

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31 2013

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MORECAMBE BAY COMMUNITY RENEWABLES LTD
Industrial and Provident Society Number IP031421

Legal and administrative information

The society Morecambe Bay Community Renewables Ltd was registered in England and Wales on the 3rd October 2011 under the Industrial and Provident Society Act 1965, and is governed by its Rules.

Directors

Anne C Chapman
Gillian I Fenna
Simon C Gershon
Caroline J Jackson
Stephen J Wrigley
Kevin Frea (co-opted 14 June 2013)

At the AGM on 16th October 2012, all founding directors stood down and offered themselves for re-election. All were re-elected. At the AGM on 4 June 2013 Caroline Jackson and Simon Gershon stood down and were re-elected. Kevin Frea was co-opted by the Directors during the year.

Registered Number: Industrial and Provident Society Number IP031421

Registered Office (from May 17 2013)

Room C9 St Leonards House
St. Leonards Gate
Lancaster LA1 3NN

Bank

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

MORECAMBE BAY COMMUNITY RENEWABLES LTD
Industrial and Provident Society Number IP031421

Report of the Directors

The Directors present their report and the financial statements for the year ended 31 December 2013.

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 4/6/2014

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 income from our PV system at Forge Bank, Halton was sufficient to pay the expected 2% share interest to our members in autumn 2013. This was despite a failure of one of the inverters and the mill system being affected by Lancaster Cohousing's contractors not re-instating the electricity supply correctly after turning it off. In line with the society's rules a payment of a quarter of the share interest payments, amounting to £535 was made to LESS, a local community interest company, for their Home Energy Service. Installation of a further 39 kWp of solar PV at the Lancaster Cohousing site in 2014 will include adding remote monitoring to the existing system, and so enable quicker detection of faults.

The society was successful in its application for SEIS tax relief for most of the class B shares issued in 2012.

In November the society launched its second share offer and was successful in raising £19500 to fund a pellet biomass boiler at the Horton Women's Holiday centre. The boiler was installed in December 2013 and has been working well. The amount of shares accepted by the directors was £4400 in excess of what was needed for the biomass project. This capital will be used on projects in 2014.

The society continues to look for new projects, both solar PV and wind.

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 judgements 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

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- state whether applicable accounting standards of recommended practice have been followed subject to any departures disclosed and explained in the financial statements.

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 12th May 2014 and is signed on their behalf by:

A Chapman (Chair)

S Gershon (Secretary)

Gillian Fenna (Director)

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Profit and Loss Account
For the year ended 31 December 2013

	Note	Y.E 31 Dec 2013 £	Y.E 31 Dec 2012 £
TURNOVER		9,472	2,866
Administrative Expenses		6,716	3,648
OPERATING PROFIT/(LOSS)	2	2,756	(782)
Interest and Surplus payable	3	2,675	0
NET PROFIT/(LOSS) BEFORE TAX		81	(782)
Interest Received		58	13
PROFIT/(LOSS) on Ordinary Activities before taxation		139	(769)
Tax on surplus/(deficit) on ordinary activities	4	0	0
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		139	(769)

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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Balance Sheet as at 31 December 2013

		31.12.2013		31.12.2012	
	Notes	£	£	£	£
FIXED ASSETS	5		107,363		94,839
CURRENT ASSETS					
Debtors	6	2,699		2,278	
Cash at bank and in hand		18,383		9,660	
			21,083		11,938
CREDITORS					
Amounts falling due within one year	7	6,377		3,348	
Loans from Directors	8	3,404		3,404	
			9,781		6,752
NET CURRENT ASSETS			11,302		5,186
TOTAL ASSETS LESS CURRENT LIABILITIES			118,664		100,025
CREDITORS: Amounts falling due after more than one year	9		1,702		1,702
NET ASSETS			116,962		98,323
CAPITAL AND RESERVES					
Called up Share Capital	10		125,498		106,998
Profit and Loss Account	11		(8,536)		(8,675)
Shareholders' Funds			116,962		98,323

For the year ending 31 December 2013 the society is entitled to exemption from audit under Section 4 a (1) FIPSA (the 1968 Act) amended 2006.

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 which give a true and fair view of the state of affairs of the society as 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 Section 226 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the society

This report was approved by the Directors on:-

12th May 2014

and signed on their behalf by:-

A Chapman

MORECAMBE BAY COMMUNITY RENEWABLES LTD
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Notes to the financial statements
For the year ended 31 December 2013

1. ACCOUNTING POLICIES

a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Turnover represents 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.

