



Registration number: 31265R

**Westmill Solar Co-operative Limited**  
**AGM 2022 Papers**

**Saturday 11th June, 9am to 1pm**

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Dear Member,

26<sup>th</sup> May 2022

### **Westmill Wind and Solar AGMs – Saturday 11 June 2022**

We are delighted to invite you to the Westmill Wind and Solar 2022 Annual General Meetings.

We will again be holding the event jointly via Zoom. We explored whether we could provide a hybrid event at the site, but the costs were prohibitive. We are planning an in-person event later in the year to meet members and will tell you more about that soon.

We are delighted to have Rose Marley - the new Chief Executive of Co-operatives UK - as our keynote speaker. She will be talking about how we can develop our co-operative movement at this important time.

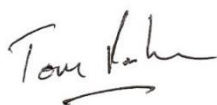
We appreciate that members may be feeling 'zoomed out' so have organised the day to avoid lengthy sessions and to include suitable breaks. You are very welcome to 'come and go' as suits your schedule. We will also record the event so that members can catch up on things that they may have missed.

You will need to let us know if you are planning to join the AGMs. We will circulate the slides in advance of the meetings. If you have questions, we encourage you to submit these as soon as possible. This gives the Boards the opportunity to answer these questions sooner - there will be a dedicated page on each of the websites to publish the responses.

Please do vote on the proposals on the agenda. One of the fundamental principles of co-operatives is that they are genuinely controlled by their members and the more members that participate the better.

If you are planning to join the AGMs we would suggest that you vote in advance if possible. And if you can't join the AGMs, please still find the time to vote for the motions that are being proposed.

We look forward to making the AGMs as engaging and informative as ever and to seeing as many of you as possible on 11 June.



Tom Parkinson  
Chair of Westmill Solar Co-operative



Mark Luntley  
Chair of Westmill Wind Farm Co-operative

## Timetable for the day

Start	End	Activity	
09:00	09:15	Welcome & Introduction	<b>Tom Parkinson &amp; Mark Luntley</b>
09:15	10:15	Westmill Solar Co-op AGM	
10:15	10:45	<b>WeSET &amp; Westmill Communities</b>	<b>Mike Blanch and Dr Nina Alphey</b>
10:45	11:15	<b>Keynote Speaker:</b>  <b>Rose Marley, CEO of Co-operatives UK</b>	
11:15	11:35	Break	
11:35	12:35	Westmill Wind Farm Co-op AGM	
12:35	12:55	<b>Westmill Future Update</b>	<b>Josh Brown, Mairi Brookes &amp; Angela Bryant</b>
12:55	13:00	Thank you and Close	

Please note times and speakers are subject to change

## Agenda for the Westmill Solar Co-op AGM 2022

*Start time: 9.15pm*

### **Introductory remarks - Tom Parkinson**

Motion 1: To approve the minutes of the 2021 AGM

### **The performance of the solar park and update on transformer issue – Martin Allman**

### **Financial report – Andrew Crawford**

Motion 2: To acknowledge and ratify the payment of a trading dividend of £15 per eligible member as part of the trading dividend scheme implemented by the directors in 2021.

Motion 3: To acknowledge the directors' decision to pay share interest of £404,075 to members in respect of the financial year ended 31 December 2021, being a payment equal to 10p per share.

Motion 4: To approve the allocation of £101,018 for social or charitable purposes within the community served by the co-operative in respect of the financial year ended 31 December 2021.

Motion 5: To receive and adopt the accounts and auditors' report for the period to 31 December 2021.

Motion 6: To appoint the firm of Critchleys Audit LLP as auditor of the Society until the conclusion of the next Annual General Meeting at a fee to be agreed by the directors.

Motion 7: To approve a trading dividend in respect of the financial year ending 31 December 2022 of such amount of no less than £15 and no more than £30 per eligible member (as determined by the directors) and in accordance with such arrangements as to eligibility and otherwise as the directors may determine.

### **Board appointments - Tom Parkinson**

Motion 8: To elect Joe Michaels as a director

Motion 9: To re-elect Mairi Brookes to the board of directors

Motion 10: To re-elect Tom Parkinson to the board of directors

### **Closing remarks - Tom Parkinson**



## Westmill Solar Co-operative 2021 AGM Draft Minutes

Held at 12.45 on Saturday 19th June 2021 via Zoom Online (due to Covid-19)

**These minutes will be draft until they are approved at the next AGM**

### Attendance

Present: Martin Allman (Director), Nina Alpey (Director), Mairi Brookes (Director), Mark Luntley (Director), Tom Parkinson (Chair), Angela Bryant (Director), Andrew Crawford (Director) Sarah Flood (Company Secretary), Sam Parkinson (Ethex), Josh Brewer (Ethex)

Attendees: 51 members (in addition to those listed as present above) (24 voted ahead of AGM, 27 voting on the day – numbers changed due to some members joining later through the meeting)

Registered proxy votes: 99

More than 12 members were present at the meeting therefore, there was a quorum.

### Welcome -Tom Parkinson (TP)

TP began by welcoming a record number of attendees to the Westmill Solar Co-operative (WSC) AGM, despite the circumstances of the Covid-19 pandemic. TP ran through the protocols for the AGM and encouraged members to ask questions and the board would attempt to answer all. Any questions unanswered would be answered after the AGM had finished.

TP ran through the agenda for the day and introduced the WSC board members and the other panellists.

### Motion 1: Approval of minutes of the 2020AGM

The 2020 minutes were taken as read

Tom Parkinson put forward the motion to approve the minutes, and Anthony Woolhouse seconded it.

At the meeting – 19 in favour (plus 99 by proxy), 0 against, 3 abstained

Votes in advance – 197 in favour, 0 against, 29 abstained

**Total – 315 in favour, 0 against, 32 abstained, therefore the minutes of the 2020 AGM approved.**

### The Performance of the Solar Park – Martin Allman (MA)

MA began by reporting that the performance of the park remains very strong. Martin Allman gave an update on the performance of the park for 2020.

MA was pleased to report fantastic year for park performance – the best year ever for generation despite it being an older site. This was mainly due to high irradiation in April, May and June. The previous annual record was in 2014 with generation of 5,393 Mwh compared to 2020's 5,567Mwh.

2020 also included the record single month for generation - May 2020.



All this generation means that the site has helped avoid 1,200 tonnes of CO2 emissions in the year.

Achieved 99% availability target in every month except February (98.2%) and October (98.4%)

During 2020, the co-op's Operation and Maintenance (O&M) work included:

- We agreed five-year extensions to our principal asset management contracts with RINA and British Solar Renewables.
- We also extended the warranty on the 7 SMA inverter stations for a further 10 years.
- Carried out a thermographic drone survey which identified the need for action to fix Potential Induced Degradation (PID) to solar panels

Priorities for 2021 include:

- Remedial action to fix PID.
- Continuing proactive maintenance to identify performance issues early.

MA closed by repeating on yet another spectacular year in terms of performance.

#### Questions on the performance of the solar park:

**Q) Vivian Woodell: What is the reason for the higher level of irradiation during Apr-June 2020? Is the reduction in air transport and con-trails during the first lockdown a factor?**

**TP)** This was due to a long stretch of sunny, settled weather during these months.

**Q) James Hutton: How has the generation for 2021 been so far?**

**SP)** So far generation has been slightly lower than in 2020 due to a slightly poorer April and May in terms of irradiation levels but we continue to be above the average of 2013-2019.

**Q) John Smith: What can you do apart from replacement of panels suspected of PID?**

**MA)** It will be very rare that we have to replace the panels. The process instead reverses the impact of POIR by installing devices that sit alongside the inverter units and effectively raise the voltage during night time which reverses the degradation.

Its very rare that we have to swap out panels but we do have spares on site that can be switched in by BSR as part of their maintenance programme

#### **Community Funding – Nina Alphey (NA)**

Nina Alphey gave an update on the impact of Community Funding and the approach and co-operative principles that are followed when making awards.

She highlighted the concentric circles where we consider local, regional (anywhere in Oxfordshire or within 25 miles of the site) national and global. Westmill has been gradually building on what we spend our money and refining our community funding strategy. NA broke down the new proposed adjustment to the ratio of community funding to members interest of 20:80 (updated from 15:85) following on from previous AGM where members encouraged Westmill to do more. The formula pegs the amount of community funding to the



interest payable on members' shares, and so can vary with the solar park's financial performance, it is not a commitment of a flat rate sum.

NA then went through some examples of organisations that received community funding or were awarded community grants and encouraged members to read the breakdown in the annual report and on the Westmill Solar website.

NA then encouraged members to nominate community buildings for a free energy audit. NA also invited members to recommend / apply for a grant with the 2<sup>nd</sup> year of the community grant scheme opening in July 2021. Also to volunteer to join the community grants panel and also volunteer or put forward any other suggestions that they would like to see community funding spent on. For example, some member survey responses had suggested funding community projects local to Westmill Solar members, not just local to the site.

