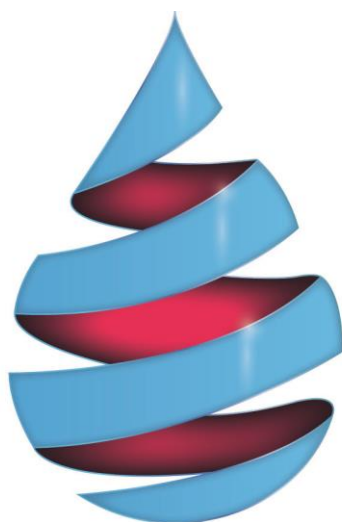


# Reading Hydro

## Community Benefit Society Ltd

Annual Report and Financial Statements

for year ended 30th September 2017



Reading Hydro is a Community Benefit Society registered with the Financial Conduct Authority

Registration Number: 7212

Registered Address: 35-39 London Street, Reading, RG1 4PS

[reading.hydro.cbs@gmail.com](mailto:reading.hydro.cbs@gmail.com)

[hydro.readinguk.org](http://hydro.readinguk.org)

# Reading Hydro Ltd

## Society Information

### Directors

Tony Cowling  
Sophie Paul (formerly Sophie Fenwick-Paul)  
Anne Wheldon  
Sarah Rigby  
Erica Purvis  
Anthony Simpson

### Registered Office

35-39 London Street, Reading, RG1 4PS

Registration Number 7212

### Bankers

Metro Bank  
201 Broad Street Mall  
Reading  
Berkshire  
RG1 7QA

# Reading Hydro CBS Limited

## Directors' Report for the Year Ended 30 September 2017

### Principal activity

The principal long term activity of the Society is planned to be the generation and sale of electricity from renewable sources. To this end, the current main activity is taking steps to build a hydro electricity generating scheme at Caversham Weir in Reading. The Society engages its members with the activities of the Society and aims to grow the membership.

### Review of the business

We have pushed forward with our plan to install a community owned hydro generation scheme on the Thames at Caversham Lock, Reading. To that end, by the end of the reporting year to 30 September 2017 we had:

- Gained abstraction licences from the Environment Agency
- Been awarded planning permission for our initial plans
- Established Reading Hydro CBS Ltd duly constituted with directors
- Grown the membership from 0 to 44
- Involved many skilled individuals to voluntarily assist with the project
- Presented to groups of individuals such as Reading Geeks and Reading Soup and contributed to the RG Spaces All of a Twist exhibition
- Developed links with related organisations, such as TRSC (The Reading Sustainability Centre), the Things Network, GREN (Greater Reading Environmental Network), VerdErg, Renewables First, Energy4All, HydroMatch, Energy Local, Low Carbon Hub, Reading Geeks, various other Reading sustainability and technology groups
- Engaged with the Environment Agency, Reading Borough Council, Scottish and Southern Electricity Networks
- Researched suitable and cost-effective technologies

#### **Over the next financial year we will**

- Enhance our publicity with a new website, regular newsletters, a professional logo alongside promotional material (posters, flyers, generic business card)
- Work to gain all permissions needed to register for the Feed in Tariff and build the hydro plant
- Build relationships with potential partners
- Improve our route to membership and supporters experience
- Refine our financial model
- Detail our project plan and business plan

- Engage with a primary school science club, and explore further educational opportunities
- Apply for various sources of funding to support the financial and technical viability of the project, as well as to promote greater visibility of the scheme
- Develop a number of awareness raising and fundraising initiatives
- Attend and speak further at related events and Reading based groups

## Summary of the financial position

During the reporting year Reading Hydro opened a bank account with Metro Bank, Reading.

The finances for the 2017 financial year comprise one payment, one donation to cover that payment, and membership fees. The income and expenditure were each £60, so there was neither a surplus or deficit. £44 has been received from the issue of share capital as Members' Equity.

## Outlook and principal risks and uncertainties

The outlook is for continued finance from new membership fees, in addition to income from the receipt of grants and donations.

The directors remain committed yet realistic, and additional capable and resourceful members continue to be attracted to the project.

The principal risks for the following financial year relate to finding the necessary funds and mechanisms to meet the next project gate and prove the financial and technical viability of the hydro project. Greater funding and expenditure activities will increase the requirements for tight financial management of the Society, though the finances will remain relatively straightforward and simple during this phase.