Solar PV panels 4% per annum on straight line basis.
 No depreciation is charged in the year of installation.

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

	<u>2013</u>	<u>2012</u>
Depreciation	3,794	0
Shares issued to Directors	0	3406

3. INTEREST AND SURPLUS PAYABLE

Share interest paid to members	2,140	0
Share of surplus paid as community benefit	535	0
	2,675	0

4. TAXATION

No liability to U.K. Corporation tax arose on ordinary activities during the year (2012 NIL).

	PV panels	Biomass boiler*	Total	Total
5.FIXED ASSETS				
COST			£	£
At 1 January	94,839	0	94,839	0
Additions	0	16,317	16,317	94,839
At end of period	94,839	16,317	111,156	94,839

DEPRECIATION

At 1 January	0	0	0	0
Charge for period	3,794	0	3,794	0
At end of period	3,794	0	3,794	0

NET BOOK VALUE

At 31 December	91,045	16,317	107,363	94,839
At 1 January	94,839	0	94,839	0

*Horton Women's Holiday Centre own 3% of the biomass boiler

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	<u>2013</u>	<u>2012</u>
6. DEBTORS	£	£
Trade debtors	1,379	2,128
HMRC VAT repayment	1,320	-
Payment due for Shares	-	150
	<u>2,699</u>	<u>2,278</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	6,377	3,302
HMRC VAT	0	46
	<u>6,377</u>	<u>3,348</u>

8. LOANS FROM DIRECTORS

Loans from Directors	<u>3,404</u>	<u>3,404</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. The balance of £3,404 - £851 per Director - will be repaid in shares in the event of a future share launch, and will attract a bonus of 50% also payable in shares (see Note 14).

9. CREDITORS: Amounts falling due after more than 12 months

Loans for start up costs	<u>1,702</u>	<u>1,702</u>
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Loans will be repaid in shares in the event of a future share issue and will attract a 50% bonus (see Note 13).

10. SHARE CAPITAL

Allotted, called up and paid	<u>125,498</u>	<u>106,998</u>
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125,498 Ordinary shares of £1 each

During the year 19,500 (2012 106,998) number of £1 shares were issued, allotted and fully paid up in cash at par. 1,000 shares were redeemed at par.

11. RESERVES

At 1 January	(8,675)	(7,906)
Profit/(loss) for the year	139	(769)
At 31 December	<u>(8,536)</u>	<u>(8,675)</u>

12. RELATED PARTIES

In 2013 fees for administrative support were paid to one Director (2012 nil)

In 2012 Interest was paid to a Director for a short term loan to facilitate cashflow

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13. CONTINGENT LIABILITIES

- i) At the end of the year the company had liabilities relating to loans provided for start up costs. These loans are repayable in shares on the event of a future share issue. This bonus amounts to £2,944 of which £1,963 relates to Directors (2012 - same). No provision has been made in these accounts for the bonus element due.
- ii) As noted in the 2012 Share Prospectus, within the next four years the society will purchase a warranty to cover repair of of the inverters. The current warranty expires after four years. No provision has been made in these accounts for the purchase.

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Profit and Loss Account
For the year ended 31 December 2013

	Y.E 31 Dec 2013		Y.E 31 Dec 2012	
	£	£	£	£
TURNOVER		9,472		2,866
 EXPENDITURE				
Start up costs	0		2,011	
Administration costs	1,988		984	
Insurance of PV panels	497		497	
Legal and regulatory fees	215		90	
Travel, conferences and memberships	222		0	
Total expenditure		<u>2,922</u>		<u>3,582</u>
		6,550		(716)
FINANCE COSTS				
Loan interest paid		0		66
 DEPRECIATION		<u>3,794</u>		<u>0</u>
OPERATING PROFIT		2,756		(782)
Share Interest paid	2,140		0	
Community benefit payment	535		0	
		<u>2,675</u>		<u>0</u>
 NET PROFIT/(LOSS)		81		(782)
Interest Received		<u>58</u>		<u>0</u>
PROFIT/(LOSS) on Ordinary Activities before taxation		139		(782)
Tax on surplus/(deficit) on ordinary activities		0		0
 PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>139</u></u>		<u><u>(782)</u></u>

This page does not form part of the statutory accounts