

Report of the Directors
for the period from 5th March 2015 to 2nd December 2015
and the
Financial Statements
for the period from 1st April 2014 to 31st March 2015
for
The Totnes Renewable Energy Society Limited

The Directors present their report of the Society for the period from 5th March 2015 to 2nd December 2015 with Financial Statements appended for the year end 31st March 2015.

Principal Activity

The principal activity of the Society in the period under review was to secure funding for investment to expand our portfolio of solar projects. The 2014 Share Offer reached a final total of £263,000 in July 2015 and Tresoc is now drawing down an agreed loan facility of £168,000 from the Charity Bank. Tresoc has used the share capital for investment in the Shine project; installing 159 kWp solar capacity on South Devon Rural Housing Association properties. The purchase of an installed 50 kWp solar array on a dairy farm at Hatchlands, nr Harberton is now being completed. Income from these assets will enable Tresoc to operate in profit in 2016 and to make an initial 2% interest payment to members at the end of the year. Progress has been made with the 100 kWp hydro project at Staverton Leat in joint venture with our commercial partner, Hydrosense for development in 2016,

Tresoc is the winner of the RegenSW's 2015 South West Green Energy Award for the Best Community Initiative with the SHINE project. *"The year's winner has an excellent balance of community engagement with local residents and has developed an innovative partnership model with a housing association and local installer."*

Review of business

The activities of the year were strongly focussed on raising funding to add to the share capital. Detailed negotiations with the Charity Bank and an application for a £240,000 grant from the Power to Change Lottery Fund required lengthy and protracted work in preparation of financial forecasts, a business plan and funding proposals. The Power to Change Grant application was finally turned down on the grounds that the funds would largely have been used to purchase an existing hydro power plant at Sowton Mill. This effort has nevertheless been useful in helping us to understand and define our business model and to take a clear headed look at what is required to operate at a profit.

Financial discipline was maintained throughout the year, with monthly finance reports to the Board, and Directors continuing to waive their fees. Income from Leatside and Follaton solar roofs made a vital contribution to annual operating costs. One off legal costs of approx. £20,000 have been incurred in negotiating leases for solar roofs and in satisfying legal pre-conditions with the Charity Bank.

The SHINE Project to install 159 kWp solar capacity on 2 commercial and 43 residential properties belonging to South Devon Rural Housing Association is nearing completion in good time to meet a deadline for the FIT digression on 1st January.

Solar output from Hatchlands will add to Tresoc income on completion of the purchase in December 2015. Monitoring and payment systems to improve and simplify the management of a diverse solar portfolio have been developed through a new data monitoring platform in association with local company, Argand Solutions.

Development of the 100 kW hydro plant at Staverton has continued throughout the year with project partners, Hydrosense, now in the final stages of obtaining an abstraction licence from the Environment Agency. The Dartington Hall Trust has agreed in principle to purchase the electricity from the plant and planning work will begin early in 2016. Tresoc participation with Hydrosense and Triodos Bank in a bond issue to raise capital for construction of the Totnes Weir hydro power plant has led to a proposal from Triodos Bank to raise funding for construction of Staverton Hydro under control of Tresoc in 2016.

Beyond Staverton, Tresoc is also exploring the potential for utilisation of tidal energy at Stoke Gabriel and opportunities for woodfuel heating in the year ahead.

Tresoc has made great progress in a difficult year with government support for the community energy sector greatly curtailed. The Society has continued to grow and is on target to achieve a profit in 2016 with revenue from our expanded solar portfolio

Fund raising activities and the complexities of managing a number of solar installations have led the Board to investigate the potential of specialist software accounting systems for deployment in 2016.

Managing Director, Ian Bright has been largely occupied with fund raising in the current year and now looks forward to becoming more involved in project development work to support the continuing growth of the Society.

Mandy Burton stepped down from her role as Director of Engineering in September to spend more time with her young family. Mandy has played a pivotal role in the successful development of Tresoc, most recently in the SHINE project, and the Society is greatly in her debt.

Alastair Gets has been actively engaged in project management for Tresoc since 2014 and was elected to the Board as Engineering Director in September 2016. He has taken the lead role in managing the Shine Project

Owen Hill has been busy on behalf of the Society in the legal work required for processing our solar leases and in managing the complexities of the Charity Bank loan application, in addition to his service as Legal Director and Company Secretary.