There are also risks from any potential future partners or contractors in the project not being able fulfil their role in the project in any way, for example due to insolvency. If they are a necessary part of the project where viable alternatives are not possible, then this would endanger the future of the project. Therefore, when arrangements with potential partners are being negotiated and agreed, open discussion and clear definition of contingency plans will be used to mitigate such risks.

At the close of this reporting year the Society has no significant assets apart from a low level of funds in the bank account, and it is not expected to diversify its assets in the next financial year. It is possible that the planning permission and Environment Agency permissions could have a value, but this is not quantifiable.

## Interest payments and capital returns to members

There will be no interest payments or capital returns from the activity of the Society this year.

## Incorporation and member engagement

The Society became Reading Hydro CBS Ltd in September 2016 (formerly Berkshire Energy Pioneers CBS as incorporated in September 2015).

On the 30th September 2017 the number of members of the Society was 44.

Member and community engagement are important aspects of the Society's governance and we welcome support, ideas, comments and assistance.

Anyone can contact us by emailing [reading.hydro.cbs@gmail.com](mailto:reading.hydro.cbs@gmail.com), through the Reading Hydro Project Facebook group, through @rdghydro on Twitter or Instagram, and by signing up for our newsletter via our website: [hydro.readinguk.org](http://hydro.readinguk.org). Anyone can get involved in person by attending our Annual General Meetings and frequent open action evenings and events, which are announced through our main communication channels above.

Our Society's community engagement involves an increasing variety of events and publicity, including a strong online presence and attractive e-newsletter, press releases, action evenings, public social gatherings, partnership with other community groups, and educational links.

## Board Procedures

The board meets every two to three weeks either online or in person, to review the operations of the Society and to take any necessary decisions about the governance, management and future direction of the Society. During this project definition and building stage of the Society, board activity is necessarily frequent, demanding and multi-faceted.

Once the hydro scheme is in place a new phase of governance will commence.

## Directors of the Society

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

- Tony Cowling
- Sophie Paul (formerly Sophie Fenwick-Paul)
- Anne Wheldon
- Sarah Rigby
- Erica Purvis
- Anthony Simpson

No directors received remuneration from Reading Hydro CBS Ltd.

## Changes to the Board

Under our rules, each year one-third of the elected Directors must stand down and may offer themselves for re-election. We currently have four elected Directors, thus the longest-standing Director, Antony Cowling is standing down at the AGM in 2018. He has offered himself for re-election.

## Appointment of auditors

In accordance with section 83 of the Co-operative and Community Benefit Societies Act 2014, we are deemed a small society for this financial year and so have had our accounts audited by two non-qualified persons.

The Directors propose to table a resolution at the March 2018 AGM to disapply section 83 of the Act for 2018, in line with section 84 of the Act, as the cost of auditing is disproportionate to the current scale of the society.

## 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 profit or loss 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.

This report was approved by the Directors on 21 March 2018 and signed on its behalf by:



**Sophie Paul**  
Chair, Reading Hydro CBS Limited

## Audit Statement

We report on the accounts for the year ended 30 September 2017 set out on pages 8 to 11. Our report is made solely to the members of the society, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014.

### Respective responsibilities of the board of directors and lay auditors.

The society's board of directors is responsible for the preparation of the accounts, for maintaining proper books of account and for establishing and maintaining a satisfactory system of control.

The directors of Reading Hydro believe it is a small society, as:

- a) the total amount of its receipts and payments in respect of the preceding year of account did not exceed £5,000,
- b) it had no more than 500 members at the end of that year, and
- c) the total value of its assets at the end of that year did not exceed £5,000.

As a small society, it has appointed people who are not qualified auditors (lay auditors) to audit its accounts and balance sheet for the year ended 30 September 2017.

As lay auditors, our procedures consisted of comparing the accounts with the books of account kept by the society and making such limited enquiries of the officers of the society as we considered necessary for the purpose of this report. We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of their audit.

