



Financial Overview Report FOR 2020



INTRODUCTION

Community Energy England operates on a purely not-for-profit basis, using all of our income to fund our work for our members, to help us pursue our mission and work towards our vision:

Our Vision	Our Mission
A thriving community energy sector integrated into and truly powering a fair, zero-carbon energy system.	To help active community energy organisations implement new projects, innovate, improve and grow.

This report provides details of our income, expenditure, assets and tax for 2020. We publish this information because we are a membership organisation and want to ensure we are transparent about our sources of income and accountable to our members for how we use these funds, which include fees paid by members.

You can read more about the activities and impact in our [Annual Report](#).

OVERVIEW

Our finances held up relatively well in 2020. Notable changes are;

- Increases in staff costs, with 2020 the first full year with our Projects & Operations and Policy & Advocacy managers in post, who have been instrumental in increasing the impact of our activities over the last year
- A reduction in events income offset by Covid-19 grants from Esmeé Fairbairn Foundation and Sheffield City Council.

We kept our operating overheads low and ended the year with a surplus that will be added to our existing capital. Our grant income will decrease in 2021 so these reserves are essential to secure our short-term financial stability while the Board works with the executive team to plan and implement a longer-term financial strategy, which will help keep our advocacy for and support of the sector financially sustainable into 2021 and beyond.

Community Energy Association (England) Limited
Income and Expenditure Account
For The Year Ended 31 December 2020

	Notes	2020 £	2019 £
TURNOVER		115,620	111,254
Cost of sales		<u>(29,099)</u>	<u>(31,945)</u>
GROSS SURPLUS		86,521	79,309
Administrative expenses		(233,149)	(217,670)
Other operating income		<u>225,436</u>	<u>187,157</u>
OPERATING SURPLUS		78,808	48,796
Other interest receivable and similar income		-	16
Interest payable and similar charges		<u>(5,134)</u>	<u>(222)</u>
SURPLUS BEFORE TAXATION		73,674	48,590
Tax on Surplus		<u>4,769</u>	<u>(2,927)</u>
SURPLUS AFTER TAXATION BEING SURPLUS FOR THE FINANCIAL YEAR		<u><u>78,443</u></u>	<u><u>45,663</u></u>

