

**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31 2016**

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**MORECAMBE BAY COMMUNITY RENEWABLES LTD**  
**Community Benefit Society Number 31421 R**

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**Legal and administrative information**

The society Morecambe Bay Community Renewables Ltd (also known as MORE Renewables) was registered in England and Wales on the 3<sup>rd</sup> October 2011 under the Industrial and Provident Society Act 1965, (now superseded by the Co-operative and Community Benefit Societies Act 2014) and is governed by its Rules.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  
Simon C Gershon (until 4 May 2016)  
Kevin Frea (resigned 4 October 2016)

Gill Fenna and Stephen Wrigley were re-elected at the AGM on 28<sup>th</sup> May 2014. Anne Chapman was re-elected at the AGM on 23 April 2015. Caroline Jackson was re-elected at the AGM on 4 May 2016.

**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

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**Report of the Directors**

The Directors present their report and the financial statements for the year ended 31 December 2016.

**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 May 2016.

**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**

Following changes to government policy in 2015 which greatly reduced support for renewable energy, directors decided that new systems were unlikely to be viable and stopped pro-active work to find new projects. No new systems were installed in 2016. However, our existing systems continued to perform well, with income for the year 13% greater than predicted, due to better than expected generation from the solar PV panels at the Lancaster Cohousing site, greater use of the biomass boiler by Horton Women's holiday Centre, and greater on-site use than predicted at the Boys and Girls Club. During the year we paid back £6,000 of share capital and £1,282 towards paying down the start up loans from 2012.

With continued fall in solar PV prices we think some systems may become viable in 2017.

The increase in inflation will mean a higher increase in the FITs rates (which is increased by RPI at the start of April each year) than we have seen in recent years. This should boost our income in coming years.

**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.

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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 11 May 2017 and is signed on their behalf by:

S Wrigley (Chair)

Anne Chapman (Secretary)

Gillian Fenna (Treasurer)

**MORECAMBE BAY COMMUNITY RENEWABLES LTD**  
**Community Benefit Society Number 31421 R**

**Balance Sheet as at 31 December 2016**

			31.12.2016	31.12.2015
	Notes	£	£	£
<b>FIXED ASSETS</b>	5		153,189	162,289
<b>CURRENT ASSETS</b>				
Debtors	6	2,548		1,884
Cash at bank and in hand		<u>26,619</u>		<u>14,669</u>
			29,167	16,553
<b>CREDITORS</b>				
Amounts falling due within one year	7	10,601		832
Loans from Directors	8	<u>1,983</u>		<u>2,644</u>
			<u>12,584</u>	<u>3,476</u>
NET CURRENT ASSETS			<u>16,584</u>	<u>13,077</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			169,773	175,366
CREDITORS: Amounts falling due after more than one year			<u>0</u>	<u>0</u>
<b>NET ASSETS</b>			<u><b>169,773</b></u>	<u>175,366</u>
<b>CAPITAL AND RESERVES</b>				
Called up Share Capital	9		<b>177,985</b>	183,985
Profit and Loss Account	10		<b>(8,212)</b>	<b>(8,619)</b>
Shareholders' Funds			<u><b>169,773</b></u>	<u>175,366</u>

For the year ending 31 December 2016 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:-

and signed on their behalf by:-

Gill Fenna

**MORECAMBE BAY COMMUNITY RENEWABLES LTD**  
**Community Benefit Society Number 31421 R**

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**Profit and Loss Account**  
**For the year ended 31 December 2016**

	Note	Y.E 31 Dec 2016 £	Y.E 31 Dec 2015 £
<b>TURNOVER</b>	11	<b>23,497</b>	25,637
Administrative Expenses	12	<b>13,438</b>	17,486
<b>OPERATING PROFIT/(LOSS)</b>	2	<b>10,059</b>	8,151
Interest and Community Benefit payable	3	<b>9,820</b>	8,050
<b>NET PROFIT/(LOSS) BEFORE TAX</b>		<b>239</b>	101
Interest Received		<b>210</b>	88
PROFIT/(LOSS) on Ordinary Activities before taxation		<b>449</b>	189
Tax on surplus/(deficit) on ordinary activities	4	<b>42</b>	0
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<b>407</b>	189

**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.

**MORECAMBE BAY COMMUNITY RENEWABLES LTD**  
**Community Benefit Society Number 31421 R**

**Notes to the financial statements**  
**For the year ended 31 December 2016**

**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 panesl 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 boilers	10% per annum on straight line basis

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

	<b>2016</b>	<b>2015</b>
Depreciation	9,100	7,982

**3. INTEREST AND COMMUNITY BENEFIT PAYABLE**

Community benefit payment	1,840	1,610
Interest paid to members	7,359	6,440
Loan interest paid	621	0
	<u>9,820</u>	<u>8,050</u>

The loan interest was in respect of a start up loan, made in 2011 by one of the directors (see note 8.)