#### **Questions on the community funding:**

**Q.) Penny Shepherd: Clusters of members are likely to be in "greener" (politically) areas like Brighton/Lewes rather than in areas without local community energy societies benefitting the community already. Is it worth doing some analysis of member postcodes v. demography of those areas to assess appropriateness risk of "to them that have, more will be given".**

**NA)** If Westmill looks at opening our funding to other local communities nationally then this is definitely something that will be taken into consideration. We obviously don't want to be adding money to areas where there may already be support available. The current grant application forms ask applicants to include details of other grant funding pots they have applied to and so we currently weigh that when determining whether to fund a specific grant application.

**Q) Jill FB: For education, do you work with or donate to registered sustainable education charities, such as the Centre for Alternative Technology (CAT) a national educational charity which researches and produces the very detailed proposals for Zero Carbon Britain, which covers energy generation and also all other aspects of sustainability, sustainable living, carbon reduction and biodiversity?**

**ML)** Westmill Wind and Solar Co-ops are both in talks with CAT so watch this space closely.

#### **Financial report – Andrew Crawford (AC)**

TP handed over to AC to present on the key finance figures from the 2020 annual accounts.

AC led with the key figures from the accounts. Income for the year was around 10% than in the previous year which is due in large to the high levels of generation throughout the year and inflation rates on the Feed-in-Tariff (FiT) rates.

The higher income, along with reduced administrative expenses and the lack of a bond issuance as in 2019, meant that the total retained profit of the co-op for 2020 was £583,000 which was Westmill's best year since beginning.

#### **Questions on the financial report**

**Q.) Penny Shepherd: Do you expect any significant impact from the proposed increase rate of corporation tax?**





**AC)** We don't at this moment. We obviously don't know what the rate is going to be but we will obviously have to pay the rate that is applied. It remains to be seen what that rate might be and so will have to wait to see what the government does.

TP then took over the AGM to lead on the following resolutions. TP mentioned that this year the resolutions had been somewhat extended from previous years. This is partly due to the fact that Westmill Solar has performed better than expected and the board felt that it was a good time to consider what the co-op should do with the additional surpluses and so put together a development reserve that can enable the co-op to move forward with some of the long-term strategy discussions that have been taking place.

TP also highlighted NA's point made earlier about the increase in the community funding ratio but to keep it tied to the overall level of surplus.

Before beginning on the resolutions TP opened the floor to members questions:

**Q.) Kevin Poplett: What is the rationale for keeping member's interest the same in such an exceptionally good year?**

**TP)** The board thinks that 12% is a good rate of interest and this was supported by some of the results of the member feedback questionnaire sent out earlier this year.

It is however quite a high-profile figure, and given the Financial Conduct Authority's (FCA) current activity in the community renewables sector it does put Westmill Solar in the firing line potentially. Ultimately, we want to give members a return that is broadly based on the terms of original share offer document.

**Q.) Sarah James: Can you give some explanation of how the figures in the resolutions are arrived at?**

**SF)** The figures in motion 3 and 4 are related to mean that the funds distributed have a ratio of 80% shareholder interest 20% Community Funding.

**TP)** The figure of £500,000 for motion 2 is a slightly more arbitrary figure in that when we did the 2019 bond offer, we incurred cost of over £500,000. Therefore, if our only future strategy was to do another bond issue, we are going to spend a lot of money quickly. The same can be said for a battery storage project that will likely cost significantly more than this.

Going forward, we don't think that we will be able to make the surpluses at same level as 2020 and be able to put as much into our development reserve. However, the board felt it was appropriate to put money aside when we have it and work with members on how to use it, rather than not have it put aside, come up with a great idea but have no money to do anything with it.

**Sarah James: But why is the member interest so high?**

**TP)** This is broadly consistent with what we had set out in the original share offer document. In the last 10 years we have perhaps overperformed and we expect that to continue.

In general, the feedback was that 2/3rd of respondents to the feedback survey said they would be happy to have it continue at 12% with the remaining 1/3rd saying they would like to see it



reduced. This is therefore an ongoing discussion but it is interesting to see the variety of responses.

**Q.) Jill FB: Can Westmill ever enable investments which can be included in ISAs, please?**

**TP)** Westmill Solar's 2019 bond issue was able to be invested in under the Ethex Innovative Finance ISA (IFISA) and if we were to do another bond issue, we would do the same again.

**Q.) Anne Hayward: Are there any plans to reduce our loan with LPPI?**

**TP)** This is one of the things that we will be taking into account when we discuss the capital reduction. At the moment we are paying back the loan in two calculated payments each year (in June and December) but we could look at reducing either members' capital or LPPI's.

LPPI's involvement was originally pioneering but it hasn't quite been followed up in the ways that we want. We will however carry on this discussion.

**Q.) Kevin Poplett: The capital return that you just mentioned. Could it be voluntary (like the Wind Farm) instead of compulsory?**

**TP)** We don't yet have a firm view on what we should do with the capital return. The default position is that we would expect to make a 10% repayment as in 2017 but we may want to keep some capital or make it voluntary or split it between members and LPPI. All options are currently on the table and will be a key agenda item at the next board meeting.

**Resolution 2: To approve the allocation of £500,000 to a development reserve for the continuation of the co-operative and furtherance of its objectives.**

TP put forward the motion to approve, seconded by Mark Luntley

At the meeting – 24 in favour (plus 99 by proxy) none against, 2 abstain

Votes in advance – 183 in favour, 28 against, 15 abstained

**Total – 306 in favour, 28 against, 17 abstained therefore the motion was passed.**

**Resolution 3: To acknowledge the directors' decision to pay share interest of £485,683 to members, being a payment equal to 12% return on member share capital.**

TP put forward the motion to approve, seconded by Anthony Woolhouse

At the meeting – 22 in favour (plus 99 by proxy) 3 against, 2 abstain

Votes in advance – 218 in favour, 3 against, 5 abstained

**Total – 339 in favour, 6 against and 7 abstained therefore the motion was passed.**



**Resolution 4: To approve the allocation of £121,405 for social or charitable purposes within the community served by the co-operative.**

TP put forward the motion to approve, seconded by John Smith.

At the meeting – 25 in favour (plus 99 by proxy) 3 against, 0 abstain

Votes in advance – 188 in favour, 25 against, 13 abstained

**Total – 312 in favour, 28 against and 13 abstained therefore the motion was passed.**

**Resolution 5: To receive and adopt the accounts and auditors' report for the period to 31 December 2020.**

TP put forward the motion to approve, seconded by Eoin Lees.

At the meeting – 25 in favour (plus 99 by proxy) 0 against, 2 abstain

Votes in advance – 209 in favour, 1 against, 16 abstained

**Total – 333 in favour, 1 against and 18 abstained therefore the motion was passed.**

**Resolution 6: To authorise the directors to conduct a tender process for the role of the co-operative's auditors and to finalise the appointment of the auditors following such tender on such terms as the directors consider appropriate.**

TP put forward the motion to approve, seconded by Mark Luntley.

At the meeting – 26 in favour (plus 99 by proxy) 0 against, 2 abstain

Votes in advance – 218 in favour, 0 against, 8 abstained

**Total – 342 in favour, 0 against and 10 abstained therefore the motion was passed.**

Before continuing onto the director nominations, TP emphasised the amount of work that both Martin and Mark had put in over the past year and thanked them for standing for re-election.

**Motion 7: Re-election of Mark Luntley (ML) to board of directors**

TP put forward the motion to reappoint Mark Luntley to the board, and seconded by Sarah James

At the meeting – 27 in favour (plus 99 by proxy), 0 against, 0 abstained

Votes in Advance – 200 in favour, 1 against, 24 abstained

**Total – 326 in favour, 1 against, 24 abstained. Mark Luntley was therefore re-elected to the board.**

**Motion 5: Re-election of Martin Allman (MA) to board of directors**

TP put forward the motion to appoint Martin Allman to the board, and it was seconded by Eoin Lees

At the meeting: 26 in favour (plus 99 by proxy), 0 against and 1 abstained

Votes in advance – 196 in favour, 3 against, 26 abstained



**Total – 321 in favour, 3 against, 27 abstained. Martin Allman was therefore re-elected to the board.**

### Closing Comments – Tom Parkinson

TP apologised firstly to all those members whose questions had gone unanswered due to the AGM overrunning but promised that they would be answered in the coming week. TP thanked the directors, Ethex, and Energy4All for all the hard work that they had put in organising the AGM.

TP also gave a special shoutout to all members in attendance and to all advisors and contractors who help Westmill Solar to continue to be a successfully run co-operative!