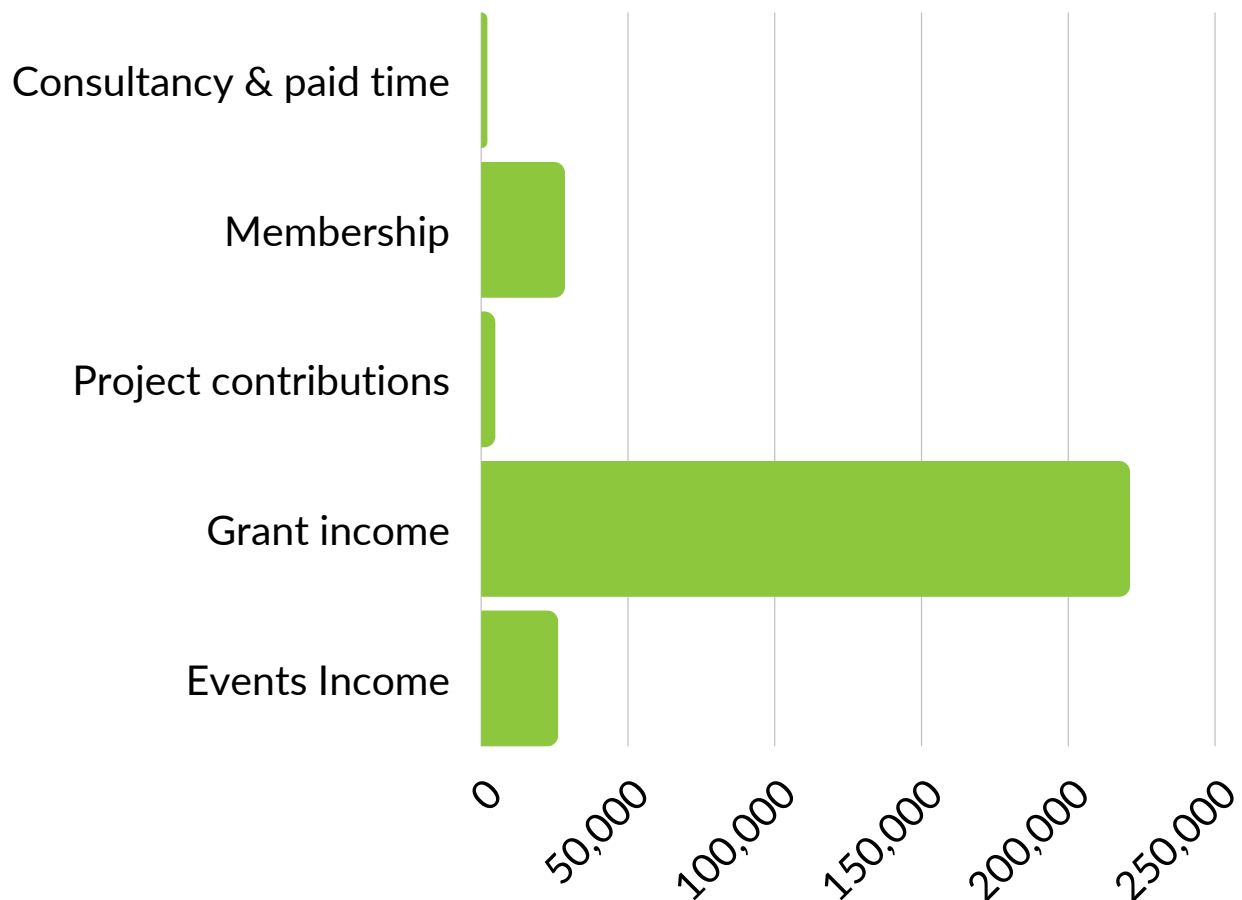
INCOME

It is important to note that the Covid-19 pandemic has affected aspects of our finances this year. A significant proportion of our income was made up of events in previous years, but our events programme changed markedly in 2020 as all our events moved online. Under normal circumstances our team expends considerable time travelling to represent the sector and meeting with members, much of which was not possible for much of 2020. As with previous years, however, the majority of Community Energy England's income in 2020 came from philanthropic grant funding, followed by membership income.

As a membership body working for the good of the community energy sector, Community Energy England only seeks grant funding opportunities that will not put us in competition with our members and uses all funding for the benefit of the sector.

We are very grateful to the funding organisations who recognise and support the work we do and the value of the community energy sector, as well as to other organisations who have supported us financially.

