



Annual Report

March 2020



Welcome

In these challenging times our thoughts are with those facing hardship due to the Corona outbreak and working on the front lines. Burnham and Weston Energy CIC is making funds available to support organisations doing amazing things to help those facing hardship in our local communities of Burnham and Highbridge, Weston-super-Mare and the surrounding rural areas. We are liaising with Somerset Community Foundation, who manage our community fund, to understand where we can be most useful and will be posting updates on our website: www.burnhamandwestonenergy.co.uk

Over the last few months we have been working on plans to develop Burnham and Weston Energy CIC and its role in the local net zero transition. Whilst these plans are now on hold, we look forward to getting things moving once the immediate Corona outbreak crisis has passed.

This report provides a summary of technical and financial performance for the last financial year to July 2019, with commentary on the following period to end of December 2019. It is issued with our audited accounts to July 2019, and the second payment of bond interest and first repayment bond capital made in March 2020.

About Burnham and Weston Energy CIC

Burnham and Weston Energy CIC is a not for profit Community Interest Company that has been established to own and run a community solar farm at Wick Farm, between Burnham-on-Sea and Weston-super-Mare. The solar farm is owned by Burnham and Weston Energy CIC's wholly owned subsidiary Verdant Community Energy CIC. The 9.3MW solar array is made up of around 36,000 solar panels which generate electricity for the equivalent of over 2,000 homes. The enterprise is professionally managed by Communities for Renewables CIC.

Surplus income generated by the solar farm (after operating and finance costs including payments to bondholders) is used to support community organizations and projects in the local area.

1. Financing

The finance structure of Burnham and Weston Energy CIC and its wholly owned subsidiary Verdant Community Energy CIC (the Group) is summarized below.

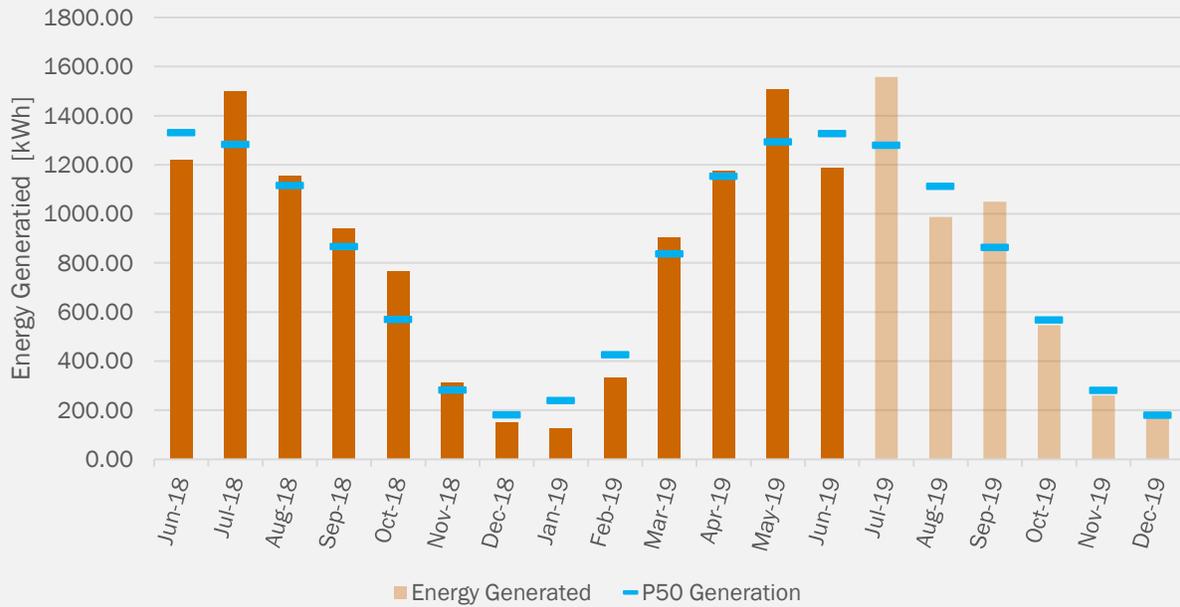
Finance source	Initial loan size	Balance at financial year end July '19	Balance at end Dec '19
Senior loan from Triodos Bank to Verdant Community Energy CIC 15-year loan	£7,300,000	£6,983,000	£6,839,000
Bondholder investment in Burnham and Weston Energy CIC As per June 2018 Solar Bond Offer Document	£4,000,000	£4,000,000	£4,000,000*
Total	£11,300,000	£10,983,000	£10,839,000

*£200,000 capital repaid in March 2020

2. Solar farm performance

During the last financial year from July 2018 to June 2019 the solar farm generated 10,059 MWh of electricity. This was 5% higher than the P50 generation forecast for this period. The P50 (50% probability) forecast is the long-term average on which the projections for the bond offer and community surplus income are based. The projections anticipate degradation in panel performance will result in a 0.4% reduction in generation each year. As the chart below illustrates, seasonal fluctuation in generation was broadly as projected.

From July to December 2019, performance was up on P50 projections by 7% due to irradiance levels being greater than expected. Lifetime performance to end December 2019 is 5% up on P50 projections.