Meeting closed at 14:00



Registration number: 31265R

**Westmill Solar Co-operative Limited**  
**Annual Report and Financial Statements**  
**for the Year Ended 31 December 2021**



## **Westmill Solar Co-operative Limited**

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## **Westmill Solar Co-operative Limited**

### **Society Information**

#### **Directors**

Tom Parkinson (Chair)  
Martin Allman  
Nina Alphey  
Mairi Brookes  
Angela Bryant  
Andrew Crawford  
Mark Luntley

#### **Secretary**

Sarah Flood

#### **Registered Office**

c/o Ethex, The Old Music Hall, 106-108 Cowley Road, Oxford OX4 1JE

#### **Incorporation and Registered Number**

Westmill Solar is a society registered under the Co-operative and Community Benefit Societies Act 2014. It was incorporated on 17 May 2011 with Registered Number 31265R

#### **Bankers**

The Co-operative Bank, 1 Balloon Street, Manchester M60 4EP

#### **Auditors**

Critchleys Audit LLP, Chartered Accountants, Beaver House, 23 – 38 Hythe Bridge Street, Oxford OX1 2EP

## **Westmill Solar Co-operative Limited**

### **Strategic Report for the Year Ended 31 December 2021**

The Directors present their strategic report for the year ended 31 December 2021.

#### **Principal activity**

The principal activity of the Society is the generation and sale of electricity from renewable sources. The Society also aims to engage its members with the activities of the Society and the promotion of energy saving and environmentally-friendly initiatives.

#### **Review of the business**

Westmill Solar's generating performance in 2021 did not reach the levels achieved in 2020. This was no surprise given the exceptionally sunny weather we experienced in 2020. However, our 2021 results demonstrate how much we can still achieve when weather conditions are less favourable. The Society's financial performance was resilient despite lower than average generation. This enabled us to take further steps to improve what we offer to our members. Members also indicated their support for expanding the Society's capacity to promote and support the wider transition to a zero-carbon future. Westmill Solar and its members can lead the way but we cannot resolve the climate challenge in isolation.

The scale of this challenge became increasingly apparent in 2021. This was partly because of the focus provided by COP-26 which encouraged a swathe of new national and international commitments. However, these commitments remain insufficient to achieve the stated goal of limiting increases in global temperature to no more than 1.5°C above pre-industrial levels – and fulfilling even these commitments depends on more coherent policy implementation and financial investment than has been seen to date. Achieving the 1.5°C target requires a halving of global CO<sub>2</sub> emissions by 2030 but global CO<sub>2</sub> emissions in 2021 were higher than ever, increasing by 6% compared to 2020.

In the UK, renewables' share of electricity generation actually fell – from 43.1% in 2020 to 39.3% in 2021 – as the increases in new renewables capacity were insufficient to offset the impact of unfavourable weather conditions, not just for solar but also for wind and hydro generators. The UK government has made bolder commitments than many but its latest energy strategy focussed on building new nuclear and offshore wind, ignoring (again) community generation and the reductions in capacity that a more flexible network and improved demand management can provide.

And as the world started to emerge from the COVID pandemic in 2021, energy prices soared, creating a broader cost of living crisis. The war in Ukraine has a tragic human cost regionally and it has also triggered global economic instability and distracted international attention from climate issues. Fuel and food poverty is a more immediate problem.

Some positive developments continue amidst this turbulence, led primarily by people who individually and collectively strive to make a difference. Electric cars are increasingly mainstream and consumer demand is driving the continuing business focus on sustainable sourcing. Locally, councils and others are beginning to integrate low carbon strategies as part of planning and other policies. And as COVID appears to have had a long-lasting positive impact on work and travel patterns, one silver lining of higher energy prices should be to provide a compelling financial incentive to make buildings and other processes more energy efficient.

It is these trends that Westmill Solar and its members need to develop and encourage, devising and showcasing a fairer, progressive approach to how energy is generated and used. The trading dividend that we introduced with Westmill Wind and Co-op Energy provides members with a direct benefit from buying the electricity we generate but also provides a template for other community generators and suppliers to follow. We have worked increasingly closely with Westmill Wind, Westmill Sustainable Energy Trust (WeSET) and others to share resources and learnings and increase our collective impact. We continue with our Fair Tax accreditation and looking at ways of enabling local supply and making more effective use of the electricity grid.

All these developments provide benefits to our members as well as a route towards a more sustainable future. The next few years are the most critical ones if we are to keep global warming to manageable levels so we need to do more and, as much as possible, do it in ways that can be easily replicated and quickly scaled.

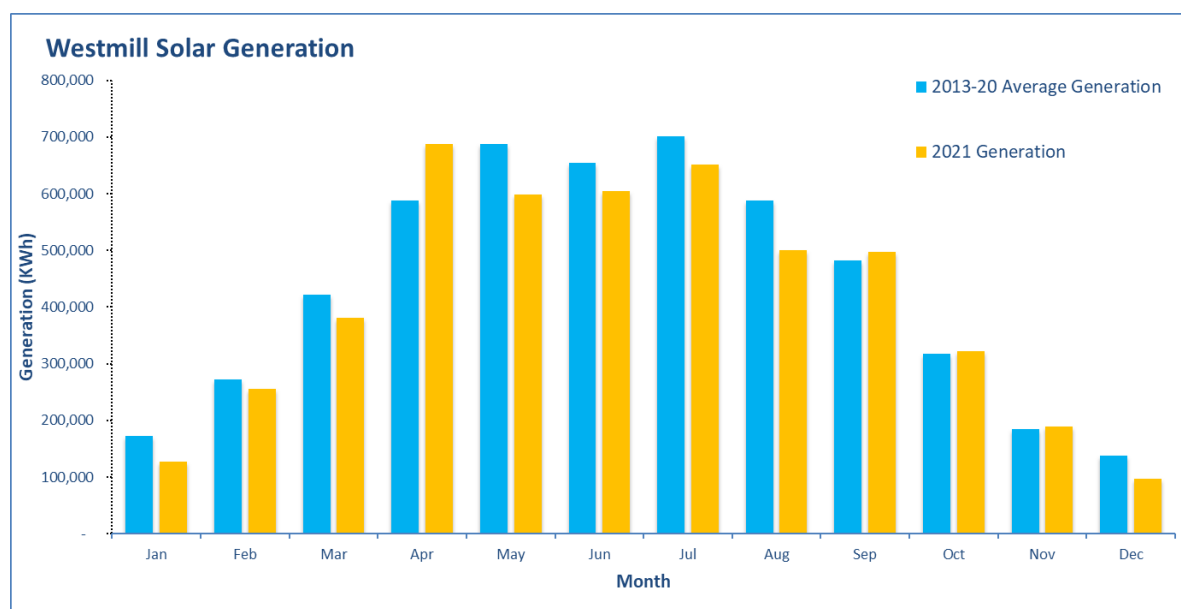


## Westmill Solar Co-operative Limited

### Strategic Report (continued) for the Year Ended 31 December 2021

#### Energy Production

In 2021 the solar plant generated 4,910,536 kilowatt hours (kWh) of electricity. This was the second lowest annual generation in the nine full years that the Society has operated the solar park, 5.7% lower than the average annual generation in the eight previous years (5,207,725 kWh) and nearly 12% lower than the record levels of generation achieved in 2020. This lower than average generation was the result of less favourable weather conditions rather than any major operational issues with the solar plant – irradiation at the site was also nearly 12% lower than in 2020. The chart below illustrates these generation figures on a month-by-month basis.



The amount of electricity generated in 2021 is equivalent to the typical annual consumption of 1,693 medium UK households. On this basis, each member has off-set all the carbon emissions from their electricity usage. And based on the latest available figures for the carbon intensity of UK electricity (from 2020), Westmill Solar's generation continued to avoid nearly 900 tonnes of CO<sub>2</sub> emissions – over half a tonne per member.

#### Summary of the financial position

The financial performance of the Society mainly, reflected the lower generation in comparison to 2020, along with smaller effects such as April 2021's 1.2% increase in the Feed-in-Tariff rate. Our total income for the year was £2,206,198 (2020: £2,504,536).

Our costs (costs of sales and administrative expenses) were £952,191 compared to £913,495 in 2020, when we had benefitted from various one-off items, in particular a backdated business rates rebate.

As a result, the Society's operating surplus in the year was £1,254,007 (2020: £1,591,041). Interest payments on our loan from Local Pensions Partnership Investments Limited (LPPi) and the 2019 Bond were similar to those paid in 2020. Out of this operating surplus the Board has provided for our initial trading dividend of £480 (2020: nil), an interest payment to members of £404,075 (2020: £485,683) and Community Funding of £101,018 (2020: £121,405). After allowing for these payments, the Society returned a surplus before tax for the year of £343,100 (2020: £583,164) and a surplus after tax of £271,397 (2020: £490,984).