SUMMARY - INCOME 2020



MEMBER INCOME BREAKDOWN

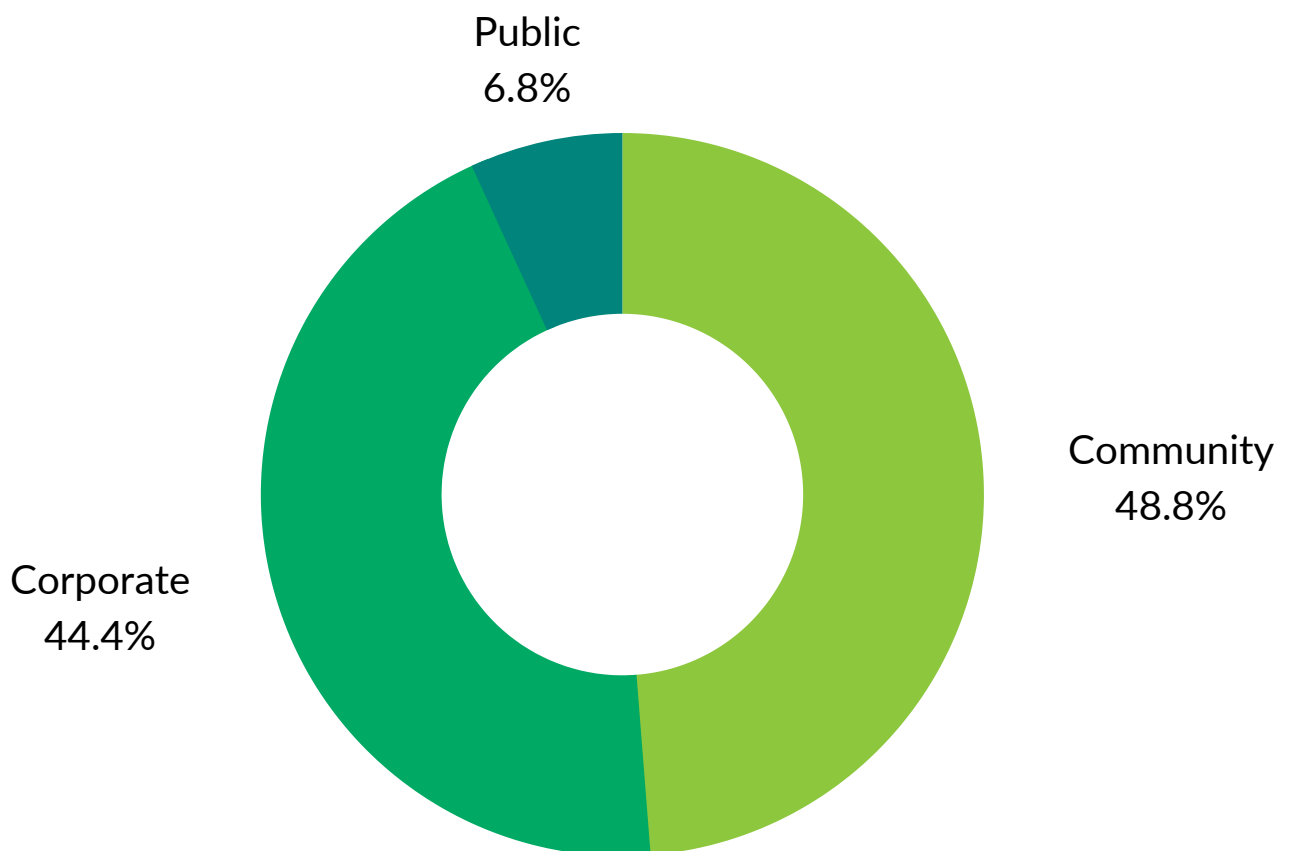
Membership fees are an important source of income for Community Energy England and help to make sure our activity for the benefit of the sector is sustainable for as long as the sector needs us.

We recognise that many organisations wish to support our activities and benefit from the connections and resources we offer, but are either starting out on their community energy journey or are not at a size where they can afford to pay fees. We are proud to support these organisations by offering them initial free membership with the option of paying a small fee that is affordable.

Each year some of our members are unable or unwilling to pay their membership fees, and our Membership & Executive Support Officer dedicates considerable working time to talking with and writing to members in an effort to ensure that fees are paid.

