

**SOLAR FOR SCHOOLS CBS LTD
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

Chartered Accountants

Alanbrookes (Devizes) Ltd t/a J S Weeks & Co
41 St. Johns Street
Devizes
Wiltshire
SN10 1BL

Solar for Schools CBS Ltd
Directors' Report and Financial Statements
For The Year Ended 31 March 2019

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Solar for Schools CBS Ltd
Society Information
For The Year Ended 31 March 2019

Directors	Ann Flaherty Peter Roberts Julian Lesley Robert Schrimppf Ann Finlayson Marino Charalambous
Society Number	RS007364
Registered Office	146 Kings Road Bury St Edmunds IP33 3DJ
Accountants	Chartered Accountants Alan Brookes (Devizes) Ltd t/a J S Weeks & Co 41 St. Johns Street Devizes Wiltshire SN10 1BL
Auditors	Alan Brookes Limited PO Box 258 Stroud Gloucestershire GL6 8WZ

Solar for Schools CBS Ltd
Society No. RS007364
Directors' Report For The Year Ended 31 March 2019

During the period, the CBS invested £889,136 in 1,074 kWp of solar on an additional 13 schools. This represents a three-fold increase in the total kWp owned by the CBS. The CBS now has 22 school members. Annual CO2 savings rose to from about 250 tonnes of carbon dioxide a year to nearly 750 tonnes of carbon dioxide. Energy and carbon workshops and assemblies were delivered to 13 schools and 2620 students (which equates to around 200 pupils in each school).

Overall electricity generation of the systems was 3% below target, mainly as a result of managing the initial teething problems associated with installing at so many new schools. This was compensated by 3% higher than forecast self-consumption rate of renewable energy generated versus target consumption, despite the lower total production. So revenue generation across the portfolio is expected to be within a few percentage points of forecast.

Earnings before interest, tax and depreciation only rose from £45k to £77k as most of the systems were installed at the end of the summer. About two thirds of the new portfolio will only generate income during the winter months for this accounting period. Typically only about a quarter of a full year's generation and income occurs in winter. Nevertheless interest and depreciation are calculated at a flat rate over the year. So depreciation (£40,490) and interest costs (£54,441) exceeded income (£77,628) and other costs in the period resulting in a deficit of £56,340.

Although the financial model for each system is set at cash flow break even in year one, due to depreciation charges and interest payments, they are not expected to generate taxable profits before Year 7 or 8. Nevertheless, year one losses are greater if a system has only performed for the winter months by the accounting year-end. i.e. they have not operated for a full year. Administrative expenses were £3,000 higher than expected because of the cost of auditing the accounts.

As some projects were delayed, a proportion of bonds were refunded last year to reduce interest burden (£64k out of over £1.5m bonds were re-paid). Nevertheless the society's net cash position rose from £54,358 last year to £174,059 as of 31st March 2019. These funds include reserves for inverters and repairs, but the rest will be invested in more projects in the following quarter.

The Directors noted at the AGM that the CBS is growing quickly and remains cash flow positive, but voted to not distribute any of the surplus cash flow to schools in order to build additional reserves to account for possible system underperformance in the future.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the society and of the profit or loss of the society for that period. In preparing the financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Co-operative and Community Benefit Societies Act 2014. 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.

Statement of Disclosure of Information to Auditors

The directors of the society who held office at the date of approval of this annual report confirm that:

- so far as they are aware, there is no relevant audit information of which the society's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the society's auditors are aware of that information.

Directors

The directors who held office during the year were as follows:

Ann Flaherty, Peter Robert, Julian Lesley, Robert Schrimppff, Ann Finlayson, Marino Charalambous

Small Company Rules

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the Co-operative and Community Benefit Societies Act 2014.

On behalf of the board



Robert Schrimppff

18 October 2019

Solar for Schools CBS Ltd
Auditor's Report
For The Year Ended 31 March 2019

Opinion

We have audited the financial statements of Solar for Schools CBS Ltd for the year ended 31 March 2019 which comprise the Income and Expenditure Account, Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 - Section 1A for Small Entities "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 March 2019 and of its surplus/(deficit) for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 7 to the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the society's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Opinion on Other Matter Prescribed by the Co-operative and Community Benefit Societies Act 2014

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the directors' report has been prepared in accordance with applicable legal requirements.

Matters on Which We Are Required to Report by Exception

In the light of the knowledge and understanding of the society and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records or returns;
- certain disclosures of directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

**Solar for Schools CBS Ltd
Auditor's Report (continued)
For The Year Ended 31 March 2019**

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

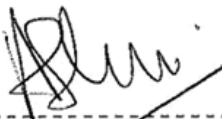
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use Of Our Report

This report is made solely to the society's members, as a body, in accordance with the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society's members those matters that we are required to state to them in an auditor's 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 audit work, for this report, or for the opinions we have formed.



Andrew Fisher BA FCA (Senior
Statutory Auditor)
for and on behalf of Alanbrookes
Limited, Statutory Auditor
18 October 2019
Alanbrookes Limited
PO Box 258
Stroud
Gloucestershire
GL6 8WZ

Solar for Schools CBS Ltd
Income and Expenditure Account
For The Year Ended 31 March 2019

	Notes	2019 £	2018 £
TURNOVER		77,628	45,170
Cost of sales		(25,181)	(11,861)
GROSS SURPLUS		52,447	33,309
Administrative expenses		(54,346)	(20,623)
OPERATING SURPLUS/(DEFICIT)		(1,899)	12,686
Interest payable and similar charges		(54,441)	(19,596)
DEFICIT FOR THE FINANCIAL YEAR		(56,340)	(6,910)

The notes on pages 7 to 9 form part of these financial statements.

