Registered number
7181

Power Up North London Limited

Report and Accounts

31 December 2022

Power Up North London Limited
Report and accounts
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Power Up North London Limited
Company Information

Directors
Ian Grant
Nathan King
Joanna Macrae
Tanuja Pandit
Ben Pearce
Anna Woodeson

Accountants
Nordens Ltd
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Directors report 2022/23

The Directors present their report and accounts for the year ended 31 March 2023.

Principal activities

Power up North London Limited (the Society) was incorporated on 30 July 2015. It is registered as a Society for the Benefit of the Community with the FCA N: 7181. The principal activity is to develop the supply of renewable resources in the North London area. The Society does this for the benefit of the community; by offering the chance to participate in the ownership of their energy generation, people are provided an opportunity to become involved in renewable energy and help develop further renewable generation capacity.

The following persons served as directors during the year:

Ian Grant

Nathan King (Treasurer) (resigned 13 June 2023)

Joanna Macrae (Chair)

Tanuja Pandit

Akta Raja (appointed 13 June 2023)

Ben Pearce

Anna Woodeson

BUSINESS REVIEW

2022/23 has been an important year for Power Up North London. Our focus has been translating our ambitious strategy into practice by building new systems, broadening our volunteer base and growing understanding and support for our work.

Progress towards our goal of installing a total of ~750 kWp solar by 2024 (double our 2021 baseline).

In the past year, we have invested considerable effort in further developing the systems we use to build the project pipeline, radically redesigning the way in which we undertake pre-feasibility studies. Thanks to the input of an outstanding placement student, this has enabled us to develop a more agile approach to site development, using desktop survey techniques and a refreshed financial model to identify the highest priority sites and underpin early discussion with site owners. Using this approach we have built a pipeline of >600kWp, including a number of schools and NHS facilities across North London.

Following significant delays, largely as a result of the pandemic, we were able to progress the Talacre site. We were bowled over by the response to the share offer, with £80,000 mobilised from the community within five weeks. We see this as a huge vote of confidence in our work and as signalling real appetite from members of our community to be part of the transition to net zero. The Talacre share offer has also deepened our partnership with Camden Council, and the Camden Climate Committee has given its approval for us to work towards a further installation on two schools, Regent High School and Parliament Hill School. Significant progress has been made on these sites, and, subject to final agreement from the schools, surveys and planning permissions, we are hopeful of being able to move towards a share offer in the coming year.

Provide ‘route to zero carbon’ advice / consultancy to community organisations and informal energy advice to residents

We have continued to provide input to Caxton House to its decarbonisation journey. With an annual footfall of 60,000, it offers vital services to local residents and also has a number of charities located in the building. PUNL’s director Tanuja Pandit has been working closely with Caxton House’s Office Manager, Sue Collins, since 2021 to retrofit the centre and materially reduce carbon emissions. We have provided end-to-end support from grant applications for feasibility and capital work, to project management including stakeholder management, commissioning and delivering a decarbonisation report, analysis of financial and carbon savings and option identification, researching, engaging and liaising with contractors, site visits and troubleshooting.

In 2021/22 this work was hugely supported by our placement student, a renewables engineer who was on placement with us. In 2023 we received valuable pro bono support from architects Allford Hall Monaghan Morris and technical consultants Hoare Lea towards our heat pump planning application to Islington Council.

PUNL has mobilised £167k of direct grant funding and a further £149.5k of indirect funding to Caxton House for these projects, which include replacement of all existing windows with triple glazed energy efficient windows, installation of a 50kW air source heat pump and of 6 mechanical ventilation with heat recovery (MVHR) units. The procurement of MVHR units and the heat pump are well under way and subject to the outcomes of our heat pump planning application to Islington Council installation should be completed by Q3 this year delivering total carbon savings of 14 tonnes annually, equivalent to planting 650 trees each year.

PUNL has gained a lot of learning from this work and this will be shared through case studies and workshops to encourage other community buildings to decarbonise. We are also planning to monitor the outcomes of these installations for 18 months to support optimisation of their performance and also behaviour change amongst users of Caxton House.

PUNL has also been providing decarbonisation advice to a number of local churches. This work has been led by Ian Grant, one of our founder Directors. This work included working with St Mary's church in Primrose Hill to apply successfully for funding to install solar panels on the roof. Installation will begin shortly!