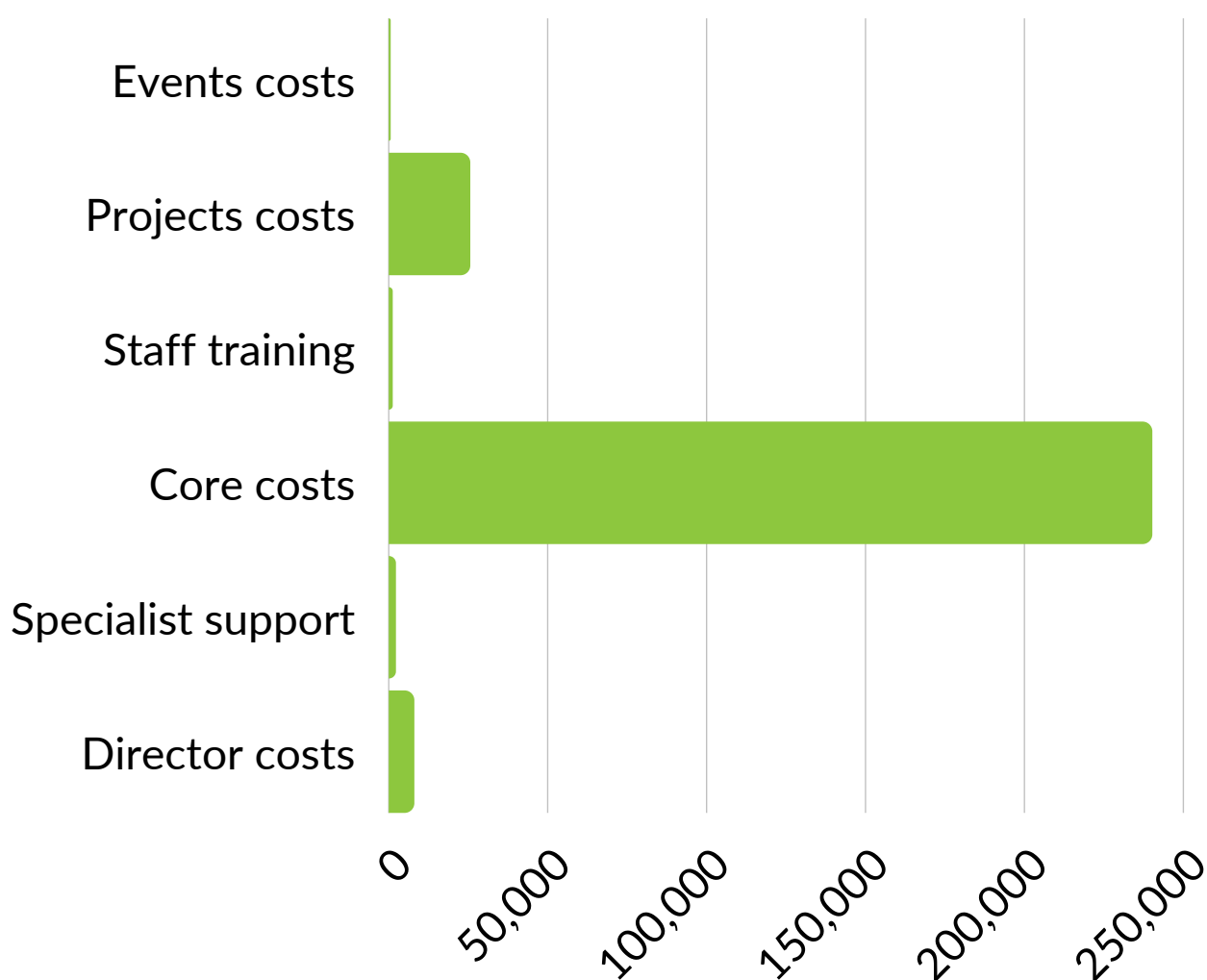
Despite this, in 2020 we had to write off £6,585 of membership fees and withdraw member status from 3 organisations. We understand it is a challenging time for many organisations and so offer flexibility with payments; we always encourage members to contact us when they receive their membership renewal reminder to tell us if they are in financial difficulty or face another barrier to payment, so we can work together to find a solution.

We are grateful to all of the members who recognise the value of the work we do for the sector and support it financially through membership fees and sponsorship of events and projects. This support provides valuable income that substantially increases our impact.



EXPENDITURE

The majority of our expenditure goes to funding staff costs, and it is our team that is central to the impact we have and our role as the voice of the sector. As a not-for-profit organisation which operates solely for the benefit of its members and the sector, Community Energy England recognises the importance of transparency and accountability when reporting finances. While we do not publish individual salaries, we work hard to ensure that all of our income is used wisely; this includes making sure that staff are paid fairly and that we are able to recruit and retain the best candidates for roles, enabling us to pursue our mission and support and promote our members and the wider sector as effectively as possible. Our staff costs increased this in 2020 because it was the first full year with our Policy & Advocacy Manager and Projects & Operations Manager, although we lost our Projects Officer in August 2020. This expansion of our team has had a considerable positive contribution to our impact.



