



The Schools' Energy Co-operative Ltd

**Annual Report & Financial Statements for year
ended 31st March 2024**

and

AGM Notification 1st October 2024

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The Schools' Energy Co-operative Limited
Chair's Report - Year ending 31st March 2024 – 10 years and 100 solar buildings!

Introduction

We are delighted to report 2 major milestones for the Cooperative. Firstly, in September it will be **10 years since our first installation** at Glenleigh Primary School. Secondly, in early 2024 we reached the milestone of installing solar PV on our **100th building**, at Bridport Leisure Centre. We have invested over £4.35 million in solar PV systems on schools, supported by over £200,000 in grants. We have grown to become one of the UK's largest and most profitable community energy organisations. We have no debts and have met all requests by members to withdraw shares. If members agree to the proposed resolution on dividends at the AGM, since 2014 we will have distributed dividends of over £150,000 to our member schools.

This annual report to members of The Schools' Energy Co-operative Limited (the "Co-op") principally covers the financial year ending 31st March 2024, our ninth full year of trading. It also updates you on developments since the year end.

Our mission is to help tackle climate change by reducing carbon emissions. During the financial year, carbon emissions savings from our solar PV installation were more than 1,134 tonnes (compared to electricity generation by gas). The year's generation was the equivalent of the electricity consumption of almost 1,300 average UK households.

In 2023/24 our sites generated nearly 3.35 gigawatt-hours of renewable solar PV electricity, a 3% increase on the previous financial year. Whilst we installed an additional 322 kWp of capacity during the year (an 8.5% increase on the previous year end), most of the new capacity was commissioned from September onwards, thus missing the summer generation period. In addition, generation for the year was 98% of expected, reflecting weather conditions and problems at some sites.

By the end of the financial year, we had solar PV systems on 101 buildings. These sites include 87 schools and two Children's Centres, a nursery, and eight buildings across three sites for Wiltshire College, our most recent partner. We have also installed and operate solar panels on a leisure centre, one commercial site, and the cloisters at Salisbury Cathedral.

Subsequent to the year-end, 3 further sites have been installed. At 25th August 2024, we had 104 sites, and our total solar PV generating capacity was 4.2 megawatts, saving on average 1,300 tonnes of carbon dioxide emissions each year (compared to electricity generation from gas). The expected annual output is almost 3.8 gigawatt-hours.

In addition to the above stated carbon dioxide emissions savings, our solar PV installations have again saved our member schools substantial sums of money, because electricity from the solar panels has been much cheaper than electricity from the grid. In the previous financial year, your Board estimated that this was at least £750,000, due to the exceptionally high grid electricity prices during that time. Since then, electricity prices have fallen back somewhat, but we still think the total savings to our schools was in excess of half a million pounds for the 23/24 financial year.

We have been again supported by the Greater London Authority's London Community Energy Fund ("LCEF") for our installations in London. This fund provided grant support for the installation at Khalsa School in Ealing, and also for the two Ealing sites installed after the year end – Brentside Primary School and Mayfield Primary School. The systems at Khalsa and Mayfield schools are also supported by a grant from Ealing Council's Carbon Offset Fund.

I wish in particular to thank Energy4All and their member co-operatives for their support of our development. We are not a straightforward community energy organisation and have been growing very fast. Energy4All staff have supported us fully in all aspects of our work, in particular: project development and delivery; post installation management; invoicing and accounting; and raising the funds we need. We couldn't have developed the way or at the rate we have without their support.

Highlights and of the year

During the financial year we:

