



SOUTHAMPTON DISTRICT ENERGY SCHEME

DELIVERING LOW CARBON ENERGY FOR OVER 25 YEARS



For further details please contact us at any of the below:
enquiries@cofely-gdfsuez.com
www.cofely.co.uk

COFELY District Energy Ltd, Garrett House, Manor Road,
Crawley, RH10 9UT



Southampton City Council
sustainability@southampton.gov.uk
Tel: 023 8083 2600
www.southampton.gov.uk



to Utilicom Group Limited

Southampton District Energy

UK's No1 District Energy Company

COFELY District Energy is a specialist company of COFELY and is the UK's largest district energy company, providing district energy solutions to users in public, commercial, industrial and residential sectors.

With over 30 years experience, COFELY District Energy has the expertise to provide a comprehensive turnkey service for District Energy, encompassing:

- Initial feasibility/financial viability studies
- Provision of finance for projects
- System design
- Installation and commissioning
- Project management of associated works
- On-going operation and maintenance
- Long term delivery of energy to agreed output specifications

We are also one of the few UK-based companies to offer true Tri-generation experience, delivering low cost, highly efficient air conditioning and comfort cooling alongside heat and power generation.

Crucially, COFELY District Energy is independent of all equipment manufacturers and is free to offer the best technical and financial solution for each project.

COFELY District Energy operates some of the largest and most technically demanding District Energy schemes in the UK and are currently saving over 65,000 tonnes of carbon emissions, compared to traditional non-centralised systems.

COFELY DISTRICT ENERGY IN THE UK

245MW
of boiler plant

74MW
of chilled capacity

35MW
of CHP

50km
of district heating
& cooling pipework

65,000 tonnes
CO₂ saved per annum

The Southampton District Energy Scheme (SDES) is a pioneering project that has led the way in the delivery of sustainable supplies of heat, chilled water and power in the UK. For over 25 years SDES has pushed the boundaries of district energy and tri-generation and continues to expand into new areas. The scheme now encompasses over 45 energy users in the public and private sectors.

The SDES is operated by COFELY District Energy working in partnership with Southampton City Council – under the name of Southampton Geothermal Heating Company Ltd (SGHC). It is currently saving around 10,000 tonnes of carbon dioxide emissions per annum, utilising heat from a large scale combined heat and power (CHP), supplemented by geothermal energy and conventional boilers. It also incorporates a district cooling system.

Users include TV studios, a hospital, a university, a shopping centre, a civic centre, residential buildings and a hotel - as well as public and private sector residential developments.

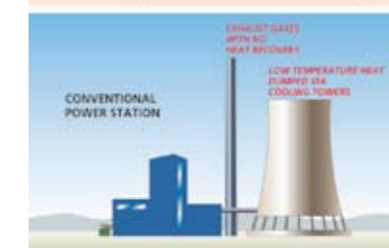
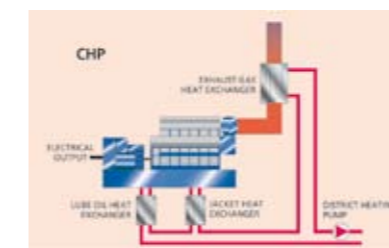
What is District Energy?

District energy systems produce low/zero carbon (LZC) energy from a central energy centre. The steam or water is distributed via insulated pipework, often laid with a cooling and electricity network, to individual buildings. As a result, buildings served by a district energy system do not require their own boilers or chillers.

District Energy is widely recognised as a sustainable, cost-effective solution to the provision of heating, cooling and power and scores highly in environmental assessment schemes such as BREEAM and LEED. It also facilitates compliance with Building Regulations Part L requirements. Increased use of District Energy coupled with Combined Heat and Power (CHP) is a cornerstone of the Government's strategy for reducing carbon emissions.

What are CHP and Tri-generation

CHP plant produces heat and electrical power. For much of the year the heat output is used for heating and hot water in the buildings served by the District Energy scheme, while the power meets their electrical requirements. In summer, when



heating requirements are lower, the surplus heat may be used to drive an absorption chiller to generate chilled water for cooling in these buildings.

Tri-generation delivers significant energy savings compared to conventional methods of providing heating, cooling and power.

