kept by the society under s75 of the Co-operative and Community Benefit Societies Act 2014;
- (b) Having regard to, and on the basis of, the information contained in those accounting records the revenue account and balance sheet comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- (c) For the preceding year of account, the financial criteria for the exercise of the power conferred by section 84 were met in relation to the year.

TAYLOR ROBERTSON & WILLETT LTD

Taylor, Robertson & Willett Ltd
95 King Street
Lancaster
Lancashire
LA1 1RH

Date: *5/3/2019*