**4. TAXATION**

Corporation tax payable on income from interest. (2015 NIL).

<b>5.FIXED ASSETS</b>	<b>LCH -PV</b>	<b>LCH Terr</b>	<b>B &amp; G C -</b>	<b>Biomass</b>	<b>Total</b>	<b>Total</b>
<b>COST</b>	<b>panels</b>	<b>D PV</b>	<b>PV</b>	<b>boiler</b>	<b>£</b>	<b>£</b>
At 1 January	94,839	52,940	15,395	16,317	179,491	162,271
Additions					0	17,220
<b>At end of period</b>	<b>94,839</b>	<b>52,940</b>	<b>15,395</b>	<b>16,317</b>	<b>179,491</b>	<b>179,491</b>
<b>DEPRECIATION</b>						
At 1 January	11,382	2,556	0	3,264	17,202	9,220
Charge for period	3,794	2,647	1,027	1,632	9,100	7,982
<b>At end of period</b>	<b>15,176</b>	<b>5,203</b>	<b>1,027</b>	<b>4,896</b>	<b>26,302</b>	<b>17,202</b>
<b>NET BOOK VALUE</b>						
<b>At 31 December</b>	<b>79,663</b>	<b>47,737</b>	<b>14,368</b>	<b>11,421</b>	<b>153,189</b>	<b>162,289</b>
At 1 January	83,457	50,384	15,395	13,053	162,289	153,051

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**Notes to the financial statements**  
**For the year ended 31 December 2016**

	<u>2016</u>	<u>2015</u>
	£	£
<b>6. DEBTORS</b>		
Trade debtors	<b>2,548</b>	1,806
HMRC VAT repayment	-	78
	<u><b>2,548</b></u>	<u>1,884</u>

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

Trade creditors	<b>405</b>	832
Accountancy fees	<b>600</b>	
Share interest payments	<b>7,359</b>	
Community benefit payment	<b>1,840</b>	
HMRC VAT	<b>354</b>	-
HMRC Corporation Tax	<b>42</b>	
	<u><b>10,601</b></u>	<u>832</u>

**8. LOANS FROM DIRECTORS**

Loans from Directors	<u><b>1,983</b></u>	<u>2,644</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><b>177,985</b></u>	<u>183,985</u>
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177,985 Ordinary shares of £1 each

No shares were issued during the year (2015 1,488 shares were issued).

During the year 6,000 shares were redeemed at par (2015 1,583).

**10. RESERVES**

At 1 January	<b>(8,619)</b>	<b>(8,808)</b>
Profit/(loss) for the year	<u><b>407</b></u>	<u>189</u>
At 31 December	<u><b>(8,212)</b></u>	<u><b>(8,619)</b></u>



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**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

<b>11. TURNOVER</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Electricity payments	7,010	6,470
Feed in tariffs	12,938	12,159
RHI payments	3,076	2,669
Heat payments	473	477
Mentoring fees	-	3,863
	<u>23,497</u>	<u>25,637</u>
 <b>12. ADMINISTRATIVE EXPENSES</b>		
Maintenance	330	408
Administration costs	2,778	3,050
Insurance of PV panels	609	591
Legal and regulatory fees	230	230
Fees to mentors	-	3,226
Travel, events, conferences and memberships	390	311
Cost of conversion to CBS	-	990
project management	-	698
Depreciation	9,100	7,982
	<u>13,438</u>	<u>8,398</u>

**13. RELATED PARTIES**

In 2016 fees for administrative support were paid to one Director (2015 one).

**14. CONTINGENT LIABILITIES**

i) At the end of the year the company had liabilities relating to loans provided for start up costs. £661 of these loans were repaid in 2016 (2015 £790). See note 8.

ii) As noted in the initial Share Prospectus, in 2017 the society will purchase a warranty to cover repair of the inverters when the current warranty expires, and likewise in 2019 for the second tranche of solar panels and in 2020 for the inverter at the Boys & Girls club. No provision has been made in these accounts for the purchase.

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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 2016 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: *24/4/2017*