What is an Energy Centre?

At the heart of every District Energy scheme is an Energy Centre serving a range of buildings through a network of underground pipes and cables. In most District Energy schemes the Energy Centre includes CHP plant, which may be combined with absorption chilling (Tri-generation) where there is a cooling requirement. Schemes may also incorporate other low and zero carbon (LZC) technologies such as fuel cells, biomass, solar thermal, heat pumps and high efficiency gas-fired boilers.

What is geothermal energy?

Geothermal energy schemes make use of heat energy that is stored deep underground, such as the 1.7km deep geothermal aquifer in Southampton. This hot water is pumped to the surface where its heat is extracted via heat exchangers.



Southampton District Energy Scheme

Since its launch in 1986 the Southampton District Energy Scheme has grown into a thriving and expanding multi-million pound, multi-source heating and cooling system, saving over 10,000 tonnes of carbon dioxide emissions per annum.

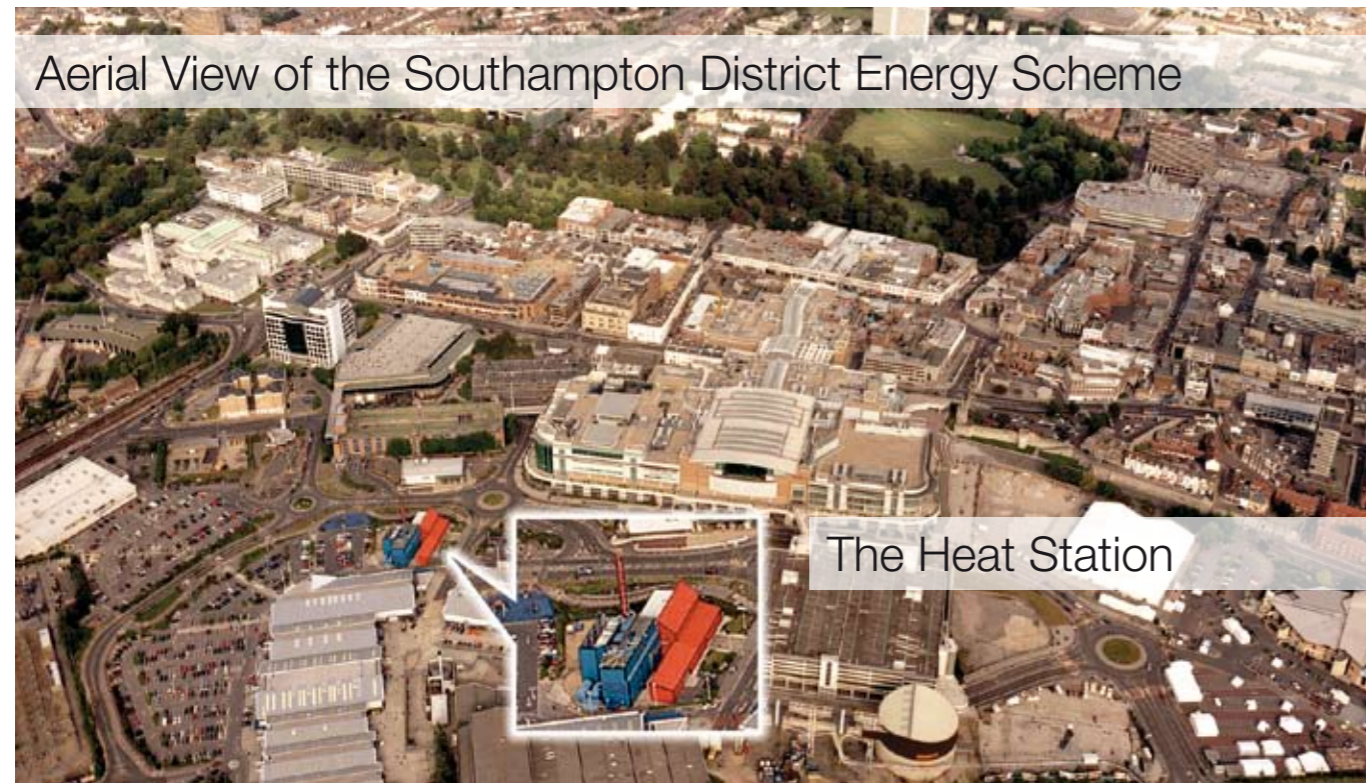
Initially, the scheme served a core of consumers from the geothermal well and this is now supplemented by large-scale CHP and absorption cooling, using conventional gas-fired boilers for 'top up' and standby. The heat from central plant is distributed through a 14km district heating network.