## **Westmill Solar Co-operative Limited**

### **Strategic Report (continued) for the Year Ended 31 December 2021**

#### **Outlook and principal risks and uncertainties**

The difference in the Society's operating performance from 2020 to 2021 highlighted the fact that our revenues depend to a large extent on weather conditions which can vary significantly from year to year. Our revenues are also very dependent on ensuring that the solar plant is operating at full capacity as well as an effective connection to the grid.

In 2021, the solar park achieved or exceeded our 99% availability target in every month except July (98.9%), October (97.9%) and November (97.1%). There were no significant unexpected maintenance costs during the year, as the costs of the successful remedial action taken to reverse some potential degradation had been provided for in 2020's accounts. In general though, we expect maintenance and breakdown costs to increase over time. Our 2022 results are likely to be affected by the revenue losses and additional costs involved from the failure of one of our transformers in March, even though most of these should be covered by our business interruption insurance.

Most of our income comes from Feed-in-Tariff payments which are index-linked and expected to continue until 2036. Our other main source of income is the amounts received under our power purchase agreement (PPA) with Octopus Energy. In July 2021 we extended this agreement for an additional 18 months to July 2023, with an increase in the amounts that we receive under this agreement taking effect from February 2022. PPA prices generally reflect underlying wholesale electricity prices which have fluctuated substantially in the past couple of years and increased very substantially in recent months. Prices for future renewals are therefore very uncertain and depend greatly on the timing of the renewal.

The direct impact of COVID on the Society's activities was relatively limited in 2021 although the uncertainties it has created contributed to the decision taken in the summer of 2021 to defer plans for building a visitors' centre on the Westmill site. And as we emerge from the pandemic, the UK economy faces other challenges, including a rapid rise in inflation, rising interest rates, fluctuating commodity prices and staff shortages in key areas. The Board are working with our contractors to manage these issues but, for example, the lead-time for the replacement transformer that we have ordered is longer than might previously have been expected because of supply-chain issues.

The role of the Directors is expected to be largely supervisory and Westmill Solar has no operational employees. We therefore depend on the support and dedication of various contractors, in particular British Solar Renewables for the operations and management (O&M) of the solar plant and Ethex for our accounting and administrative services. In 2022 we will be moving our back-office support and increasing our management resource (see 'Board and management' below for further details). The transition itself should not be unduly disruptive.

The registration of West Solent Solar Co-operative Limited as a society with the Financial Conduct Authority (FCA) was cancelled in April 2021 following a notice from the FCA that it did not consider West Solent to fulfil the criteria for being a bona-fide co-operative. The impact of this on Westmill Solar remains uncertain. Your Board believes that the Society continues to fulfil the criteria for being a co-operative but if Westmill Solar were to face similar action, we might need to adjust the way we operate and/or our future ability to raise funding and attract new members may be materially limited.

#### **Developing as a co-operative**

Westmill Solar was established out of our members' desire to show that a community of individuals could come together to own and operate a solar park. Ensuring that we are financially successful is critical – but so is how we manage ourselves and work towards our broader goals. The seven internationally-agreed co-operative principles provide a benchmark for this and are set out below, together with some examples of how the Society puts these principles into practice.

## **Westmill Solar Co-operative Limited**

### **Strategic Report (continued) for the Year Ended 31 December 2021**

#### **Principle 1. Voluntary and Open Membership**

- Our 2012 share offer sought to involve more people in Westmill Solar by setting a low minimum amount. The 2019 bond offer reduced the maximum amount of any application for the same reason – and ensured that each bondholder also became a member (if they were not already).

#### **Principle 2. Democratic Member Control**

- Each member has one vote regardless of the number of shares held and all of our directors are members and elected by the membership.

#### **Principle 3. Member Economic Participation**

- In 2021 we established a trading dividend scheme that rewards those members who buy their electricity via Co-op Energy's Community Power tariff, which represents the generation of Westmill Solar and other community generators.

#### **Principle 4. Autonomy and Independence**

- Over £5 million of the funding required for the acquisition of the solar park was provided from members and the 2019 bond offer increased the proportion of our financing that is provided by members.

#### **Principle 5. Education, Training and Information**

- Westmill Solar was, your Board believes, the UK's first community-owned solar park. We have consistently sought to educate and inform members and the wider public on the benefits of community renewables, not least through being a founder member of Community Energy England and our ongoing support of WeSET.

#### **Principle 6. Co-operation among Co-operatives**

- Since 2014 we have sold all our generation to Co-operative Energy or (since July 2020) to Octopus Energy through whom Co-op Energy's Community Power tariff is currently operated.
- We have collaborated increasingly closely with the Westmill Wind Farm Co-operative in recent years to enhance what we can offer members, including piloting the trading dividend scheme.

#### **Principle 7. Concern for Community**

- Westmill Solar members allocate significant amounts as part of our Community Funding, which totalled £101,018 in 2021.

#### **Member engagement**

Apart from the solar park, the Society's main asset is our membership. The number of members remained relatively stable over the year, falling slightly from 1,655 to 1,650.

Your Board is keen to increase the involvement of existing members in the Society's development and the input from members in our community funding is very welcome. This kind of help is vital in supporting the Society's longer-term goals and sharing the workload of managing the Society – and we are increasingly co-operating with Westmill Wind and their members on these issues.

We conducted a member consultation exercise with Westmill Wind in April 2021. The survey sought to better understand members' motivations as well as how they would like the two co-operatives to develop. 527 Westmill Solar members responded to the survey and the feedback received has influenced many of our developments in the past 12 months. Your Board will continue to actively seek members' views on key decisions and our future direction.

The continuing effects of COVID meant that our joint AGM with Westmill Wind again had to be held virtually via Zoom, rather than 'face-to-face' but this facilitated the participation of many members who might otherwise have been unable to attend – over 150 members attended the Westmill Solar AGM in person or by proxy and over 200 others voted in advance on one or more of the various resolutions.

A key development during 2021 was the implementation (again with Westmill Wind) of the Westmill trading dividend. This was devised with the help of feedback from members in a survey conducted at the end of 2020 and

## Westmill Solar Co-operative Limited

### Strategic Report (continued) for the Year Ended 31 December 2021

81 members were involved in the pilot scheme that commenced in February 2021 – the first arrangement of this kind in the UK energy sector. The initial dividend of £15 per eligible member was paid in August/September 2021 and the Board is planning to extend the trading dividend scheme in 2022.

Another longstanding aim of the Board has been to help members save energy. Westmill Wind and Solar approached the Centre for Alternative Technology (CAT) last year and we have now agreed a partnership with them which enables any Westmill Solar or Wind member to become a member of CAT for an introductory year at no cost. This programme will be launched in mid-2022 and will include an online training package and access to training sessions for any Westmill Solar or Wind member on the practical steps they can take to live more energy efficient and sustainable lives.

### Community Funding

Westmill Solar's community funding is a well-established part of our co-operative ethos and our recipients are chosen to align with the fifth, sixth and seventh co-operative principles mentioned above. We take a concentric approach to 'community', with larger amounts being spent on local and regional recipients (Oxfordshire and parts of neighbouring counties that fall within 25 miles of the Westmill site) than on national and international ones.

The Society's income statement for 2021 includes a total of £101,018 (2020: £121,405) for Community Funding. This figure is lower than in 2020 as it scales in proportion to the amount declared as members' interest (which is lower this year, see 'Allocation of surplus and capital returns' below) but it is still a substantial amount, representing 20/80ths (2020: 20/80ths) of the proposed share interest payment. £25,000 of this amount was allocated to WeSET.

The full list of recipients of Community Funding during 2021 is set out below. Most of the amounts paid out have been accrued in the previous financial year – we allocate some of each year's surplus to community funding and award it to selected beneficiaries during the following year(s). Our balance sheet at the end of 2021 shows £151,063 (2020: £135,822) of accumulated community funding that had not yet been distributed by 31 December 2021, including £88 (2020: £63) of share and bond interest that was waived during the year by members.

<u>Community Funding recipients</u>	£
WeSET: donation for general purposes	25,000
Project management support to develop Westmill Centre (visitor facilities)	7,450
Low Carbon Hub: community building energy audits	7,500
Community Grants Scheme 2021 (see below)	32,668
Oxfordshire Community Action Groups - 20 Stories of Climate Action Exhibition	4,920
Renewable World: annual donation to tackle poverty in the developing world through renewable energy	5,000

The community grants scheme was introduced in 2020 at the suggestion of members, awarding grants of up to £5,000 to mainly local community groups, charities and social enterprises. Five members (including one director) volunteered to serve on a panel that approved the details of the scheme and then assessed the applications.

