

Report of the Directors
for the period from 1st Dec 2013 to 4th March 2015
and the
Financial Statements
for the period from 1st April 2013 to 31st March 2014
for
The Totnes Renewable Energy Society Limited

The Directors present their report of the Society for the period from 1st December 2013 to 4th March 2015 with Financial Statements appended for the year end 31st March 2014. The date of this AGM has been delayed by 3 months from the anniversary of the previous AGM on 6th December 2013, as allowed by the Rules of Tresoc.

Principal Activity

The principal activities of the Society in the period under review were in securing investment opportunities of up to £1.5m in solar and hydro power projects for a share offer launched in May 2014. A minimum level of investment of £500,000 in new projects was required to generate sufficient income from renewable energy production to pay the annual running costs of the Society. By July 2014 a total of £200,000 new share capital had been received and Tresoc approached the Charity Bank for a loan on terms that would enable the Society to raise the required level of investment in new projects to meet operating costs. Following detailed negotiations between the parties, the Charity Bank issued Tresoc with an offer of Heads of Terms for a loan of £356,000. The Tresoc Board is seeking the approval of members to accept the Heads of Terms for the loan at this Annual General Meeting. Share capital received has risen to £250,000 by 26th February 2015 and the share offer remains open until midnight on 4th March.

Review of business

The activities of the year followed the strategy to address Tresoc's financial situation, as proposed by the Board and approved by Members at the Dec 2013 AGM. The Society set out to identify and secure low risk projects with short lead in times for inclusion in a share offer in the first half of the year to raise further investment capital. Directors waived their fees throughout the year. We maintained financial discipline through monthly finance reporting and kept £25,000 in reserve. Income from Leatside and Follaton solar roofs made a welcome and vital contribution to annual operating costs.

In the first 4 months of 2014 Directors efforts focussed on negotiating agreements with local partners for investment in roof mounted solar and hydro power projects. This effort secured the opportunity to develop the Shine Project with South Devon Rural Housing Association to install solar panels on properties across South Devon. Tresoc commissioned local company Beco Solar to carry out a survey of the SDRHA property portfolio which identified 70+ roofs suitable for solar power installations.

Agreement was also reached with SWSolar Ltd for the purchase of an installed 50 kW solar array on barn roofs at Hatchlands dairy farm.

Tresoc enjoys a close working relationship with Dartington based company Fisktek, a leading member of the Hydrosense consortium, with a track record of successful flow of river hydro power schemes using the fish friendly Archimedes screw turbine technology. In the first quarter of 2014 we were able to sign agreements with Hydrosense for minority share community investment in hydro projects at Sowton on the River Teign and the Dart Hydro project at Totnes Weir. Tresoc also engaged in a joint venture with Hydrosense to develop a hydro power plant at Staverton Leat, originally constructed in the 1920s to supply electricity to Dartington Hall.

With these solar and hydro power projects in hand, the Tresoc team was able to launch the Prospectus for the share offer in May 2014. However, with a restricted operating budget, expenditure on publicity for the launch was severely curtailed and by July some £200,000 of new share capital had been received. A great response in the circumstances but not enough for the Society to become financially self-sustaining. Tresoc then approached the Charity Bank, an ethical bank offering loans to support social enterprises. During the autumn of 2014 and into January 2015 Tresoc engaged in a series of meetings with the Bank's representative to agree terms for a business loan that would enable the Society to pay its running costs from revenues and to make an initial modest interest payment to members. The detailed process of negotiating with the Bank has also been beneficial in supporting the Tresoc organisation to evolve into a commercially successful community energy enterprise. In early February the Bank offered Heads of Terms for a loan to Tresoc of £356,000. Approval is now being sought from members at this Annual General Meeting to accept the Terms of the loan

With the Tresoc team strongly focussed on the share issue, activity on other longer term projects has been somewhat curtailed in 2014. Solar and hydro power will remain key technologies to support Tresoc's further growth. However, the potential for the biomass technologies; woodfuel heating, anaerobic digestion and woodfuel pyrolysis is still very much in mind. The success of this share issue will enable Tresoc to develop the capability to take a leading role in biomass schemes, with individual project values ranging up to £7m.

Enabling work for larger scale operations has not been neglected. Tresoc has submitted a proposal to South Hams District Council to work in partnership to realise the potential of the Authority's renewable energy assets. The proposal was followed by Executive level meetings with the Authority and it is hoped that these will resume in 2015 when our financial position is secured. Tresoc is also actively engaged with the Dartington Hall Trust in a series of meetings exploring the potential for partnership working on a variety of renewable energy opportunities on the Estate. The Trust joined Tresoc as a corporate member in the 2010 share issue and it is most encouraging that they have invested a further £20,000 in 2014. Similarly, the decision of South Devon Rural Housing Association to join Tresoc with a £10,000 investment demonstrates growing confidence on the part of strategic local enterprises in Tresoc's ability to deliver the promise of community owned renewable energy for the local community, economy and environment.

Managing Director, Ian Bright has devoted his time to dealing with matters pertaining to the share issue and put aside his activities in lobbying for community renewable energy in the current year. He entertains hopes of developing a strategic biomass project or two in 2015.

