

Report of the Directors
for the period from 15th November 2018 to 13th November 2019
and the
Financial Statements
for the period from 1st April 2018 to 31st March 2019
for
The Totnes Renewable Energy Society Limited

The Directors present their Report of the Society for the period from 15th November 2018 to 13th November 2019 with Financial Statements for the year ending 31st March 2019.

Principal Activity

The principal activities of the Society in the year to Nov 2019 included a thorough review of TRESOC's financial position, leading to substantial reductions in operating costs. Income from FITs and energy sales is secure and sufficient to meet operating costs but will not repay the full value of Members shares at the end of the typical 20-year lease period. At a Special General Meeting on 2nd July, members endorsed a proposal from the Board to reduce the redemption value of shares from £1 to £0.70p, with the aim of restoring the redemption value of shares and interest payments to members at the earliest opportunity. This will be achieved by adding new projects to TRESOC's asset base to generate further income. Recent Climate Emergency Declarations by Devon County, South Hams District and Totnes Town Councils are welcomed by TRESOC and offer huge opportunities for growth in the community energy sector across the County.

TRESOC is engaged with Transition Homes Community Land Trust to develop and install an innovative solar powered mini-grid for the Clay Park development, scheduled for construction in 2020, and with South Hams District Council on a lease for a solar array at the Pavilions Leisure Centre.

TRESOC gained approval from OFGEM for pre-registration for FITs for a 30kW solar array at Bidwell Brook School, if installed by 31st March 2020. However, the School's legal advisers have quoted £2,500 to review the TRESOC solar lease which means that the project is no longer commercially viable.

There is renewed interest in TRESOC's solar offer from existing clients, South Devon Rural Housing Association and LiveWest, for the Baltic Wharf development.

The planning application for the Staverton Hydropower project has been granted an extension to January 2020, pending an Environment Agency Habitat Risk Assessment, now underway.

The RCEF funded Feasibility Study on the proposed Anaerobic Digestion plant at Old Parsonage Farm, Dartington was successfully completed in March 2019 and the project is on hold until 2020, pending developments on the Dartington Estate.

Review of business

The TRESOC solar portfolio continues to provide most of the income for the Society in the current year with work ongoing to improve and update monitoring and maintenance systems to optimise output from our solar assets. Output from our largest solar array at Hatchlands Farm continues to be adversely affected by the dusty working environment of a dairy farm. Trials of a remotely operated spray nozzle cleaning system are due to start in January 2020. Commercial opportunities in the post-FIT market for large arrays, selling electricity direct to the end user, are in active development with good prospects for realisation in the near term.

The planning application for Staverton Hydro remains in process, dealing with issues raised by the Environment Agency, principally relating to fisheries and flood risk. SHCBS is now seeking further RCEF funds from the Local Enterprise Partnership to address these issues. The EA have also proposed that the Staverton Hydro Benefit Society, operated by TRESOC, could manage the hydro plant on an innovative profit share basis with the Agency, which is most encouraging. Although the opportunity to pre-register Staverton Hydro for FITs has passed, Dartington Hall Trust remain supportive of the scheme and TRESOC is actively investigating opportunities for grant support to take the project forward.

The RCEF Feasibility Study on Anaerobic Digestion at Old Parsonage Farm, Dartington, was successfully completed in March 2019. The next stage of the project is to seek further RCEF development grant aid from the SW Local Enterprise Partnership to prepare a commercial proposal for installation, operation and maintenance; working with farmer Jon Perkin and the Dartington Estate Team.

RCEF grants and loans, now administered by the LEPs, continue to make a substantial contribution towards TRESOC's capacity to develop significant new schemes, enabling Directors to be paid directly for their work on these projects and to bring in local specialist input for new projects as required.

Dart Renewables have pledged £1,000 to support the REEL programme, which has paid for a 4-day project at Stoke Gabriel Primary School & On Track at Dartington. A 2-day REEL project at St Christopher's School in June was paid by anonymous member's donation. REEL at Park School in September 2019 was paid for by a grant from the Institute of Physics. Sally has submitted a grant to the Institute for Engineering & Technology for £5,000 to expand and enrich the popular REEL programme. REEL will be running at Broadhempston Primary in January 2020.

Financial discipline was maintained throughout the year, with monthly financial reports to the Board.

TRESOC was awarded a grant for £8,000 from the Co-ops UK Share-Booster Programme to do the financial work to move TRESOC to an open share-offer. Frustratingly the financial analysis revealed that the company is not yet in a position to receive the Community Shares Standard Mark, due to an historical asset loss, ie due to the development costs associated with the windfarm that was not granted planning permission. However, the grant and associated work has been extremely valuable as it has helped TRESOC to understand its financial position and make some important changes to improve the functioning and trading position of the society. Therefore, for now TRESOC will continue with time-bound share offers to support further growth.