Solar for Schools CBS Ltd
Balance Sheet
As at 31 March 2019

	Notes	2019		2018	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	4		1,309,460		460,814
			<u>1,309,460</u>		<u>460,814</u>
CURRENT ASSETS					
Debtors	5	29,804		9,723	
Cash at bank and in hand		228,417		54,358	
		<u>258,221</u>		<u>64,081</u>	
Creditors: Amounts Falling Due Within One Year	6	<u>(107,315)</u>		<u>(32,556)</u>	
NET CURRENT ASSETS (LIABILITIES)			<u>150,906</u>		<u>31,525</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,460,366</u>		<u>492,339</u>
Creditors: Amounts Falling Due After More Than One Year	7		<u>(1,532,792)</u>		<u>(508,425)</u>
NET ASSETS			<u>(72,426)</u>		<u>(16,086)</u>
Income and Expenditure Account			<u>(72,426)</u>		<u>(16,086)</u>
MEMBERS' FUNDS			<u>(72,426)</u>		<u>(16,086)</u>

Directors' responsibilities:

- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

On behalf of the board




Robert Schrimppff
18 October 2019

The notes on pages 7 to 9 form part of these financial statements.

Note for CBS Annual Return

Director's signatures in order provided, from left-right:

- Peter Roberts
- Robert Schrimppff
- Ann Finlayson

Solar for Schools CBS Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2019

4. Tangible Assets

	Plant & Machinery £
Cost	
As at 1 April 2018	487,941
Additions	889,136
As at 31 March 2019	1,377,077
Depreciation	
As at 1 April 2018	27,127
Provided during the period	40,490
As at 31 March 2019	67,617
Net Book Value	
As at 31 March 2019	1,309,460
As at 1 April 2018	460,814

5. Debtors

	2019 £	2018 £
Due within one year		
Prepayments and accrued income	488	488
Other debtors	14,864	4,814
VAT	14,452	4,421
	29,804	9,723

6. Creditors: Amounts Falling Due Within One Year

	2019 £	2018 £
Trade creditors	70,172	-
Accruals and deferred income	3,000	25,694
Interest payable on bonds and loans	33,543	6,862
	107,315	32,556

Solar for Schools CBS Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2019

7. Creditors: Amounts Falling Due After More Than One Year

	2019	2018
	£	£
Loan/ bonds issued and other bank loans	1,532,792	508,425
	<u>1,532,792</u>	<u>508,425</u>

8. FRC Ethical Standard - Provision Available for Small Entities

In common with other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

9. General Information

Solar for Schools CBS Ltd is constituted as a Registered Society under the Co-operative and Community Benefits Society Act 2014 , registered number RS007364. The registered office is 146 Kings Road, Bury St Edmunds, IP33 3DJ.

Solar for Schools CBS Ltd
Detailed Income and Expenditure Account
For The Year Ended 31 March 2019

	2019		2018	
	£	£	£	£
TURNOVER				
Sales - Export Income		1,321		-
Sales - FIT Income		15,919		10,803
Sales - PPA Income		60,388		34,367
		77,628		45,170
 COST OF SALES				
Asset management fees	16,433		9,909	
Fund management costs	8,748		1,952	
		(25,181)		(11,861)
 GROSS SURPLUS		52,447		33,309
 Administrative Expenses				
Repairs and maintenance	2,050		-	
Insurance	8,192		1,878	
Audit Fees	3,000		-	
Bank charges	140		-	
Depreciation	40,490		18,745	
Sundry expenses	474		-	
		(54,346)		(20,623)
 OPERATING SURPLUS/(DEFICIT)		(1,899)		12,686
 Interest payable and similar expenses				
Interest paid - bonds issued/ loans obtained	54,441		19,596	
		(54,441)		(19,596)
 DEFICIT FOR THE FINANCIAL YEAR		(56,340)		(6,910)

SOLAR FOR SCHOOLS CBS LTD

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2019

	2019 £	2018 £
Cash flows from operating activities		
Deficit for the year	(56,340)	(6,910)
Adjustments to cash flows for non-cash items:		
Depreciation	40,490	18,745
Finance costs	54,441	19,596
	<u>38,591</u>	<u>31,431</u>
Working capital adjustments:		
Increase in debtors	(20,081)	(2,764)
Increase/(decrease) in creditors within one year	74,759	(32,326)
Net cash flow from operating activities	<u>93,269</u>	<u>(3,659)</u>
Cash flows from investing activities		
Acquisition of tangible fixed assets	<u>(889,136)</u>	<u>(152,654)</u>
Cash flows from financing activities		
Interest paid	(54,441)	(19,596)
Issue of bonds	1,024,367	223,425
Net cash flows from investing activities	<u>969,926</u>	<u>203,829</u>
Net increase/(decrease) in cash and cash equivalents	174,059	47,516
Net cash and cash equivalents at 1st April	54,358	6,842
Net cash and cash equivalents at 31st March	<u>228,417</u>	<u>54,358</u>