The 2021 Community Grants were awarded as follows (more details and web links can be found on our website at <https://bit.ly/38DwptN>)

## Westmill Solar Co-operative Limited

### Strategic Report (continued) for the Year Ended 31 December 2021

<u>Community Grant Scheme 2021 recipients</u>	£
Maymessy CIC: student environment activities and horticulture skills	1,000
Faringdon and District Cricket Club: installation of solar array on clubhouse roof	4,839
Sherston Village Hall: installation of an efficient air to air heat pump for the new foyer	4,946
Oxford Children's Book Group: student education on climate change and promotion of renewable energy	1,000
Brinkworth Village Hall: improvement of existing fixtures to improve energy efficiency	5,000
West Oxfordshire Community Transport Limited: research into the financial, environmental and social impact of purchasing and using non-fossil fuel vehicles for their urban services	2,495
Sustainable Wantage: establishment of local community larder to provide support for low-income residents	3,438
Restore: installation of rooftop solar PV on two of this charity's working sites	5,000
Hook Norton Community Land Trust: towards employment of a Project Manager for an innovative community-led project of affordable homes	4,950

#### Financial support for other co-operatives and social enterprises

Alongside our Community Funding, we also seek to support other co-operatives and social enterprises that share our objectives and outlook by contributing share or loan capital. This kind of financial support should also provide a foundation for shared learning and increased co-operation.

As part of this, we subscribed £10,000 in March 2021 in a share offer from Reading Hydro CBS to help them complete construction of their project. In October 2021 we also agreed, together with Westmill Wind and five other parties connected with Energy4All, to offer a bridging loan to the Schools Energy Co-operative to enable them to start a number of new projects in advance of their own share offer. A total of £100,000 has been drawn down so far under this arrangement, of which Westmill Solar has provided £20,000.

Your Board is keen to do more in this way and would like to establish a panel of members to consider similar opportunities, to work with other partners to share the burden of assessing future opportunities that arise and to provide a point of contact with the organisations which Westmill Solar supports.

#### Education

Your Board remains keen to encourage use of the solar park as an educational resource for students at all levels as well as research institutions, social enterprises and commercial partners.

Most site visits are organised by WeSET who had developed plans to develop a visitors' centre on the Westmill site. Unfortunately, partly because of the uncertainties created by the COVID pandemic, these plans were deferred in the summer of 2021 but we continue to work with WeSET and Westmill Wind to develop ways to enhance visitors' experience of the Westmill site.

#### Promoting policy changes

This is an area where Westmill Solar and Wind's experience and standing can help inspire and implement more wide-ranging change – and one where your Board has focussed on collaborative working with other like-minded organisations. The Society's Chair, Tom Parkinson, attended COP-26 in November 2021 as part of a delegation co-ordinated by REScoop.eu, the European federation of citizen energy co-operatives, and Community Energy England and Director (and Westmill Wind Chair), Mark Luntley, is on the Boards of both REScoop.eu and Community Energy England. As one of the founder members of Community Energy England, we continue to press for a greater involvement for community energy in the UK's energy transition and to highlight the importance of our sector in global efforts to combat climate change.

## **Westmill Solar Co-operative Limited**

### **Strategic Report (continued) for the Year Ended 31 December 2021**

We have also continued our support for the Local Electricity Bill, for which Westmill's local MP, David Johnston, is now one of the lead sponsors. The bill has now gained the support of over 300 MPs including official backing from the Green Party and the Liberal Democrats.

On a more practical level, we continue our participation in Project LEO (Local Energy Oxfordshire). Westmill (Solar and Wind) is one of eight neighbourhood projects that have been selected to help develop new ways to make the electricity network operate more flexibly. Our primary focus to date has been in investigating possible improvements to our network connection which could potentially facilitate further generation on the Westmill site and/or the installation of battery storage.

#### **Board and management**

As Chair, and on behalf of all members, I would like to thank my Board colleagues and the team at Ethex for the time, effort and expertise that all of them have provided to the Society during the year.

The workload on Ethex and the directors has been growing in recent years as the Society has developed. This trend is expected to continue as the Society seeks to do more, in line with the feedback from the member survey in April 2021. Expanding our management capacity is therefore a priority. However, because Ethex do not provide similar back-office services to other organisations and the rest of their core business is growing strongly, we have recently agreed that our service agreement with Ethex will not be renewed when it expires later this year and that the Society will move its back-office functions to Energy4All, who already provide similar services for Westmill Wind and around 30 other community energy societies. Sarah Flood, who has overseen our relationship at Ethex since it started, will be moving to Energy4All and remaining as Secretary of Westmill Solar, providing us with welcome continuity in this transition.

I would like to thank Ethex for all their help and support over the past decade. They played a vital role in 2012 in establishing Westmill Solar and have been a key part of our success since then.

Although the proposed transfer of our back-office arrangements to Energy4All will provide additional resource, it is likely that we will also need to adjust the way the Board operates to ensure effective governance at a fair cost. Further consultation will be undertaken with members on this subject once the transition of our back-office arrangements to Energy4All has completed later this year and in light of the Society's ongoing strategy and management needs.

The Society had a full complement of seven directors throughout 2021. As indicated last year, Martin Allman has decided to retire as a director at the forthcoming AGM. We are extremely grateful for his input as technical lead over the past seven years, not least in co-ordinating our response to the recent transformer issue. We are delighted that Joe Michaels has offered to join the Board to replace Martin and his election will be voted on by members at the forthcoming AGM. In addition, Tom Parkinson and Mairi Brookes will both be retiring by rotation (having completed three years since their appointment was last approved by members) and standing for re-election at the AGM.

## Westmill Solar Co-operative Limited

### Strategic Report (continued) for the Year Ended 31 December 2021

#### Allocation of surplus and capital returns

Our 2020 accounts included the transfer of £500,000 of our surplus to a dedicated reserve for the development of the Society. The Directors do not believe that a similar transfer is required in respect of our 2021 accounts pending further discussion with members on our ongoing strategy and how this reserve might be applied.

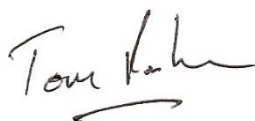
However, our 2021 accounts reflect a proposed interest payment to members out of our surplus for the year of 10p per share, which will leave the Society with a retained operating surplus for the year (after tax) of £271,397. The interest payment is less than the 12p per share paid in respect of 2020 (and the two previous years), partly due to the lower generating performance of the solar park in 2021 and partly to maintain the Society's cash reserves until the ongoing transformer issue has been fully resolved. The 2021 accounts also include an allocation of £101,018 towards community funding. This is less than the figure for 2020, but reflects the policy previously approved by members that our community funding should rise and fall proportionately with the amount payable as member interest.

Around 30% of members' original capital has been repaid by the Society to date. Another partial repayment of capital to all members was anticipated in 2021 but delayed pending a review of the Society's long-term capital structure. This review has itself been delayed because of the ongoing transformer issue. The Board will review the scale and timing of further capital repayments once this issue has been resolved and in the light of our developing strategy which we expect to discuss further with members during 2022.

#### Summary

2021 was another year of progress for the Society. Although the recent transformer failure has been an unwelcome reminder of the operating risks we face, there is much to celebrate as we approach the tenth anniversary of the Society's operations. Your Board believes that the positive feedback from last year's member survey and the steps that are being taken to reflect this feedback - expanding what we do and increasing our operational resources to ensure we can do so effectively - will provide a solid foundation for the Society in the decade(s) to come.

Approved by the Board on 24 May 2022 and signed on its behalf by:



**Tom Parkinson**

Chair Westmill Solar Co-operative Limited

## **Westmill Solar Co-operative Limited**

### **Directors' Report for the Year Ended 31 December 2021**

The Directors present their report and the financial statements for the year ended 31 December 2021.

#### **Incorporation**

The Society was incorporated on 17 May 2011.

#### **Officers of the Society**

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

Tom Parkinson (Chair)  
Martin Allman  
Nina Alpey  
Mairi Brookes  
Angela Bryant  
Andrew Crawford  
Mark Luntley

The Rules allow for a maximum number of seven Board members of which the number closest to one third must retire each year in rotation. At the AGM in June 2021, Mark Luntley and Martin Allman retired by rotation, and were re-elected to the Board.

Sarah Flood, the Chief Operating Officer of Ethex Investment Club Limited, is the Secretary of the Society.

#### **Objectives and policies**

The Society faces a number of risks and uncertainties and the Directors believe that the key business risks are set out in the Strategic Report. In view of these risks and uncertainties, the Directors are aware that the development of the Society may be affected by factors outside their control.

#### **Price risk, credit risk, liquidity risk and cash flow risk**

The Society has a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are only conducted in sterling. The Society does not enter into any hedging transactions.