- Installed solar panels on 5 buildings for our newest large partner, Wiltshire College, representing an additional 208 kWp of capacity. This brings our installations with Wiltshire College to 8 buildings across 3 campuses, totalling 427 kWp. One further building was added in April 2024, bringing the total capacity to 444 kWp.
- Continued our successful relationship with Ealing Council and Ealing Transition. In March 2024, the GLA made further LCEF funds available, and we were awarded grants for the two sites which had been “on hold” from our last LCEF grant bid – Brentside Primary (41.72 kWp) and Mayfield Primary (29.11 kWp) in Ealing. Contracts were signed with the schools and the grants were approved in the 23/24 financial year, but the systems were installed in April and August 2024 respectively. These two sites bring our installations in Ealing to 635 kWp across 17 schools and 2 Children’s Centres.
- Installed 75.4 kWp of solar panels across two buildings at Bridport Leisure Centre. This site is in an Area of Outstanding Natural Beauty, and required Planning consent.
- Operated solar panels at 101 buildings, with three more systems installed after the year end.
- Returned £44,439 to members by redeeming shares and paid interest at 5% on the shares subscribed under our first three share offers and at 4.5% on shares issued under the fourth and fifth share offers.
- Paid £40,005 in dividends to member schools, representing school dividends for financial year 2022/23.
- Made a loan of £130,000 to Wey Valley Solar Schools Energy Co-operative and agreed to make a loan of up to £100,000 to North Lincolnshire community Energy, both fellow members of Energy4All, to support their development.

2023/24 Financial Performance and Accounts; and grants received

Financial performance in 2023/24 represents a full year of trading from 91 sites. We also had some limited generation – varying from 8 months to 1 month - from sites commissioned in 2023/2024. Aggregate generation during the financial year was 98% of our projections.

Revenue from sales of electricity, export, feed in tariff and grant income was 15.8 % above last year (2022/23: 15.5%). The surplus before interest to members and dividends to schools of £217,001 is just over 20% above that for the previous year. This surplus is sufficient to fund the interest payment to members, plus an increased dividend to schools.

The accounts have been prepared in accordance with the principles set out in our share offers and previous accounts. The cost of installing the solar arrays has been capitalised and allocated to the capital cost of the successfully built sites. This includes the costs of surveys, grid charges and various project management and fundraising expenses incurred. Costs incurred on abortive projects are written off, but most of our abortive costs on London sites have been funded by grants from the Greater London Authority. We accrued £17,791 in the year for an estimated potential liability for business rates although so far we have only been assessed for rates on one site. It is not clear whether we will be liable for rates and if so what the amount will be, but we consider this the most prudent approach to adopt.

During the year we claimed grants totalling £23,917 from the GLA’s LCEF scheme and Ealing Council, providing support for the installation at Khalsa School in Ealing. These grants will be released to income over the life of the installation.

In March 2024, the GLA made further LCEF funds available, and we were awarded grants for the two sites which had been “on hold” from our last LCEF grant bid – Brentside Primary and Mayfield Primary in Ealing, £13,322 and £17,397 respectively. We also used the balance of the £10,000 grant from Ealing Council’s Carbon Offset fund to support the installation at Mayfield Primary School.

We depreciate the value of our solar arrays over the 20-year duration of their Feed-in Tariff. Sites without Feed-in Tariff are depreciated over 25 years. Depreciation commences in the financial year after commissioning. So, the 2023/24 accounts include a depreciation charge of £181,322 for the 91 solar PV installations and the LED lighting installation where we had a full year of operation, compared to a depreciation charge of £167,721 in the previous financial year. Depreciation and interest paid to members

are by far our two largest expenses. Interest in the profit and loss account represents the interest received or paid on our bank accounts.

We agreed an increase in the management fee paid to Energy4All to £120,737, of which £45,000 depends on our making sufficient surplus after payment of interest (2022/23: £76,327). This sum was agreed to better reflect the increased services we receive as we have grown and to further support E4A's delivery of more community energy and our own on-going development and operational costs. Our growth and operational costs to date have been subsidised by Energy4All and its members and we have now reached a scale where we can now cover our costs and begin to contribute to the support of the broader development of community energy by Energy4All, as we have benefited from this support to date.

Interest paid to members approved at the 2023 Annual General Meeting is shown in the page headed Statement of Changes in Equity. Interest payable in respect of the 2023/24 surplus, as agreed at the Annual General Meeting, will be shown in the 2024/25 accounts in the same manner.

This year we have made good progress on registering sites for the Renewable Energy Guarantees of Origin (REGO) scheme, which has the potential to increase net income by a similar amount to export payments. In the year ending March 2024, REGO income was £10,727 compared to £715 for the previous year.

Progress on the issues of installing export meters continues to be slow. Once successfully concluded there should be a modest increase in our net income. Currently we are only receiving metered export income from Glenleigh, Chelmsford and King's Park schools, and some of the Wiltshire College sites.