RETAINED EARNINGS AND OUR FINANCIAL SUSTAINABILITY

As a not-for-profit organisation, any surplus income from a financial year is retained to fund future activities on behalf of the sector – no income is extracted for dividends or other purposes and our constitution is structured to ensure this is not possible. The surplus from 2020 added to our existing capital is the basis for our short/medium-term financial stability – this is shown as “Members’ Funds” in the figure below. While we have secured some ongoing grant funding, other grants are due to end in 2021 so our retained capital is vital to ensure we can continue our activities and retain staff while seeking additional grant funding. The board is prescient of these medium/long term financial risks and is working with the executive team to secure the financial sustainability of the organisation for 2022 and beyond.

Community Energy Association (England) Limited Balance Sheet As at 31 December 2020

		2020		2019	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	3		3,369		2,847
			3,369		2,847
CURRENT ASSETS					
Debtors	4	28,395		28,499	
Cash at bank and in hand		151,307		104,916	
		179,702		133,415	
Creditors: Amounts Falling Due Within One Year	5	(42,746)		(74,380)	
NET CURRENT ASSETS (LIABILITIES)			136,956		59,035
TOTAL ASSETS LESS CURRENT LIABILITIES			140,325		61,882
NET ASSETS			140,325		61,882
Income and Expenditure Account			140,325		61,882
MEMBERS' FUNDS			140,325		61,882

TAX

Community Energy England is a company limited by guarantee, although, as noted above, our constitution ensures we operate on a not-for-profit basis with no shareholders or dividends. Much of our activity is designated as non-business under tax regulations, because we do not sell goods or provide services. This is why we do not charge VAT on membership fees.

We do offer sponsorship of our events, i.e. a service, which makes this part of our income taxable. In 2020 this sponsorship income reduced but we spent more staff time than ever on events given the number of webinars and online conferences we ran through the year. This situation means that our corporation tax calculation looks different this year to previous years. Taking into account a proportional amount of admin costs/overheads, our events costs significantly exceeded sponsorship income this year. This has resulted in a loss for tax purposes, which we are able to offset against surplus from previous years. The resulting rebate is £4,768, shown in the “Tax on Surplus” line on page 3. However, taking into account all our income, our income exceeded our expenditure, adding to the capital we have carried forwards into 2021 and helping to ensure our activities and support of the sector is sustainable into the future.

THANK YOU

We are grateful to all of our members for their support, consideration and understanding throughout 2020 and 2021. Without you we would not exist, so thank you for engaging largely virtually with us.

We would especially like to thank our Principal Supporter members; their additional financial support and partnership has helped us achieve greater impact core to our mission of supporting and accelerating the transition to a fair, low carbon and community-led energy system. Our Principal Supporter members in 2020 were:



Additional thanks go to our grant funders, who have provided us with essential income. We recognise their commitment to the growth of the community energy movement and we are grateful for their continued support.



JOIN US

To fulfil its potential, the community energy sector needs a representative and advocate. Our position as the recognised representative body for community energy in England is founded on our status as a membership body. Members give us credibility and increase the strength of our voice when seeking to influence government, regulators and other policymakers in line with the interests and needs of the sector, and when our staff and directors sit on strategic and working groups.

You can help Community Energy England by becoming a member. Joining will help us pursue our vision of a thriving community energy sector integrated into and truly powering a fair, zero carbon energy system. Becoming part of the collective voice working for the benefit of the sector also improves our ability to build effective cross-sector partnerships and opens up new avenues for you to connect with and learn from other practitioners and stakeholders in the community energy sector. You can feed directly into our strategy and priorities through various means and alert us to issues that affect you, or other organisations within the sector, which may require our assistance to resolve.

Community Energy England is committed to fairness and diversity and expects its members to hold the same values. Members of Community Energy England agree to create an inclusive atmosphere within the movement, to promote open dialogue and show sensitivity for individual and cultural difference whilst valuing and acknowledging unique skills and experience.

CONTACT US



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COMMUNITY ENERGY ENGLAND BOARD AND EXECUTIVE TEAM