Mandy Burton, Director of Engineering, continues to lead in all our solar projects and has mastered the complexities of the Shine Project with South Devon Rural Housing

Association. She played a key role in preparing financial projections in the preparation of the share issue and in Tresoc's negotiations with the Charity Bank

Owen Hill performed the essential task of preparing the legal agreements to secure our investment opportunities across the project portfolio. He was Tresoc's lead negotiator and main architect for the deal with the Charity Bank, in addition to his service as Legal Director and Company Secretary.

Jane Brady has taken the lead in the design and structure of the Prospectus and in generating local and national interest in the share issue. She continues to keep our members informed of our activities through member news and events, including the Tresoc Social and the programme for the Annual General Meeting. Jane plans to engage our members more fully in the development of Tresoc's medium term strategy in the coming year.

Paul Pizzala took on the role of Finance Director at a challenging time for the Society in December 2013. He led the exercise that focussed our attention on solar and hydro power projects and generated the financial projections that form the basis for the Prospectus and our negotiations with the Charity Bank. Paul resigned from the Board in September 2014 to pursue other interests, having made a vital contribution to Tresoc's prospects for growth.

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 joined the Board as Policy and Development Director in December 2014, having performed a variety of tasks for Tresoc throughout the year. He is playing a key role in development of the Staverton project with Hydrosense and in our discussions with Dartington Hall Trust, in addition to his employment with RegenSW.

Trevor Branton joined Tresoc as Acting Finance Director in January 2015. Trevor is an independent, whole of market Mortgage & Financial Adviser, based in Dartmouth. His business helps clients with all financial matters including pensions, savings, investments, mortgages, protection, and overall wealth management. We are pleased to confirm that he is standing for election as Finance Director at this AGM.

Alastair Gets has joined Tresoc recently, taking on a role in engineering project management at an increasingly busy time for the Society. Alastair developed projects substituting electricity, paraffin or deforesting wood for cooking fuel with clean burning biogas from organic waste and worked on various renewable energy projects in his native South Africa. He recently gained an MSc in marine renewable energy at Plymouth University.

Administration Manager Alix Riley continues to provide the unsung core services that keep the Society running; from bookkeeping, to managing Tresoc correspondence, dealing with phone calls, organising events and much more. Thanks are also due to Sasha Edmunds who gave her time and expertise to number crunching in preparation of the Prospectus.

The TRESOC Team, with meets weekly 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. We are particularly keen to hear from people with expertise in IT, business management systems, communications and engineering at this time of growth for the Society.

Interest

No interest will be distributed for the period ended 31st March 2014

Directors

The Directors shown below have held office during the whole period from 6th December 2013 to the date of this Report.

J Brady	Communications Director
I Bright	Managing Director
A Burton	Engineering Director
O Hill	Company Secretary and Legal Director
S Munday	Planning Director

Changes in Directors holding office are as follows:

P Pizzala resigned as Finance Director in September 2014.

O Frankland appointed as Policy and Development Director in December 2014

T Branton appointed as Acting Finance Director January 2015

Directors Retiring at AGM 4th March 2015

A Burton

J Brady

Election of Directors

T Branton to stand for election as Finance Director

A Burton to stand for election as Director of Engineering

J Brady to stand for election as Communications 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 2014.

On Behalf of the Board



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I Bright – Director

Date4th March 2015.....

Financial Statements for the Year Ended 31st March 2014

- The Society's accounts were prepared for the year ended 31st March 2014 by Darnells Chartered Accountants, Totnes. A copy of the accounts are available for inspection by members. The main points are:
- During the summer of 2013, TRESOC made its second investment in Solar pv, this time £10,480 on panels installed on the roof of Follaton Community Hall.
- Solar Income received for the year to March 2014 by Tresoc was £4,345 from Leatside Surgery and Follaton Community Hall.
- The three paid Directors agreed to waive their monthly fees with effect from 31st December 2013 to reduce the Society's running costs.
- Tresoc maintained a cash reserve of £25,000 throughout the period.
- Expenses of £37,773 were incurred during the year, including £15,000 for Legal Works to secure Tresoc solar and hydro power investment opportunities and register a Rule Change removing the geographical barrier to Tresoc Membership. Legal Fees were heavily discounted from c. £45,000 due to the connections of the organisation.
- Wages & Salaries were limited to only £14,438 (combination of Wages for Admin Staff and partial Director Payments up till Dec 2013).
- The loss for the year was £32,381 and the cumulative loss incurred by TRESOC to 31st March 2014 was £101,750.
- Shareholder funds on account at the end for the Year end March 2014 was £75,847

The significant financial events since the end of March 2014 have been:

- Solar Income received for the year to March 2015 by Tresoc was £5,231 from Leatside Surgery and Follaton Community Hall.
- Tresoc launches Share Offer on 22nd May 2014 to raise up to £1.5m for investment in a portfolio of secured Solar pv and Hydro Power Projects.
- New Share Capital in excess of £250,000 received at 27th February 2015
- Charity Bank offers Heads of Terms for a loan of £356,000 to raise sufficient share and commercial capital for investment in solar projects at South Devon Rural Housing Association and Hatchlands Farm. Heads of Terms to be approved at the AGM 4th March 2015.