Jane Brady has played a lead role in the Power to Change grant application. She continues to keep our members informed of our activities through member news and events, including the "Creative Conversations" session with the wider local community energy sector and interested parties.

Trevor Branton served the Society well throughout the year, especially in the complex field of preparing financial forecasts to support our fund raising activities with the Charity Bank and Power to Change.

Steve Munday provided expert planning input to the TRESOC Board throughout the year. The demand for his professional services is growing as Tresoc increases its portfolio of projects under development.

Olly Frankland has played his part on the Board as Policy and Development Director throughout the year, in addition to his employment with RegenSW.

Administration Manager Alix Riley is leaving us at this AGM to pursue her interest in sustainable horticulture, having performed sterling service for Tresoc in bookkeeping, managing Tresoc correspondence, dealing with phone calls, organising events and much more.

Alix has been working closely over the past 2 months with Dr Sally Murrall-Smith who has taken on the challenge of Admin Manager at a time of rapid growth for the

Society. Sally has a PhD in renewable energy policy from Plymouth University and has served an internship with RegenSW.

Volunteer Richard Phillips has brought his engineering management expertise to the TRESOC Team meetings held at 10 am on Tuesday at the REconomy Centre in Totnes. Members who wish to contribute to the work of the Society are always welcome to join us at the Team Meetings. We are particularly keen to hear from people with expertise in IT, business management systems, communications and engineering.

Directors Pay

Directors fee entitlements were approved by the Members at the AGM in December 2011 as follows:

- The Managing Director shall be paid a monthly fee of £700
- The Marketing Director shall be paid a monthly fee of £450
- The Engineering Director shall be paid a monthly fee of £350

The Directors resolved at the AGM in Dec 2013 to waive their fee entitlements until such time as the finances of the Society improved. The Directors now intend to take up their monthly fee entitlement in whole or in part as the finances of the Society allow. The amount to be withdrawn shall be determined by the Board on a monthly basis with regard to the objective of making a profit and a 2% interest payment to Members at the end of 2016.

Interest

No interest will be distributed for the period ended 31st March 2015

Directors

The Directors shown below have held office during the whole period from 6th March 2015 to the date of this Report.

J Brady	Communications Director
T Branton	Finance Director
I Bright	Managing Director
O Frankland	Policy and Development Director
O Hill	Company Secretary and Legal Director
S Munday	Planning Director

Changes in Directors holding office are as follows:

A Burton	Resigned as Engineering Director in Sept 2015
A Gets	Appointed as Engineering Director in Sept 2015

Directors Retiring at AGM 2nd December 2015

O Hill
S Munday

Election of Directors

O Hill to stand for election as Company Secretary and Legal Director

S Munday to stand for election as Planning Director

Auditors

The Auditors, Darnells, will be proposed for re-appointment at the forthcoming Annual General Meeting. To comply with FCA regulations, Darnells prepared and signed off our accounts for the financial year ending 31st March 2015.

On Behalf of the Board



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I Bright – Director

Date2nd December 2015.....

Financial Statements for the Year Ended 31st March 2015

- The Society's accounts were prepared for the year ended 31st March 2015 by Darnells Chartered Accountants, Totnes. A copy of the accounts are available for inspection by members. The main points are:
- Solar Income received for the year to March 2015 by Tresoc was £5,965 from Leatside Surgery and Follaton Community Hall.
- Expenses of £16,698 were incurred during the year, including the costs of preparation of the May 2014 Share Offer
- Wages & Salaries were limited to only £4,158 in payments to the Admin Manager, the 3 paid Directors having continued to waive their fee entitlement since December 2013.
- The loss for the year was £10,000, including depreciation of £3,224 on tangible fixed assets (solar arrays at Leatside and Follaton)
- The cumulative loss incurred by TRESOC to 31st March 2015 was £112,750
- Shareholder funds on account at the Year end March 2015 was £316,016

The significant financial events since the end of March 2015 have been:

- New Share Capital of £10,100 received in the year brings total share capital received from the 2014 Share Offer to £263,000
- Loan Agreement signed with the Charity Bank for a total of £168,000 for the purchase of 50 kW solar array at Hatchlands Farm.
- Investment of £212,221 in solar pv fixed assets through SHINE Project
- Proposal for funding Staverton Hydro received from Triodos Bank