We have also been assisting the Fairhazel Cooperative, a collective of 130 flats in West Hampstead, with their efforts to provide a framework for their transition to net zero over the coming years. We have helped them to start this deep retrofit process, initially by writing a brief and assembling a design team, who went on to prepare a deep retrofit study. We also helped Fairhazel access grants and expertise from across the sector. We hope we can help them in the future as they move towards delivery.

Generate at least £5,000 per annum to support community-led projects that address the climate and biodiversity emergency

We have made two grants this year: £2,050 was awarded to sustainable theatre company Pigfoot Theatre to fund post show facilitated conversations, workshops and a community climate event, to coincide with a run of their show "Hot in Here" (an "energy-generating dance party") at the Gate Theatre in June. £2,050 was also awarded to Think & Do Camden for their project "Light Fantastic 2", which aims to switch households in Levita House, Somers Town to LED lighting to reduce energy consumption and bills and to alleviate the risk of fuel stress due to high energy prices.

Develop PUNL to be fit to fulfil its growing size, scope and social purpose, with the right capacity in place to ensure robust governance, financial health and excellent project delivery.

One of the most important features of the past year has been the growing network of volunteers and pro bono support and advice. Tapping into the talent and commitment of our community is enabling us to do more and to do it better!

The Talacre share offer has served as an inflection moment to attract new supporters and reconnect with old friends of PUNL. We have been excited by the offers of time and energy from a wide range of people from architects to engineers, finance, fundraising and communications experts. This growing group of supporters is helping us to move our work forward, and it is fundamental to our purpose to increase community cohesion and resilience as we work together to address the climate crisis. So a huge thank you to all our incredible volunteers!

We have developed new partnerships with DRMM, Sheppard Robson and AHMM, all highly respected architectural firms who have agreed to provide us with pro/low-bono support. We are also developing similar partnerships with engineering firms, including Buro Happold. This is helping us to harness local expertise, reduce costs and accelerate timeframes for project development.

Finally, we also had to say some goodbyes and massive thanks to long-standing friends and colleagues. Katy Evans, started as a volunteer and then took over our bookkeeping and project management, keeping us in order for over three years. She has stepped down to focus on new projects. Nathan King will also be stepping down as Treasurer and Director. He will be much missed, having brought deep expertise and integrity to the role. We will be announcing a new Treasurer shortly.

Results for the year

While the outturn for 2022 was a small deficit, this is in line with the budget for the year. This despite unanticipated delays in completion of the Talacre sports centre project, which has achieved financial close during the first half of 2023 following a successful share offer.

The Society has also implemented the first part of its strategic plan during the year focussing on site identification and operational resilience. This has been funded out of the Society’s reserves with key highlights including:

- Significant additional feasibility work undertaken which has identified several substantial opportunities for the Society;

- Engagement with Sharenergy to outsource administrative functions, de-risking the Society by improving operational continuity and reducing reliance on volunteers for day to day operations; and
- Creating opportunities for employment of contract staff from the local area.

This investment is expected to bring tangible benefit to the Society and its members over the coming years.

Principal Risks and Uncertainties

Risk	Risk Management Strategy and Objectives
Liquidity risk: Liquidity risk is the risk that the Society is unable to meet its debts as they fall because of insufficient liquid assets, for example due to cloudy weather resulting in reduced generation.	The risk management objective is to ensure that the Society always has sufficient cash reserves to meet its financial obligations. The Society manages its exposure to liquidity risk in two main ways: Firstly, in advance of each year a budget is set on expenditure and anticipated revenues from solar generation, including a number of downside cases to ensure availability of cash Secondly, the Board has implemented a policy around capital and cash reserves to ensure that there is always sufficient available cash to meet the committed and potential outgoings of the Society
Pipeline development: The objective to quadruple its generation capacity over the next four years is reliant on sufficient sites. Therefore, there is a risk that this pipeline fails to materialise.	There is a risk that the Society is unable to develop further pipeline due to either an inability to identify suitable sites or insufficient sites being available. To manage this risk, and ensure the objectives around pipeline delivery can be met, the Board has: Invested in building new tools to accelerate the rate of pipeline development; trained more volunteers to use these tools; worked to expand the number of partners with whom it develops new projects.
Operational risk: This risk is the risk of damage to the success of the Society due to operational failures, for example failing to file	As a volunteer led organisation the Society is particularly susceptible to operational risks. As such, in order to mitigate these and ensure a high level of continuity and operational resilience the Board has contracted a finance and accountancy firm that specialises in supporting community energy to manage