Managing Director, Ian Bright has been largely focused on project development across the TRESOC renewables portfolio to support the continuing growth of the Society.

TRESOC Limited (Registered Number 30373R)

Alastair Gets, Engineering Director, remains busy managing our solar assets, developing new solar proposals and making a major contribution to the Hydro and AD feasibility studies.

Owen Hill continues to provide valued service as Company Secretary for TRESOC.

Trevor Branton, Finance Director, resigned from his position as TRESOC Finance Director at the end of July after 4 years valued service to the Society. TRESOC is now seeking to recruit a new Finance Director to oversee what promises to be a period of rapid growth in new projects for the Society.

Steve Munday, Planning Director, gives professional input on planning matters relating to Tresoc activities throughout the year and is currently managing the Staverton Hydro planning application.

Olly Frankland, Policy and Development Director, makes a key contribution to TRESOC project development with his expert knowledge of the evolving regulatory framework for community renewable energy, and in identifying and applying for suitable grants and loans to support the further growth of the Society.

Dr Sally Murrall-Smith, Operations Manager, has responsibility for business and financial management systems as the Society continues to evolve, providing monthly financial data to inform the Board decision making process. Sally has worked tirelessly with Andrew Shadrake on the financial appraisal and open share offer and plays a key role in ongoing development of the successful and enjoyable REEL project with local schools.

Catherine Munro records the Minutes at TRESOC's monthly Board Meetings and provides expert Admin Support for Sally and the Tresoc Team as required.

Gerry Granshaw resigned from her position as TRESOC Communications Manager in May 2019.

Esther Giagrande has been appointed Communications Director, effective from 1st July.

Nick Harris resigned as REEL co-ordinator in July 2019 and has left a legacy of fantastic workshops for the children to enjoy.

Sophie Galleymore Bird joined the TRESOC Team in June 2019 as Digital Marketing Assistant.

TRESOC continues to attract high quality interns and this summer provided work experience placements for two students from King Edward V1 Community College.

Members who wish to contribute to the work of the Society are always welcome to join us at the Team Meetings, held at the REconomy Centre in Totnes; please contact Sally Murrall-Smith for meeting dates.

Interest

TRESOC's strategy for growth of the business has directed resources towards development of new projects in the current year.

An outcome from the Financial Review is that TRESOC will no longer be directing its income from generation towards project development. Future development costs will be met by grants. TRESOC will now begin putting money aside for inverter replacement and share capital repayment in future.

At this time in the TRESOC financial year it is not possible to state whether an interest payment can be made to members in the y/e March 2020, however an interest payment of 1% is in our financial forecast.

Directors

The Directors shown below have held office during the whole period from 11th November 2018 to the date of this Report.

I Bright	Managing Director
O Frankland	Policy and Development Director
A Gets	Engineering Director
O Hill	Company Secretary
S Munday	Planning Director

Changes to Directors holding Office.

G Granshaw	Communications Director, retired 31 st June 2019
Esther Giagrande	Communications Director appointed 1 st July 2019
Trevor Branton	Finance Director, retired on 31 st July 2019

TRESOC is currently seeking to recruit a Finance Director and welcomes enquiries from suitably qualified persons.

Election of Directors

Two Directors have resigned in the current year so there is no need for Directors to retire and seek re-election at this 2019 Annual General Meeting.

Resolutions:

On Behalf of the Board



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I Bright – Director

Date13th November 2019.....

Financial Statements for the Year Ended 31st March 2019

The Society's accounts for the year ended 31st March 2019 were prepared by Darnells Chartered Accountants, Totnes. A copy of the accounts is available for inspection by members at the AGM and posted on our website. The main points are:

- Total turnover for the year was £64,640, comprising £44,672 from solar outputs, £2,500 for consultancy services, £15,858 in grants and other income of £1,610.
- The cost of sales was £24,388, comprising metering costs of £1,460 and consultancy fees of £22,928.
- Expenses of £57,002 were incurred during the year, including Directors' fees of £7,850, administrative fees of £5,813 insurance of £3,460, accountancy fees of £1,842, bank charges of £670 and depreciation of £25,431.
- The loss for the year was £25,607, including depreciation of £25,431 on tangible fixed assets
- The profit and loss reserve stood at (£157,643) on 31st March.
- Share capital at 31st March was £466,503.

The significant financial events since the end of March 2018 have been:

- The award of £8,000 by the Power to Change Community Share Booster Programme, for a financial appraisal preparatory to an open share offer, together with the Standard Mark Review for that offer.