#### **Remuneration of directors**

Following a vote by the members at the 2014 AGM, the Directors of the Society receive remuneration of £1,000 per Director per annum and £1,250 for the Chair. The Board is planning to review these arrangements as part of the development of the Society's strategy.

During the year, the Directors claimed no reimbursements for expenses incurred in the performance of their duties.

#### **Disclosure of information to the auditors**

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Society's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.



## Westmill Solar Co-operative Limited

### Directors' Report (continued) for the Year Ended 31 December 2021

#### Reappointment of auditors

In accordance with section 93 of the Co-operative and Community Benefit Societies Act 2014, and following an audit tender exercise that was carried out by the Board after last year's Annual General Meeting, a resolution for the re-appointment of Critchleys Audit LLP as auditors of the Society will be proposed at the forthcoming Annual General Meeting.

#### Directors' responsibilities

The rules of the Society require the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of the surplus or deficit of the Society for that period. In preparing those financial statements, the Directors are required to:

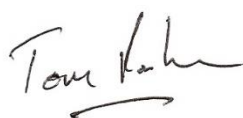
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Directors are responsible for keeping proper accounting records which 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 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.

#### Board Procedures

The Board meets four times a year, or more often if required, to review the running of the solar park and the Society and to take any necessary decisions about the governance and management of the Society.

This report was approved by the Directors on 24 May 2022 and signed on its behalf by



**Tom Parkinson**

Chair, Westmill Solar Co-operative Limited

## **Independent Auditor's Report to the members of Westmill Solar Co-operative Limited**

### **Opinion**

We have audited the financial statements of Westmill Solar Co-operative Limited (the "Society") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, 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, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 December 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

### **Basis for 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 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Society's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Westmill Solar Co-operative Limited**  
**Independent Auditor's Report (continued)**

**Matters on which we are required to report by exception**

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

- the Society has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation;
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the Society's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

**Responsibilities of the board of directors**

As explained more fully in the director's responsibilities statement set out on page 13, 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 they 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Society through discussions with directors and other management, and from our knowledge and experience of the client's business sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Society, including the Co-operative and Community Benefit Societies Act 2014, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;

**Westmill Solar Co-operative Limited**  
**Independent Auditor's Report (continued)**

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Society's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm). This description forms part of our auditor's report.

**Westmill Solar Co-operative Limited**  
**Independent Auditor's Report (continued)**

**Use of our report**

This report is made solely to the Society's members, as a body, in accordance with section 87 of 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 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.



.....  
Robert Kirtland, Senior Statutory Auditor  
Critchleys Audit LLP  
Beaver House  
23 – 38 Hythe Bridge Street  
Oxford OX1 2EP

Date: 24/05/2022

**Westmill Solar Co-operative Limited**

**Statement of Comprehensive Income for the Year Ended 31 December 2021**

	Note	2021	2020
		£	£
Turnover	3	2,206,198	2,504,536
Cost of sales		<u>(868,851)</u>	<u>(857,124)</u>
<b>Gross surplus</b>		<b>1,337,347</b>	<b>1,647,412</b>
Administrative expenses		<u>(83,340)</u>	<u>(56,371)</u>
<b>Operating surplus</b>	4	<b>1,254,007</b>	<b>1,591,041</b>
Other interest receivable and similar income	5	1,100	3,494
Interest payable	6	<u>(406,434)</u>	<u>(404,283)</u>
<b>Surplus before payments to and on behalf of members</b>		<b>848,673</b>	<b>1,190,252</b>
Trading dividend		(480)	-
Members' interest		(404,075)	(485,683)
Community funding		<u>(101,018)</u>	<u>(121,405)</u>
<b>Surplus before tax</b>		<b>343,100</b>	<b>583,164</b>
Taxation	9	<u>(71,703)</u>	<u>(92,180)</u>
<b>Surplus for the financial year</b>		<b><u>271,397</u></b>	<b><u>490,984</u></b>

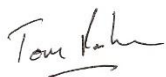
The above results were derived from continuing operations. No activities were discontinued in 2021 or 2020.

The society has no recognised gains or losses for the year other than the results above.

**Westmill Solar Co-operative Limited**  
**(Registration number: 31265R)**  
**Balance Sheet as at 31 December 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	10	9,314,122	9,940,258
Investments	11	<u>20,001</u>	<u>10,000</u>
		<u>9,334,123</u>	<u>9,950,258</u>
<b>Current assets</b>			
Debtors	12	333,407	203,762
Cash at bank and in hand	13	<u>2,416,033</u>	<u>2,174,305</u>
		2,749,440	2,378,067
<b>Creditors:</b> Amounts falling due within one year	14	<u>(1,223,294)</u>	<u>(1,289,796)</u>
<b>Net current assets</b>		<u>1,526,146</u>	<u>1,088,271</u>
<b>Total assets less current liabilities</b>		10,860,269	11,038,529
<b>Creditors:</b> Amounts falling due after more than one year	14	(6,245,159)	(6,625,088)
<b>Provisions for liabilities</b>	15	—	<u>(57,163)</u>
<b>Net assets</b>		<u>4,615,110</u>	<u>4,356,278</u>
<b>Capital and reserves</b>			
Members' share capital	16	4,040,746	4,053,311
Development reserve	17	500,000	500,000
Other reserves	17	(228,705)	(248,705)
Retained surpluses		<u>303,069</u>	<u>51,672</u>
Total equity		<u>4,615,110</u>	<u>4,356,278</u>

Signed on behalf of the Board of Directors on 24 May 2022



T Parkinson – Chair



A Crawford - Director



S Flood - Secretary

**Westmill Solar Co-operative Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2021**

	<b>Share capital</b>	<b>Development reserve</b>	<b>Other reserves</b>	<b>Retained surpluses</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2021	4,053,311	500,000	(248,705)	51,672	4,356,278
Total comprehensive income	-	-	-	271,397	271,397
Transfers (Note 17)	-	-	20,000	(20,000)	-
Capital repayment in year (Note 16)	<u>(12,565)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,565)</u>
At 31 December 2021	<u>4,040,746</u>	<u>500,000</u>	<u>(228,705)</u>	<u>303,069</u>	<u>4,615,110</u>

**Statement of Changes in Equity for the Year Ended 31 December 2020**

	<b>Share capital</b>	<b>Development reserve</b>	<b>Other reserves</b>	<b>Retained surpluses</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2020	4,057,301	-	(268,705)	80,688	3,869,284
Total comprehensive income	-	-	-	490,984	490,984
Transfers (Note 17)	-	500,000	20,000	(520,000)	-
Capital repayment in year (Note 16)	<u>(3,990)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,990)</u>
At 31 December 2020	<u>4,053,311</u>	<u>500,000</u>	<u>(248,705)</u>	<u>51,672</u>	<u>4,356,278</u>



## Westmill Solar Co-operative Limited

### Statement of Cash Flows for the Year Ended 31 December 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Operating surplus for the year		1,254,007	1,591,041
<u>Adjustments to cash flows from non-cash items</u>			
Depreciation and amortisation	10	<u>626,136</u>	<u>626,136</u>
		1,880,143	2,217,177
<u>Working capital adjustments</u>			
(Increase) in debtors	12	(127,621)	(26,110)
Increase/(decrease) in creditors	14	<u>17,357</u>	<u>(10,513)</u>
Cash generated from operations		1,769,879	2,201,580
Income taxes paid	9	<u>(164,842)</u>	<u>(9,776)</u>
Net cash flow from operating activities		<u>1,605,037</u>	<u>2,191,804</u>
<b>Cash flows from investing activities</b>			
Interest received	5	1,100	3,494
Community funding		(85,777)	(121,647)
Purchase of fixed asset investments	11	<u>(10,001)</u>	-
Net cash flows from investing activities		<u>(94,678)</u>	<u>(118,153)</u>
<b>Cash flows from financing activities</b>			
Interest paid		(887,372)	(891,378)
Repayment of members' share capital		(12,565)	(3,990)
New borrowings		-	-
Repayment of borrowings	18	<u>(368,694)</u>	<u>(361,440)</u>
Net cash flows from financing activities		<u>(1,268,631)</u>	<u>(1,256,808)</u>
Net increase/(decrease) in cash and cash equivalents		241,728	(816,843)
Cash and cash equivalents at 1 January		<u>2,174,305</u>	<u>1,357,462</u>
Cash and cash equivalents at 31 December	13	<u>2,416,033</u>	<u>2,174,305</u>

## **Westmill Solar Co-operative Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **1 General information**

The society was incorporated on 17 May 2011.

The address of its registered office and principal place of business is:

C/O Ethex  
The Old Music Hall  
106-108 Cowley Road  
Oxford  
OX4 1JE

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102: 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention.

These financial statements have been presented in Sterling, which is the functional currency of the society.

##### **Summary of disclosure exemptions**

There are no disclosure exemptions applicable to the society.