accounts in a timely manner.	its accounts and billing. In addition, we have boosted our administrative capacity.
Credit risk: Credit risk is the risk that counterparties fail to make payments in a timely manner resulting in adverse financial impacts.	The Society has a number of revenue counterparties including site hosts, export providers and FiT counterparties. Credit risk with site hosts is managed by monitoring the ageing of receivables and maintaining good relationships with the sites. For FiT and export sales, credit risk is managed by ensuring that the Society both has a diverse range of counterparties and deals only with creditworthy counterparties in order to ensure that the risk of counterparty default remains insignificant.
Inflation: The Society, like other organisations, is exposed to inflationary pressure around the cost base and therefore there is a risk that the Society may be adversely impacted by prolonged high inflation.	Other than in relation to its solar sites, the Society does not have long term contracts that it is unable to terminate. While inflation remains a risk, this enables the Board to evaluate the current suppliers and service providers in order to ensure they remain cost competitive while delivering a high level of service or product. Additionally, due to the relationship between energy prices and inflation the Society expects there to be potential benefit as a result of higher inflation over the longer term.
Energy prices: Energy prices: The Society, as a producer of energy, is exposed to fluctuations in its revenue as a result of energy prices.	The Society is exposed to fluctuations in market energy prices which it seeks to minimise. In order to manage this risk, the Society: Defines the contractual terms under which power is sold to host sites, which is typically based on retail energy prices, and therefore mitigating the risk of wholesale energy price volatility; and We are currently testing the idea of entering into fixed

	price PPAs, where there is non-FiT export exposure.
Interest rate risk: This is the risk of adverse financial impacts due to fluctuations in interest rates.	The Society does not have exposure to variable rate borrowings and therefore there is no significant risk to the cashflow of the Society as a result of changes in interest rates. While there is no direct exposure, the ability of the Society to raise further funds is linked to the rate of interest available in the market and there is a risk that if interest rates increase significantly, the interest rate on community shares may not be sufficiently attractive to compensate members. The Board is conscious of this and monitors the rates on offer for similar share issuances, as well as the appropriateness of the cap included in the current Society rules, in order to best ensure the success of future share raises as required to deliver the Society's strategy. The interest rate for Talacre reflects this. Noting increases in interest rates, the rate for the Talace share offer was set at 4%, higher than for previous share offers.
Regulation: The Society operates in two sectors where there is involvement of one, or more, regulators. Firstly, as a Community Benefit Society PUNL is directly regulated by the FCA and secondly, as an energy producer, there is indirect exposure to the wider regulation of the UK energy market.	As the Society is unlikely to be able to influence policy and regulation the risk management objective is to ensure potential regulatory changes are identified early to facilitate appropriate response. To this end, the Board monitors the regulatory environment for changes that impact either on mutuals or community energy generation such as the recently announced Local Electricity bill.

Going concern

The directors have assessed the projected financial position and performance of the Society for the twelve months following the date of the signing of these financial statements.

In performing this assessment, the directors have evaluated several factors, including:

- Financial projections for the Society based on the Society’s financial model;
- The current financial position and liabilities of the Society;
- Performance of the existing solar generation assets;
- Whether there are any other matters that may result in the Society either being unable to meet its debts as they fall due or otherwise requiring the Society to cease to trade.

Based on the above, the directors have concluded that it is appropriate for the accounts of the Society to be prepared on a going concern basis.

Form of report

This report has been prepared in accordance with the Cooperative and Community Benefit Societies Act 2014.

Supplementary information in the form of a business review, summary of future developments, going concern assessment and principal risks and uncertainties have been included to help inform members of the Society and enable them to assess how the directors have discharged their duty to promote the success of the Society.