Continued organic growth is a key feature of the success of the Southampton scheme. Following the connection of the Civic Centre, the first commercial customer was ASDA in 1987 and more recent commercial participants include IKEA and Carnival (UK) Ltd. Chilled water supplies were added in 1994 and, again, demand for this service has grown rapidly.

More recently, in 2009, a cable was laid to the Port of Southampton, where electricity from SGHC's CHP engine is supplied under a 10 year Power Purchase Agreement. This enables the Port to consume all of the electricity generated by the 5.7MWe and 1.0MWe CHP engines at the Harbour Parade Heat Station.

Key facts and figures

- Saves 10,000 tonnes CO₂ annually
- Over 40,000 MWh of heat per annum
- 26,000 MWh of electricity from the CHP plant
- More than 7,000 MWh of chilled water
- 14km of insulated distribution pipe
- Serves buildings within a 2km radius of the energy centre
- Just 1°C temperature loss per km of pipe
- Hot water flow/return temperatures of approximately 80°C/50°C

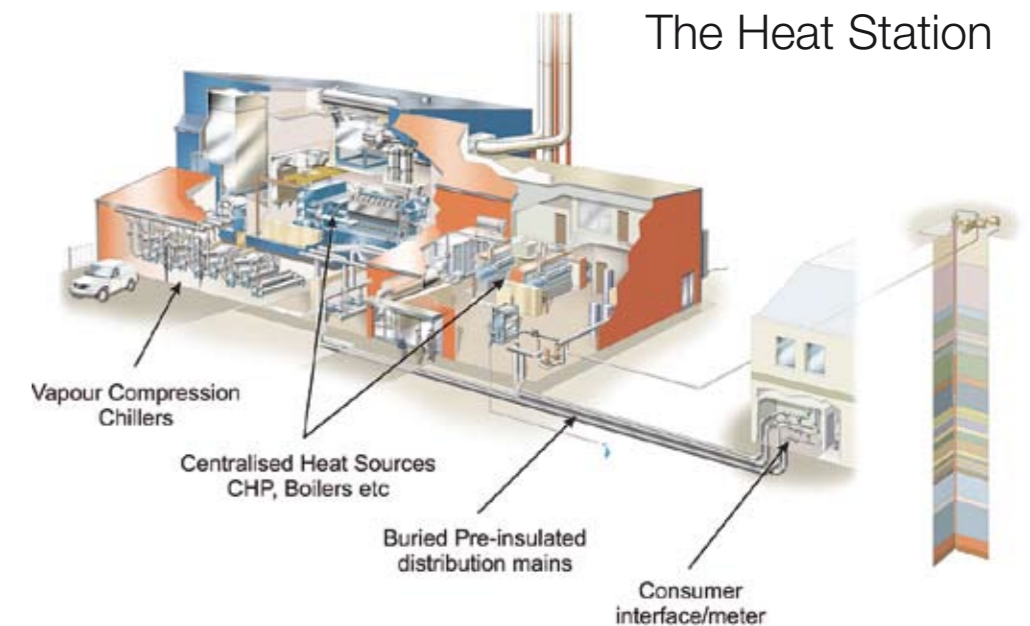


Scheme connections

Heat Station and Consumer Connections

The Scheme's main energy centre, located in the heart of Southampton's retail quarter, houses the core energy generation plant which provides heating, power and cooling to the consumers on the Scheme. The Energy Centre building was constructed in 1986 to house the geothermal well heat exchanger, district heating pumps and small scale CHP plant. Since that time the buildings have been expanded to include a 5.7MW CHP engine in 1998 as well as the district cooling plant, and in 2008 a reconditioned 1MW CHP was installed. This continued organic growth is one of the key features of the success of the Southampton scheme.