3. Financial performance

Financial performance has been strong due to the solar farm performing well and a favorable power purchase agreement at a price above the minimum guaranteed export rate. This power purchase agreement has now come to the end of its term and we do not anticipate any market upside above the minimum guaranteed export rate for at least the next 12 months. Electricity market prices are now well below the minimum guaranteed export rate.

1st July 2018 to 30th June 2019

Accrued Revenue	£1,195,000
EBITDA¹	£902,000
Loan interest and capital	£624,000
Bond interest	£157,000
Community benefit	£44,000

Financial performance for July to December 2019 was in line with expectations.

¹ Earnings before interest, tax, depreciation and amortisation

4. Bondholder payments

The £4 million target for the 2018 Solar Bond Offer was met in September 2018, making it one of the UK's largest community energy crowdfunding campaigns to date. The bond offer was extended as an institutional investor in the bonds was willing to have its bond investment scaled back to allow more individuals to invest. A further £400,000 was raised to replace some of the institutional investor's capital with individual investors. The final close of the Offer was at the end of March 2019.

The Triodos Bank loan covenant tests at end December 2019 were passed² and there were sufficient available funds to pay bond interest in full for the year, and make a capital repayment of £200,000 (5% of the bondholder capital).

The Bond interest period is different to the financial year and runs from April to March. Bond interest is inflated each year on the 1st April. The 2019 RPI rate was 2.7%, the bond interest rate for the year increased from 5% to 5.135%. Under withholding tax rules, interest payments to Bondholders who have not invested via the Triodos Innovative Finance ISA were net of tax at the basic rate for income tax (currently 20%).

Payments were made at the end of March 2019.

5. Community Impact

5.1 Energy and Fuel Poverty Advice Service

A key part of Burnham and Weston Energy CIC's community purpose is to help people in the local community who are struggling with energy debt and fuel poverty. Burnham and Weston Energy CIC provided £25,000 of funding to launch an energy and fuel poverty advice service run by the Bristol-based charity Centre for Sustainable Energy (CSE).

The service launched in Autumn 2018 and ran for 12 months. Activity included:

- A telephone advice line which handled over 200 enquires and gave one to one case support to over 60 households

² The Triodos Bank loan covenant tests look at the previous and following 12 months' cash flows against projections. If the covenant tests are not passed, Triodos Bank has the right to suspend distributions and Burnham and Weston Energy CIC may have to delay payments to bondholders.

- Home visits to 25 households
- 15 energy advice sessions including for users of Weston-super-Mare Foodbank and Citizens Advice, Bridgwater Job Centre, Weston College, Moorlands Community Hub in Highbridge (with the local housing association Housing Care 21) and Winscombe Farmer's Market
- Energy and fuel poverty training sessions for the discharge team at Weston General Hospital and job centres
- Training and supporting volunteers to provide energy advice in their communities
- Visiting a number of local park homes estates

The support provided to people included:

- Support switching to a cheaper energy tariff
- Support dealing with energy supplier disputes and clearing debts
- Installation of small energy efficiency measures such as LED lighting, draft proofing and radiator reflectors
- Support obtaining grant funding for loft and cavity wall insulation and new boilers
- Helping people to obtain energy related benefit payments they are eligible for, and to get on the priority services register
- Helping people to understand how to heat and ventilate their homes efficiently to maintain a healthy living environment, and manage energy costs

The advice service has saved or gained one-off benefits of over £50,000 and ongoing annual benefits of £40,000 for local households, as well as the associated health and well-being benefits.

5.2 Burnham and Weston Sunshine Fund

Burnham and Weston Energy CIC launched the 'Sunshine Fund' grant awards early in 2019 with £25,000 to be allocated in two rounds of awards. The Burnham and Weston Sunshine Fund is for local community-led organisations to support projects which help make their local community or community organisation more sustainable. That could mean environmental, social and/or economic sustainability.

The first round of 'Sunshine Fund' awards was made in September 2019 with grants totalling £15,500 made to ten local groups. The awards made were:

- 1st Banwell Scouts – £2,500 towards solar power at the group's new scout hall
- Bay Centre – £620 for a new thermostat and control valves
- Boomsatsuma – £1,000 to help a youth club become more eco-friendly

- BOS Events – £1,500 towards the beach kite festival
- Disability Information & Advice Line (DIAL) – £500 towards local helpline
- Friends of Grove Park – £2,500 towards new recycling bins as part of a community-led project to rejuvenate the park
- Lymsham Sports Club – £1,000 to install energy efficient lighting
- RAF Air Cadets 290 Squadron – £1,400 to install energy efficient lighting
- Vision North Somerset – £2,500 for new heating system
- XTND – £2,000 for community benches.

The grant fund is managed by Somerset Community Foundation.

Contacts and further info

For updates please keep an eye on Burnham and Weston Energy CIC's website

www.burnhamandwestonenergy.co.uk

If your bank or contact details have changed please change them via the Triodos Crowdfunding platform, and contact them directly if you have any queries relating to bond interest and capital payments

crowdfunding@triodos.co.uk

www.triodoscrowdfunding.co.uk

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