Interest payable to members for 2023/24, dividends to schools

The Board proposes that approximately £151,000 be paid as interest to members, representing an interest rate of 5% on shares issued under our first three share offers, a rate of 4.5% on shares issued under the fourth, fifth and sixth share offers, as described in the terms of those offers.

Distribution of interest and dividends is determined by members at the annual general meeting. A resolution to pay interest as described above will be put to members. If members pass the resolution, we anticipate that interest will be paid in October.

We also propose that £55,000 (2022/23: £40,000) is paid as a dividend to our school members and the balance of our surplus is retained to develop the Co-op and to provide us with working capital, additional reserves to deal with the uncertainties we face, particularly as a result of volatile energy prices, and to support the development of the Co-op. The dividend will be allocated between schools broadly in proportion to their contribution towards that sum. The sum proposed to be retained is less than in the previous few years as we have substantial cash reserves waiting for investment so have less need to retain the surplus.

Installations in 2023/24 and subsequently

During the financial year we installed the following systems:

School/ site/ building	Month of full commissioning	Capacity, in kW	Anticipated annual output in kWh
Wiltshire College – Lackham – House & Hostels (Scott Baker)	Sept. 2023	36.86	35,528
Wiltshire College – Lackham – (Engineering Workshop/Tractor Shed)	Sept. 2023	18.63	13,665
Wiltshire College – Lackham – (Brandon Workshop)	Sept. 2023	14.58	11,143
Wiltshire College – Lackham – Halls of Residence/Ridgeway Workshop	Sept. 2023	72.9	58,007
Wiltshire College – Lackham Dairy (Home farm)	March 2024	65.61	52,488

Khalsa School, Ealing	Nov. 2023	38.07	33,652
Bridport Leisure Centre (Main Building)	Jan. 2024	60.27	53,582
Bridport Leisure Centre (Clubhouse)	Jan. 2024	15.17	11,799
TOTALS		322.09	269,864

Since the year end, we have installed solar panels on the following sites:

School/ site/ building	Month of full commissioning	Capacity, in kW	Anticipated annual output in kWh
Wiltshire College - Lackham Animal Sciences	April 2024	17	11,864
Brentside Primary Academy	June 2024	41.71	37,580
Mayfield Primary School	Aug. 2024	29.22	22,596
TOTALS		87.93	71,756

These installations take our total installed capacity to just over 4.2 MW.

We have agreed contracts to install solar pv arrays on Ise Lodge community centre in Kettering and Wood's school in Woodborough near Nottingham. We have advanced discussions with two substantial multi academy trusts, and with a number of other schools, but in the nature of things these are more speculative.

Generation and operations in 2023/24

In 2023/24 our sites generated 3,344,302 kWh of renewable solar PV electricity, a 3% increase on the previous financial year, and 98% of what would be expected in an average year for the capacity installed. Although production for the year was slightly below expectations, cumulatively since 2014, we are still 2% above the expected generation. If each site (including our recent installations) generated for a full year in accordance with what we would expect for a typical year, then annual generation from these sites should be almost 3.725 GWh. This generation is the equivalent of the electricity consumption of more than 1,400 average UK households.

If any member wishes to see full details of performance of our sites in 2023/24, please contact me.

Most of our solar panel arrays are currently working well. Energy4All recruited Sam Stevens as full-time roof top solar operations/maintenance manager. Sam started work in November 2023 and spends over half of his time on our sites. We have focused our maintenance efforts on sites which generate less than 85% of their anticipated output. We have had about 10 sites which fell below this threshold on average over the course of the year. Repairs have been carried out at 5 sites in addition to cleaning and maintenance such as green roof trimming at Noah's Ark Hospice, which seems to have improved performance. The other sites are currently being investigated or monitored, such as Pool Hayes Academy which is due to have an inverter swapped under warranty in August or September 2024. Many other sites are regularly generating more than their anticipated output.