### Opinion on financial statements

In our opinion:

- the financial statements for the year ended 30 September 2017 give a true and fair view of the state of the society and the society's affairs, and are in agreement with the books of account kept by the society
- having regard only to, and on the basis of the information contained in, the books of account, the financial statement comply with the requirements of the Co-operative and Community Benefit Societies Act 2014
- the society has kept proper books of account, and maintained a satisfactory system of control over its transactions, in accordance with section 75 of the Co-operative and Community Benefit Societies Act 2014

  
Michael Beaven

  
John Brunnen

# Reading Hydro CBS Ltd

## Income statement for the year ended 30 September 2017

	Notes	Oct 15 - Sep 16	Oct 16 - Sep 17
Income			
Donations	2	-	£60
Grants and Bursaries		-	-
Sales		-	-
<b>Total Income</b>		<b>£0</b>	<b>£60</b>
Expense			
Advertising and Promotion		-	-
Charitable Donations		-	-
Cost of Services		-	-
Depreciation Expense		-	-
Dues and Subscriptions	3	-	£60
Miscellaneous Expense		-	-
Professional Fees		-	-
Site development cost		-	-
<b>Total Expense</b>		<b>£0</b>	<b>£60</b>
<b>Operating profit (-loss)</b>		<b>£0</b>	<b>£0</b>
Other Interest and similar income		-	-
Other Interest Payable and similar charges		-	-
<b>Net Profit / - Loss for the Year</b>		<b>£0</b>	<b>£0</b>

The above results were derived from continuing operations. No activities were discontinued in 2017.

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

The notes on pages 10 to 11 form an integral part of these financial statements.



## Statement of financial position at 30 September 2017

	Notes	30 Sep 16	30 Sep 17
<b>Assets</b>			
Fixed Assets	5		
Hydro-Electric Plant		-	-
Accumulated Depreciation		-	-
<b>Total Fixed Assets</b>		<b>£0</b>	<b>£0</b>
<b>Current Assets</b>			
Total Accounts Receivable		£4	£0
Total Cash at bank and in hand		£0	£44
<b>Total Current Assets</b>		<b>£4</b>	<b>£44</b>
<b>Current Liabilities</b>			
Accounts Payable		-	-
<b>Total Current Liabilities</b>		<b>£0</b>	<b>£0</b>
<b>Net Current Assets</b>		<b>£4</b>	<b>£44</b>
<b>Total Assets Less Current Liabilities</b>		<b>£4</b>	<b>£44</b>
<b>Net Assets</b>		<b>£4</b>	<b>£44</b>
<b>Capital and Reserves</b>			
Members Equity	6	£4	£44
Profit for the Year		-	-
<b>Shareholder Funds</b>		<b>£4</b>	<b>£44</b>

Signed on behalf of the Board of Directors on 21 March 2018

Sophie Paul – Director and chair

Erica Purvis - Director

Anne Wheldon - Director

secretary

The notes on pages 10 to 11 form an integral part of these financial statements.

## **Notes to the Financial Statements for the year ended 30 September 2017**

### **1 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 the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities. There have been no departures from the requirements of FRS 102 Section 1A - small entities.

#### **Basis of Preparation**

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

#### **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.

#### **Revenue Recognition**

Turnover is the amount derived from ordinary activities and is stated net of Value Added Tax.

However, no turnover is reported for this year. In accounting terms, turnover means the amount derived from the provisions of goods or services within the company's ordinary activities, therefore donations and other voluntary income which does not derive from the provision of goods and services does not constitute turnover. Similarly, funds from members' equity are an investment in the Society (shareholder funds) and so do not constitute turnover.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits.

#### **Share Capital**

Ordinary shares are classified as equity.

#### **Shareholders' Interest**

During the reporting year the shares carried no right to interest, dividend or bonus.

### **2 Donations**

The Society received a donation from a member specifically to cover the annual Regulatory Fee to the Financial Conduct Authority (FCA).

### **3 Dues and Subscriptions**

The sole payment due was the Regulatory Fee to the FCA for a Mutual Society covering the period 1 April 2016 - 31 March 2017.

### **4 Directors' Remuneration**

No Directors received remuneration for the year.

### **5 Fixed Assets**

The Society held no fixed assets during this stage of project development.

### **6 Members Equity**

In the year ended 30 September 2017 £40 in share capital was issued to 40 investors upon admission to membership of the Society. The unpaid share capital from the previous year of £4 became paid up during the reporting year. One share of the Society of the nominal value of £1 is issued to each individual upon admission to membership.