

Annual Report 2018



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energy

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Avalon Community Energy Ltd

Impact Report 2018

Urgency Of Climate Change

One of the first things I learnt in joining Avalon Community Energy (ACE) as Chair in 2018 was how its success to date, both financially and to get projects up and running, is owed to my predecessor is owed to our volunteer directors, especially my predecessor Jon Cousins and our Company Secretary Maddy Milnes. Their combined experience and commitment is central to the strong position which ACE is in today.

During 2018, the International Panel on Climate Change report underlined the urgency rapidly to reduce global carbon emissions. The Board fully accepts its moral and ethical responsibility, with the tacit support of ACE's members, to maximise the impact of our work to support this.



*Stewart Crocker and
Jenny Farrell (school business manager)*

Our ambition is to continue to expand the capacity of solar in our region with an emphasis on schools and colleges. I'm delighted that recently we launched our third major project with Hugh Sexey Church of England Middle School.

The announcement that the Feed in Tariff would be discontinued from April 2019 concentrated our minds on exploring options for ensuring that new installations can be financially viable and attract the required level of

investment. We therefore began discussions with other Somerset based community benefit organisations about the potential to collaborate in scaling up our efforts and driving down our costs. We anticipate that in the year ahead, new initiatives may include sharing skills and experience and making use of collective purchasing power through to practical project partnership.

I'm delighted to report that we further strengthened the Board's capacity with additional expertise. I would like to pay tribute to all my fellow directors who, as volunteers, continue to demonstrate exceptional commitment to our cause.

Finally, I would like to thank you - the members. Without you, Avalon Community Energy simply, would not exist! Thank you for your continued support and contribution to our projects. Together, we are ACE!

Stewart Crocker
Chair, Avalon Community Energy

Our Top Impacts For 2018

- At least 53.5 tonnes of carbon saved from entering our atmosphere
- Significant carbon and financial savings for our first major project - Brookside Academy, Street
- Completion of 88 panels for Hugh Sexey Church of England Middle School, Blackford
- First capital repayment to shareholders
- New engagement with four schools and colleges
- New engagement with community energy enterprises in Somerset to foster potential partnerships
- Addition of one new board member and a replacement chair.

The Way Ahead

For 2019 we hope to be able to report:

- Increased board capacity and expertise
- New projects started
- New partnerships fostered

Membership Update

Membership of ACE was introduced early 2015 and our current membership is 116 community members and 88 social investors. Community members must live or work in the local area (Glastonbury, Street, Wells, Shepton Mallet and surrounding villages). Social investors can live in any part of the UK.

2018 Major Project Update Activities

Brookside Academy

2018 was the second full year of solar energy generation Brookside Academy, Street.

It was an outstanding period for solar power with 76,000 kWh generated compared with 61,000 kWh in 2017. The school used approximately 71 per cent of the energy it generated with the rest exported to the national grid. An export meter was installed in late 2018 in order for ACE to benefit from payments from the excess generated.

During 2018, the panels generated 76,000 kWh resulting in over 40 tonnes of carbon emissions saved compared to 33 tonnes in 2017.

For example, this is like saving the equivalent carbon emissions of 232,234 km of car driving. That's like a journey from Glastonbury to Minsk.

"Being an energy efficient school continues to be important to us. It's not about the financial savings, although these are welcome, but setting an example to our school community and other education establishments on our carbon-saving priorities."

Brian Walton, Headteacher at Brookside



Brian Walton,
Headteacher at Brookside Academy

Through 2018 Brookside achieved energy savings of £3900 and used more of the power it created than in 2017. ACE only increases its tariff according to the RPI, ensuring continued and competitive low energy prices. The tariff for 2017/18 was 0.06216p per kWh.

Evercreech Trading Estate

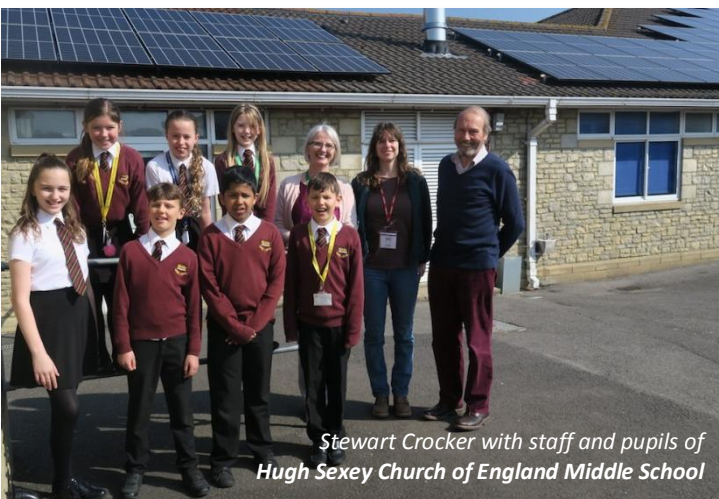
We installed panels in 2017 but the monitoring system was not in place until April 2017 so comparable data will be available next year.

However, due to the outstanding summer we can say with confidence that we generated more energy. According to our monitoring system more than 25,000 kWhs was generated during 2018. There was a change in tenant during the year and the new tenant uses a lot less energy than the previous occupant, resulting in 3555 kWh going to the grid and only 4630 kWh being used on site (12 per cent). For smaller installations (under 30kW) projects get paid on the assumption that 50 per cent of energy generated goes to the grid. This year we are exploring options for installing an export meter to reduce the amount going to the grid.