##### **Going concern**

In the opinion of the directors, the society is a going concern.

##### **Judgments**

No judgments have been made which require disclosure under FRS 102.

##### **Revenue recognition**

Turnover comprises revenue from electricity generation and related renewable credits (mainly Feed in Tariff payments). Turnover is recognised on an accruals basis, with revenue recognised when power is supplied. Turnover is the amount derived from ordinary activities and is stated net of Value Added Tax.

## Westmill Solar Co-operative Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### Finance income and costs policy

The costs of obtaining loan finance are accounted for as a reduction in the proceeds of the loan finance and amortised over the life of the loan.

#### Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the country where the society operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the society. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation. At each balance sheet date, the society reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that any items of property, plant and equipment have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the society estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, as follows:

Solar generating plant – straight line over 24 years

#### Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less provision for impairment.

## Westmill Solar Co-operative Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Trade debtors

Trade debtors are amounts due for electricity generated in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at cost less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the society will not be able to collect all amounts due according to the original terms of the receivables.

#### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the society does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method in the case of any trade creditors classified as non-current liabilities.

#### Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge in the Statement of Comprehensive Income over the period of the relevant borrowing.

Interest expense is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the society has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### Provisions

Provisions are recognised when the society has an obligation at the reporting date as a result of a past event, it is probable that the society will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

#### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### Share issue costs

Costs incurred in respect of the issue of shares are taken straight to a separate reserve.

#### Members' interest

Interest distributions to the society's members are recognised as a liability in the financial statements in the period in respect of which the interest is declared.

## Westmill Solar Co-operative Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 3 Turnover

The analysis of the society's revenue for the year from continuing operations is as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Feed in Tariffs	1,942,914	2,187,891
Electricity	258,413	311,116
Renewable Energy Guarantees of Origin	<u>4,871</u>	<u>5,529</u>
	<u>2,206,198</u>	<u>2,504,536</u>

#### 4 Operating surplus

Arrived at after charging:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Depreciation expense	626,136	626,136
Operating lease expense – property	<u>86,982</u>	<u>101,315</u>

#### 5 Other interest receivable and similar income

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest income on bank deposits	<u>1,100</u>	<u>3,494</u>
	<u>1,100</u>	<u>3,494</u>

#### 6 Interest payable and similar charges

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest expense on other finance liabilities (Note 18)	355,167	353,460
Bond interest payable	51,258	50,823
Corporation tax interest	<u>9</u>	<u>-</u>
	<u>406,434</u>	<u>404,283</u>

## Westmill Solar Co-operative Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 7 Staff costs

The aggregate payroll costs were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Directors' remuneration	<u>7,250</u>	<u>6,250</u>
	<u>7,250</u>	<u>6,250</u>

The average number of employees and directors of the society during the year, analysed by category was as follows:

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Directors	<u>7</u>	<u>7</u>

#### 8 Auditors' remuneration

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Audit of the financial statements	<u>7,200</u>	<u>7,075</u>
<b>Other fees to auditors</b>		
Taxation compliance services	960	915
All other non-audit services	<u>737</u>	<u>190</u>
	<u>1,697</u>	<u>1,105</u>

## Westmill Solar Co-operative Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 9 Taxation

Tax charged/(credited) in the income statement

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Current taxation</b>		
UK corporation tax	131,089	164,604
UK corporation tax adjustment to prior periods	<u>(199)</u>	<u>(15,128)</u>
Total current income tax	130,890	149,476
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>(59,187)</u>	<u>(57,296)</u>
Tax expense in the income statement	<u>71,703</u>	<u>92,180</u>

The tax on the profit for the year is higher than the standard rate of corporation tax in the UK (2020 - lower than the standard rate of corporation tax in the UK) of 19% (2020 – 19%).

The differences are reconciled below:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Surplus/(deficit) before tax	<u>343,100</u>	<u>583,164</u>
Corporation tax at standard rate	65,189	110,801
Movement in deferred tax provision (see below)	(59,187)	(57,296)
UK corporation tax adjustment to prior periods	(199)	(15,128)
Expenses not deductible and effect of capital allowances	<u>65,900</u>	<u>53,803</u>
Total tax charge/(credit)	<u>71,703</u>	<u>92,180</u>
<b>Deferred tax</b>		
Deferred tax assets and liabilities		
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Asset/(liability)</b>		
Accelerated capital allowances	(54,762)	(113,949)
Unused tax losses	<u>56,786</u>	<u>56,786</u>
2021 deferred tax asset	<u>2,024</u>	<u>(57,163)</u>

## Westmill Solar Co-operative Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 10 Fixed assets

	<b>Solar power plant</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<u>Cost:</u> at 1 January 2021 and 31 December 2021	<u>15,046,154</u>	<u>15,046,154</u>
<u>Depreciation:</u>		
At 1 January 2021	5,105,896	5,105,896
Charge for the year	<u>626,136</u>	<u>626,136</u>
At 31 December 2021	<u>5,732,032</u>	<u>5,732,032</u>
Net book value at 31 December 2021	<u>9,314,122</u>	<u>9,314,122</u>
Net book value at 31 December 2020	<u>9,940,258</u>	<u>9,940,258</u>

#### 11 Fixed asset investments

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
At 1 January	10,000	10,000
Additions	<u>10,001</u>	-
At 31 December	<u>20,001</u>	<u>10,000</u>

Fixed asset investments consist of the following: Brighton & Hove Energy Services Co-operative (BHESCo) £10,000; Reading Hydro CBS £10,000; Low Carbon Hub CIC £1.

#### 12 Debtors

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade debtors	255,787	154,152
Other debtors	27,369	-
Prepayments	48,227	49,610
Deferred tax asset (see note 9)	<u>2,024</u>	-
	<u>333,407</u>	<u>203,762</u>

#### 13 Cash and cash equivalents

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Cash at bank	268,298	470,204
Short-term deposits	<u>2,147,735</u>	<u>1,704,101</u>
Cash and cash equivalents in statement of cash flows	<u>2,416,033</u>	<u>2,174,305</u>



## Westmill Solar Co-operative Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 14 Creditors

	Note	2021 £	2020 £
<b>Due within one year</b>			
Loans and borrowings	18	397,309	386,074
Trade creditors		93,803	26,906
Community funding payable		151,063	135,822
Accrued expenses		37,613	84,917
Corporation tax liability	9	131,089	165,041
VAT liability		-	1,756
Members' interest payable- See note below		<u>412,417</u>	<u>489,280</u>
		<u>1,223,294</u>	<u>1,289,796</u>
<b>Due after one year</b>			
Loans and borrowings	18	<u>6,245,159</u>	<u>6,625,088</u>
		<u>7,468,453</u>	<u>7,893,637</u>

Members' interest payable includes unclaimed amounts from prior years totalling £8,342 (2020: £3,660).

#### 15 Deferred tax and other provisions

	Deferred tax £
At 1 January 2021	57,163
Movement in provision (see note 9)	<u>(59,187)</u>
Balance 31 December 2021 (deferred tax asset, included in debtors)	<u>(2,024)</u>

#### 16 Share capital

##### Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	No.
Ordinary A shares of £1 each	<u>4,040,746</u>	<u>4,040,746</u>	<u>4,053,311</u>	<u>4,053,311</u>

During the year capital of £12,565 was repaid to members, representing 12,565 Ordinary A shares of £1 each.

## Westmill Solar Co-operative Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 17 Reserves

##### Share capital

This reserve reflects the nominal value of share capital issued by the society.

##### Development reserve

A development reserve has been established in order to set aside an element of the society's surplus for the purpose of developing the co-operative.

##### Other reserve

This reserve reflects share issue costs on the hive-up of assets transferred from Blue Energy Westmill Farm Limited in 2013, along with surpluses made in previous years. Amounts are transferred to this reserve periodically with the long-term objective of eliminating the negative balance.

#### 18 Loans and borrowings

	2021 £	2020 £
<b>Non-current loans and borrowings</b>		
Secured borrowings	5,245,159	5,625,088
Unsecured borrowings	<u>1,000,000</u>	<u>1,000,000</u>
	<u>6,245,159</u>	<u>6,625,088</u>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Current loans and borrowings</b>		
Secured borrowings	<u>397,309</u>	<u>386,074</u>
	<u>397,309</u>	<u>386,074</u>

##### Secured borrowings

The Local Pensions Partnership Investments Limited (LPPI) loan is secured by a debenture against the solar generation assets. Interest is payable at a coupon rate of 3.5% multiplied by an indexation figure based on the Retail Prices Index.

The level of capital and interest repayments on the LPPI loan has been calculated in accordance with the original business plan, the loan agreement and related schedules. Although the directors currently propose to retain the remainder of the loan for its current term (to 31<sup>st</sup> December 2034), the agreement does allow the society the right to repay all or part of the loan early. If this right had been exercised at 31<sup>st</sup> December 2021, the amount due for repayment after adjusting for indexation would have been £7,335,733 (2020: £7,747,176).