This report was approved by the Board on 13 June 2023 and signed on its behalf by:

Nathan King	Tanuja Pandit	Joanna Macrae
Treasurer	Director	Chairperson

Power Up North London Limited
Profit and Loss Account
for the year ended 31 December 2022

	2022 £	2021 £
Turnover	55,769	131,068
Cost of sales	(43,425)	(104,329)
Gross Profit	12,344	26,739
Administrative expenses	(11,511)	(12,170)
Operating Profit	833	14,569
Interest receivable	-	-
Interest payable	(2,208)	(2,589)
Profit before Taxation	(1,375)	11,980
Taxation	-	-
Profit after Taxation	(1,375)	11,980

Power Up North London Limited
Registered number: 7181
Balance Sheet
as at 31 December 2022

	Notes		2021		2021
			£		£
Fixed assets					
Tangible assets	3		129,569		125,755
			129,569		125,755
Current assets					
Debtors	4	45,906		16,612	
Cash at bank and in hand		82,965		78,759	
		128,871		95,371	
Creditors: amounts falling due within one year	5	(63,013)		(23,451)	
Current assets less current liabilities			65,858		71,920
Total assets less current liabilities			195,427		197,675
Creditors: amounts falling due after more than one year		(25,130)		(18,873)	
Net Assets			170,297		178,802
Capital and reserves					
Share Capital			120,473		127,603
Profit and loss account			49,825		51,199
Capital and reserves			170,297		178,802

The members have not required the company to obtain an audit in accordance with Section 83 of the Cooperative and Community Benefit Societies Act 2014.

The directors acknowlege their responsibilities for complying with the requirements of the Cooperative and Community Benefit Societies Act 2014 with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.

Approved by the board on 13 June 2023 and signed on its behalf by:

Nathan King	Tanuja Pandit	Joanna Macrae
Treasurer	Director	Chairperson

Power Up North London Limited
Statement of Changes in Equity
for the year ended 31 December 2022

	Share capital	Share premium	Re-valuation reserve	Profit and loss account	Total
	£	£	£	£	£
At 1 January 2022	127,603	-	-	51,199	178,802
Shares issued during the year	-	-	-	-	-
Shares withdrawn in year	(7,130)	-	-	-	(7,130)
Profit during the year	-	-	-	(1,375)	(1,375)
At 31 December 2022	120,473			49,824	170,297

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard). The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Grants are recognised in the income and expenditure account so as to match them with the expenditure towards which they are intended to contribute. Grants made as a capital contribution towards fixed assets are initially deferred and recognised in the income and expenditure account over the expected useful economic lives of the related assets.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. The cost of minor additions or those costing less than £250 are not capitalised. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery - solar panel installations, over 20 years.

Donated Volunteer time

The donation of volunteer services provides a crucial economic resource for use by the Society to further its aims and objectives. Where donated services are used in the construction of a tangible fixed asset, the value of services donated form part of the construction cost of the asset. This donation of time is initially deferred and recognised in the income and expenditure account over the expected useful economic lives of the related assets.

Community Share Capital

Community share capital raised during the year that is withdrawable by the holder after a fixed period of time at the discretion of the Directors is treated as a liability in the Balance Sheet rather than Equity. All share holders automatically become members and have voting rights at the AGM. However, there are restriction on sale or transfer of Community shares. Unlike ordinary share capital, Community Shares receive interest of up to 4% payable annually at the discretion of the Directors.

Debtors
Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors
Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Provisions
Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

2 Employees

	2022 Number	2021 Number
Average number of persons employed by the company	-	-

3 Tangible fixed assets

	Plant and machinery £	Total £
Cost		
At 1 January 2022	146,608	146,608
Additions	11,144	11,144
Disposals	-	-
At 31 December 2022	157,752	157,752
Depreciation		
At 1 January 2022	20,853	20,853
Charge for the year	7,330	7,330
On disposals	-	-
At 31 December 2022	28,183	28,183
Net book value		
At 31 December 2022	129,569	129,569

4 Debtors

	2022 £	2021 £
Prepayments and accrued income	1,440	14,711
Other debtors	44,466	1,901
	45,906	16,612

5	**Creditors: amounts falling due within one year**	**2022**	**2021**
		£	**£**
	Trade creditors	134	6,436
	Accruals and deferred income	60,620	9,695
	Corporation tax	-	-
	Other creditors	2,259	7,320
		63,013	23,451

6 Other information

Power Up North London Limited is a Community Benefit Society having share capital incorporated in England under Cooperative and Community Benefit Societies Act 2014. Its registered office is 61 Bridge Street, Kington, HR5 3DJ