During its second year of generation, the panels generated 25,000 kWh resulting in 13.5 tonnes of carbon emissions saved.

This is equivalent to saving 80,000 km of driving by car.

2018 Project Development



Stewart Crocker with staff and pupils of
Hugh Sexey Church of England Middle School

We installed our third project during October 2018 at **Hugh Sexey Church of England Middle School** just outside Wedmore. We discovered that this contributes towards Wedmore becoming known for the population with the highest proportion of solar on public buildings.

At Hugh Sexey there is now a 30kW system that is expected to generate over 33,000 kWh and save nearly 14 tonnes of carbon emissions a year. We've

thoroughly enjoyed working with the school and know that the staff and children are very excited by the project and what it will achieve.

We are supporting the **Elim Centre** in Wells, to install solar on their roof and so reduce their energy bills. The centre carries out important



*Phoebe Munro,
Chair of the School Student Council*

work helping vulnerable people in the local area.

As a consequence of this work they have planning permission in place and they are currently fundraising for the project.

"As a member of the school council, I am proud to see that our school has taken a step towards improving the environment and I look forward to seeing how much energy the sun can create for us."

Chair of the School Student Council
Phoebe Munro

Through 2018 we started engagement with a further education college and three schools to promote roof-top solar. We also started discussions with Bath & West Community Energy, Frome Renewable Energy Coop, Green Wedmore, Low Carbon Gordano and South Somerset Community Energy Society to foster greater joint working and shared expertise on future projects.

Our Finances

Profit And Loss Account

The sun shone brightly for us in 2018. As a result, we achieved a **sales income of £15,577** (£13,078 in 2017). Expenses totalled £2,542 (£2,490 in 2017) and depreciation was £5,635 (£5,425). The **resulting profit of £7,635** (£5,233), as predicted brings us into a cumulative profit carried forward. This is £2,157

Balance Sheet

The value of fixed assets has increased with the addition of £33,000 invested in the Hugh Sexey Church of England Middle School installation This increases the total invested to £168,832. Depreciation to date is £12,408. The value of Work in Progress was higher in 2018 a result of the installation of an export meter at Brookside Academy. After we received the last Feed in Tariff/export money in June, Ofgem delayed further payments until data from the new meter was available. The total owed to us at the year- end was £ £3,800.

The other important change in the balance sheet is the repayment of capital to shareholders. As agreed at the 2018 AGM this was timed to avoid a taxation charge on the shareholders.

Michael Penn

Director (Finance)

Avalon Community Energy

Appendices

1. Balance sheet (12 months to December 2018)
2. Profit and Loss Account (12 months to December 2018)

Avalon Community Energy Limited

Balance sheet As at 31st December 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed Assets –Solar at cost	4	168,832		135,622	
Less depreciation		<u>12,408</u>		<u>6,773</u>	
			156,424		128,849
Current Assets					
Vat Debtor		3,468		683	
Debtors & Work in progress		4,830		1,030	
Cash at Bank		<u>19,924</u>		<u>57,117</u>	
		<u>28,222</u>		<u>58,830</u>	
Current Liabilities - Payable within 1 year					
Trade Creditors	5	<u>741</u>		<u>3,622</u>	
		<u>741</u>		<u>3,622</u>	
Net Current Assets (liabilities)			<u>27,481</u>		<u>55,208</u>
Net Assets			<u>£183,905</u>		<u>£184,057</u>
Financed By					
Share Capital	6		181,748		189,535
<i>Revenue Reserves – Unrestricted</i>					
Profit /(Loss) brought Forward		(5,478)		(10,711)	
Profit for the year		<u>7,635</u>	2,157	<u>5,233</u>	(5,478)
			<u>£183,905</u>		<u>£184,057</u>

Approved by the Board on 3rd April 2019.

Stewart Crocker

Director

The numbered notes referred to above form an integral part of the full financial statements.

Avalon Community Energy Limited

Full Profit and Loss Account

For the year ended 31st December 2018

		2018 £	£	2017 £	2017 £
Income	Note				
Sales of Electricity	7		15,577		13,078
Unrestricted donations			235		70
			<u>15,812</u>		<u>13,148</u>
Grant Income - Restricted		602		10,000	
Less paid / payable		<u>-642</u>		<u>10,000</u>	
Expenses		40		0	
Advertising and Promotion		17		40	
Repairs		165		0	
Fees and Subscriptions		433		205	
Administration Costs		167		0	
Insurance		585		595	
Meeting, Travel & Sundry		147		637	
Bad Debts		0		1,013	
Professional Fees		250		0	
Landlord's Commission ((Evercreech)		<u>738</u>		<u>0</u>	
Overhead Expenses		2,542		2,490	
Depreciation Solar Equipment		5,635		5,425	
Total Expenses			<u>8,177</u>		<u>7,915</u>
Operating Profit before tax			7,635		5,233
Less Corporation Tax			<u>0</u>		<u>0</u>
Profit / (Loss) After Tax			7,635		5,233
Profit / (Loss) brought forward			<u>(5,478)</u>		<u>(10,711)</u>
Profit / (Loss) carried forward	7		£2,157		£(5,478)

The numbered notes referred to above form an integral part of the full financial statements.