Wiltshire College's Brandon and Tractor workshops were offline from October 2023 to April 2024 due to the installer's electrician encountering a serious fault with the electrical infrastructure at the incoming supply point – SSEN (the utility) were involved in resolving this which took a while to finish. Another downtime of note is at Beck Row, where the solar system was deemed at fault of causing leaks. Sam expended much energy negotiating a reinstatement of the panels and finally they were due to be reinstalled in late August. This year we have made good progress on registering sites for the Renewable Energy Guarantees of Origin (REGO) scheme, which has the potential to increase net income by a similar amount to export payments. In the year ending March 2024, REGO income was £10,727 compared to £715 for the previous year. We have also set up a process to register new sites at the time of installation.

Progress on export meters continues to be slow, but your Board is investigating employing a part-time person with experience of arranging export contracts. We intend to focus on the 18 sites with the highest estimated level of export. Out of these, 8 sites do not have any form of export meter. The other sites have “informal” export meters, which although they do not allow us to claim export, do give us a good idea of the level of electricity being exported. We estimate that if all 18 sites were eligible for export payments, this would boost our annual income by more than £13,000 (less in the first year due to the cost of export meters).

Supporting other co-operatives

In September 2023 we lent our fellow Energy4All member Wey Valley Solar Schools Energy Co-operative (which was instrumental in our founding) £130,000 to enable it to install a 164kW extension to its existing solar array at Godalming College, to be repaid out of the proceeds of a share issue to be made by that co-operative. Making this loan both supported the delivery of our general mission of facilitating more community owned renewable energy on schools and also earns interest at a higher rate than that paid on our bank deposit account.

We have agreed to make a similar loan of up to £100,000 to fellow Energy4All member North Lincolnshire Community Energy which has installed solar arrays on 17 buildings in Scunthorpe, and with 3 more committed to proceed, including 15 schools.

Historically we have benefited from loans from other Energy4All members to support our development, and this is the first time we have been in a position to reciprocate. Supporting other co-operatives is one of the principles of being a co-operative.

We have also agreed in principle to transfer our solar array at Fullbrook School to Wey Valley Solar Schools (which originated the project but did not have the funds at the time to deliver it). Wey Valley Solar has installed solar arrays on other schools in the same Academy Trust as Fullbrook, so the transfer will simplify relations with the Trust. Wey Valley Solar has agreed to transfer its array at a school in Hastings to Energise South, another Energy4All member. The team which founded Energise South had originated that project before their community energy organisation was founded and continues to lead relations with that school. The sites will be transferred at a price not less than their undepreciated cost. The timing of the transfer depends on Energise South raising funds and agreement with the schools. This brings much greater local connection to these projects as well as simplifying their operation.

Return of Members’ capital

An investment in the Co-op is in principle for up to 20 years (25 years for the most recent share offer) but the Board anticipates redeeming shares annually to enable members to receive their investment back if they wish, subject to availability of funds. If we have more funds available for share redemption than we have requests for redemption then we may redeem the same proportion of each member’s shareholding. All redemptions take place at £1 per share.

During the 23/24 financial year, we made our fourth return of capital to members and paid back against some ad-hoc requests, totalling £44,439, satisfying all requests made. The Board anticipates a further share redemption at the end of this financial year.

The funds for share redemption come in effect from the depreciation charge, to the extent it has not been invested in new projects. We also have scope to issue new shares to fund the withdrawal of shares by members.

Occasionally we receive requests to redeem small numbers of shares. Obviously, members’ circumstances can change and members may wish to redeem at short notice. Cash permitting, we will permit members to withdraw up to £1,000 a year of shares on request and occasionally larger sums, particularly for the estates of deceased members. However, larger sums will normally be dealt with by the annual withdrawal procedures. Interest will not be paid on shares withdrawn during a financial year under this arrangement.

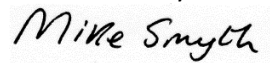
Staff/ volunteers

As noted earlier, Sam Stevens joined E4A as full-time roof top solar operations/maintenance manager in November 2023. Qef Bogiqi at Energy4All leads on our accounting and financial management matters, including invoicing and FIT claims; she has support from an assistant. Jess Dunning and Zach Wishart continue to provide us with project management support. Jess has also been pursuing many of the new leads we have received. We also receive regular support from Energy4All staff on IT, data management and member, school and public liaison and communications.

All our directors are volunteers. I thank them all very much for their huge commitment and contribution without which this co-operative would not have been able to thrive and grow.