##### Unsecured borrowings

During 2019, a fixed-rate unsecured subordinated transferable bond was issued for £1,000,000. Interest is incurred at 5% and 6%. The bond is due for repayment on 31 December 2024.

## Westmill Solar Co-operative Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### Loans and borrowings beyond five years

Included in the total loans and borrowings (both secured and unsecured) are the following amounts due after more than five years:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
After more than five years by instalments	3,566,644	3,982,393
After more than five years not by instalments	-	-
	<u>3,566,644</u>	<u>3,982,393</u>

#### 19 Commitments

##### Capital commitments

There are no capital commitments contracted for but not provided in the financial statements (2020: £nil).

##### Commitments under operating leases

Total amounts payable in respect of rent payable on leasehold land:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Payable within one year	88,000	88,000
Payable in two to five years	352,000	352,000
Payable after five years	<u>916,960</u>	<u>1,004,960</u>
	<u>1,356,960</u>	<u>1,444,960</u>

##### Other financial commitments

The Society has agreed to provide a loan of up to £100,000 to the Schools Co-operative. At the balance sheet date £20,000 had been advanced. Otherwise there were no other financial commitments not provided in the financial statements (2020: £nil).

#### 20 Related party transactions

£7,500 was paid to Low Carbon Hub CIC (2020: £7,500) to subsidise energy audits for community buildings in Oxfordshire. Westmill Solar holds a £1 share in Low Carbon Hub CIC. Nina Alphey is a Westmill Solar Co-operative director and she was a board member of Low Carbon Hub CIC from April 2018 to October 2020.

The society's power purchase agreement with Co-operative Energy Ltd was novated to Octopus Energy Ltd in July 2020. The Society's Chair, Tom Parkinson, has been a consultant for Co-operative Energy since 2010. Westmill Solar is a member of REScoop.eu and paid a €1,000 annual membership fee (2020: €1,000). Mark Luntley is a Westmill Solar Co-operative director and a director of REScoop.eu.

Westmill Solar paid an annual membership fee of £1,500 to be a member of Community Energy England (2020 £1,500). Mark Luntley is a Westmill Co-operative director and a director of Community Energy England.

## **Westmill Solar Co-operative Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

Westmill Solar paid £2,450 to Purpose Built Consulting Ltd for consultancy and project management services during 2021 (2020: £5,425) in support of developing a visitor centre on the Westmill site. Mairi Brookes is a director of Westmill Solar Co-operative and is the sole director and controlling shareholder of Purpose Built Consulting Ltd.

Directors will receive a total of £2,197.30 in members' interest (2020: £2,636.37 with £4,317 paid out in the year pertaining to 2019) and £550 in bond interest (2020: £550). There were no expenses to reimburse.

#### **21 Subsequent events**

In March 2022 the Society was made aware that one of its transformers was defective and ordered a replacement at a cost of £60,000. Current indications are that this will result in a loss of electricity generation of some 25% until the new transformer is installed and functional. Steps are being taken to mitigate the loss of income. The financial statements at 31 December 2021 are not affected by this matter.

## Westmill Solar Co-operative Limited

### Detailed Statement of Comprehensive Income for the Year Ended 31 December 2021

	2021 £	2020 £
<b>Turnover</b>		
Feed in tariffs	1,942,914	2,187,891
Electricity	258,413	311,116
Renewable Energy Guarantees of Origin	<u>4,871</u>	<u>5,529</u>
	<u>2,206,198</u>	<u>2,504,536</u>
<b>Cost of sales</b>		
O&M contract	40,540	35,186
Asset management	14,535	43,379
Business rates	31,939	(27,067)
Insurance	7,894	8,135
Invertor warranties	26,682	28,547
Rent of site	86,982	101,315
Security	15,162	15,275
Site electricity	10,187	9,729
Site telecoms	4,131	4,072
Smart metering	1,866	2,699
TUOS DUOS grid transmission	1,252	2,721
Depreciation of plant	626,136	626,136
Sundry operating costs	<u>1,545</u>	<u>7,015</u>
	<u>868,851</u>	<u>857,124</u>

## Westmill Solar Co-operative Limited

### Detailed Statement of Comprehensive Income Account for the Year Ended 31 December 2021

	2021	2020
	£	£
<b>Administrative expenses</b>		
AGM costs	47	373
Audit fees	7,200	7,075
Bank charges	258	229
Co-op management	38,237	37,479
Directors' expenses	-	61
Directors' liability and indemnity insurance	577	368
Miscellaneous professional fees	3,035	(25,672)
Bond finance and legal costs	-	300
Payroll costs	7,250	6,250
Professional body fees	2,518	2,471
Registrars	4,289	4,630
Website and email	145	75
Telephone line	81	79
Plant acquisition costs	17,380	21,779
Sundry overheads	<u>2,323</u>	<u>874</u>
	<u>83,340</u>	<u>56,371</u>
<b>Other interest receivable and similar income</b>		
Bank interest receivable	1,100	3,494
<b>Interest payable and similar charges</b>		
Loan interest payable	355,167	353,460
Bond interest payable	51,258	50,823
Corporation tax payable	<u>9</u>	<u>-</u>
	<u>406,434</u>	<u>404,283</u>
<b>Surplus before payments to and on behalf of members</b>	<u>848,673</u>	<u>1,196,852</u>
Trading dividend	480	-
Members' interest payable	404,075	485,683
Community funding payable	<u>101,018</u>	<u>121,405</u>
<b>Net surplus before tax</b>	<u>343,100</u>	<u>583,164</u>



## **Nominations to the board – process and candidates**

## Process

This year, we are sad to announce that Martin Allman has chosen to step down as a director of Westmill Solar Co-operative. We would like to extend our great appreciation of the dedicated work that Martin has put into Westmill Solar over the last 7 years and wish him all the best in the future.

However, we are pleased to announce that Joe Michaels, Commercial Director of Joju Solar, has chosen to put his name forward for election to the board as Martin's possible replacement. We also have two directors who have put themselves forward for re-election to the board. A biography of all the candidates standing for election can be found on the following pages. Voting will be recorded ahead of the AGM for those unable to attend and on the day

## Candidate résumés

### Joe Michaels



I am standing for election because I believe in the importance of community energy as a means to democratising energy. I believe in the renewable energy revolution and that everybody has a stake in this transition. I also believe in the principles cooperatives as a fair and equitable means of ownership and management of entities.

I see my involvement being related to liaising with the O&M providers and asset managers of Westmill solar. Also, to explore new potential opportunities for the cooperative which meet with their goals and objectives.

I would like to bring to the cooperative, my twenty plus years' experience of running and managing businesses, the last fifteen of which have been involved in founding and running a solar, battery storage and electric vehicle infrastructure installation and maintenance company.

### Mairi Brookes



I work and live in Oxford. I am the Smart Energy Systems Director at Low Carbon Hub and came back to the city in 2013, having been a student there previously. At the Hub I lead our work on developing and trialling new, post-subsidy business models for community energy projects including things like how we might operate our generating assets more flexibly and how we can enable communities to coordinate their demand, storage and generation of electricity (whether that's households, businesses or community energy generation). Previously I worked at

Oxford City Council, as its Sustainable City Manager, running a team that aimed to accelerate the reduction of air pollution and carbon emissions in Oxford. Prior to returning to Oxford I worked at the (then) Department of Energy and Climate Change as a Senior Policy Advisor and also have experience working in a tech start-up that developed carbon management software.



I am interested in responsible leadership across the public, private and third sectors. Any remaining spare time is spent on my allotment, cycling or racing my road bike.

## Tom Parkinson



I was first elected to the Board of Westmill Solar in 2013 and have been Chair since 2016.

I qualified as a solicitor and worked as an in-house lawyer for over 20 years at various media and technology companies. After completing an MBA from IESE in Barcelona and a renewable energy module at the Open University in 2010, I started working for various businesses in the renewable energy sector, in particular Co-operative Energy (for whom I have worked as a consultant since 2010) and Energy Local (which I co-founded in November 2013). I introduced both these companies to the SWELL trial that took place in the villages around the Westmill site in 2015/6 and which successfully piloted a model for local communities to save money by ‘pooling’ their electricity demand with local renewable generation.

My main priority, if re-elected, would be to sustain and develop Westmill Solar’s pioneering approach whilst ensuring continued effective management. Last year’s member survey showed members’ enthusiasm to use Westmill Solar’s relative financial strength to ‘do more’. I wholeheartedly share this view and remain keen to help implement this strategy with members, the rest of the Board and other existing and new partners over the coming months and years.

I am 58 years old and married with two children in their 20’s – and am keen that we don’t leave the world in too much of a mess for them.