I look forward to “meeting you” virtually at the AGM on 1st October.

Yours sincerely



Mike Smyth
Chair, The Schools' Energy Co-operative Limited

The Schools' Energy Co-operative Limited ("Co-operative")

Notice of Annual General Meeting to be held on Tuesday 1st October 2024 at 6.30pm by zoom video conferencing

Notice is hereby given that the Annual General Meeting of members of the Co-operative will be held at 6.30pm on Tuesday, 1st October 2024 by zoom video conferencing for the following purposes:

Agenda

1. Introductions and welcome.
2. **Resolution 1:** to approve the minutes of the Annual General Meeting held on 19th September 2023.
3. **Resolution 2:** to receive and adopt the Report of the Directors and the unaudited financial statements for the year ended 31st March 2024, together with the report of the accountants thereon.
4. **Resolution 3:** to apply the surplus of the Co-operative arising in the year ended 31st March 2024 (after adding back the dividend paid to schools in respect of the 2022/3 financial year of the Co-operative) as follows: to apply approximately £10,951 (being the balance of the surplus after allocation of the surplus towards the proposed sum of interest and dividends) to a general reserve for the continuation and development of the Co-operative and the furtherance of its objectives; to apply approximately £151,050 of the Co-operative's surplus by way of share interest, to be paid at an interest rate of 5% on shares subscribed under the first three share offers and at an interest rate of 4.5% on shares subscribed under the fourth, fifth and sixth share offers; and to apply £55,000 of the surplus as a dividend to be paid to some of the Co-operative's school members in the proportions determined by the Directors.
5. **Resolution 4:** to disapply the obligation of the Co-operative to appoint auditors pursuant to Section 84 of the Co-operative and Community Benefit Societies Act 2014 so that an audit of the accounts of the Co-operative shall not take place for the Co-operative's year of account ending 31st March 2025.
6. **Resolution 5:** to reappoint the firm of Melville & Co, Chartered Accountants, as the appropriate person to make a report on the accounts and balance sheet of the Co-operative for the Co-operative's year of account ending 31st March 2025 at a fee to be agreed by the Board.
7. Election of directors:
Resolution 6: to re-elect Andy Rolfe as a director of the Co-operative.
Resolution 7: to re-elect Eilish Kavanagh as a director of the Co-operative.
8. Any other business.

Close of formal business

By order of the Board:
Annette Heslop MBE,
Company Secretary
10 September 2024

Registered Office:
Unit 26, Trinity Enterprise Centre
Furness Business Park
Barrow in Furness, LA14 2PN

Nominations to the Board 2024

Eilish Kavanagh and Andy Rolfe will retire by rotation, and both will seek re-election. A competitive ballot is not required as the total number of Board members will not exceed seven.

Members are asked to vote to re-elect Andy and Eilish through a resolution.

Retiring Directors Seeking Re-election

Andy Rolfe

As a member of the Board since 2016, and a member of the Ealing Transition steering group, Andy has led the work resulting in our 19 school installations in Ealing (625 kWp). A further 8 schools in Harrow (371 kWp) were installed as a spin-off from the Ealing sites. Andy led the Coop's successful application for 8 grants from the London Community Energy Fund, and also secured a grant from Ealing Council. He takes an active part in the running of the Coop, including preparing updates for members, the Chair report for the AGM, and calculating the allocation of the schools' dividends.

Andy is a graduate in Electrical Engineering, holds a Master's degree focused on the environment and economic aspects of UK energy supply, and is a qualified electrician. He also taught renewable energy technologies at The Open University, and was part of the management team that founded, grew and finally sold an IT business called Logical Networks plc.

Eilish Kavanagh

Eilish is a qualified accountant, a Member of the Chartered Institute of Management Accountants, and holds a BSc in Marine Biology and a Masters in Environment, Society & Policy. She has senior leadership experience in both the commercial and charity sectors, including 13 years with Friends of the Earth. She is currently Director of Finance & Operations at B Lab UK, the charity which supports and expands the community of UK-based B Corps who are using business as a force for good to benefit all people, communities and the planet.

Eilish joined the Board in 2019 and wishes to continue serving. She is also a Trustee of the National Park City Foundation and Outward Housing.