The Southampton scheme was developed on a low temperature, low pressure basis to reduce heat losses and maximise the life of the network. The network is operated using a flow temperature of approximately 80°C and a return of 50°C, with distribution pressures of approximately 5 Bar. This enables direct connections into most buildings, removing the need for heat exchangers, further reducing capital costs and energy losses.



ABP Connection

2009 marked the Scheme's electrical synchronisation with Southampton's Port, The connection enables the Port to consume, under a 10 year Power Purchase Agreement, all the electricity generated by the scheme's 5.7MWe and 1MWe CHP's located at the Harbour Parade Heat Station.

SGHC and Southampton City Council had long sought a commercial partner to locally consume the 23.5 million kWe of electricity generated by the scheme, which was previously exported to the UK national grid. Both parties were delighted when Associated British Port Southampton recognised the considerable benefits associated with the proposed connection.

To deliver the project, engineering history was made when during December 2008 COFELY District Energy's projects completed the final 'pulling' of a 25 ton "private wire" 33kV cable through underground ducts of over a mile in length across the city. Never before had such an ambitious engineering feat been attempted (and successfully delivered), a testament to the commitment and willingness of all parties to collaborate to deliver this remarkable project within the city. The link enables SGHC to supply the port with initially 55% of its total annual electricity consumption, although future increases to this figure are planned. The electrical connection will now aid and facilitate further expansion of the heat network and greater utilisation of the Scheme's CHP engines.

This truly is a mutually beneficial project, which has only been able to evolve through the Scheme's close collaboration and partnerships.

Joint Co-operation

Both Southampton City Council and COFELY District Energy firmly agree that the Joint Co-operation Agreement and the resulting close collaborative working, has been fundamental to enabling the SDES to grow to the size it is today. This agreement, originally signed in 1986, committed COFELY District Energy to:

- Develop the Scheme, initially utilising the city's geothermal resource, and then adding CHP

- Sell heat to the City Council at agreed savings, for its own administrative buildings

- Provide all necessary funding, technical and management expertise to ensure that the Scheme develops successfully

- Provide open book accounting and a long-term profit share to SCC.

In turn SCC committed to facilitate the success of the scheme by:

- Taking heat wherever practical for its own buildings

- Helping COFELY District Energy promote the Scheme to other potential users

- Providing general support to COFELY District Energy in developing the scheme – particularly through the Planning and Highways Departments

- Providing the land for the Heat Station at a peppercorn rent and transferring ownership of the geothermal resource to COFELY District Energy

- Treating COFELY District Energy as a "statutory utility" within the boundaries of the city.



Both SCC and COFELY District Energy cite their co-operative working relationship as a key factor in the success of the Scheme. In 2005 this groundbreaking agreement was renewed for a further 25 years. A total working relationship between the two partners, of 45 years.

The Joint Project Board, which is chaired by an Executive Director of the Council, regularly meets to examine development opportunities, such as new buildings or major redevelopments. However winning new customers to the Scheme is not always easy. There is still resistance to what is perceived to be new or unusual technology. The Council works closely with COFELY District Energy to actively promote the Scheme and the environmental and financial benefits which arise from a connection to the scheme. Southampton City Council's planning policy encourages connection to the city centre scheme.

Residential Developments

The Southampton scheme pioneered the addition of new build private housing in 1999 with the connection of the first such development in the UK; 'Park View' – luxury apartments constructed by Barratts (Southern). This development of over 100 dwellings delivers low cost sustainable supplies of heating to residents, via a thermal connection to the network. It is featured in Good Practice Case Study No. 400, published by DEFRA.

Each dwelling has an individual heat meter with COFELY District Energy reading these meters and invoicing the Managing Agent for energy supplies which are then recharged to the residents.

Scheme Awards

The high level of efficiency of the scheme won it the prestigious Queen's Award for Sustainable Development in 2001 and 2008, and a National Energy Efficiency Award in 2006. The scheme also holds the Green Flag award.

Future Expansion

Both COFELY District Energy and Southampton City Council view the scheme as a firm foundation from which to build a sustainable future. The District Energy network has also been designed to integrate additional low or zero carbon technologies as these evolve. In 2010, the HCA's Low Carbon Infrastructure grant enabled the network to extend to serve new and existing social housing schemes in The Gantry area.

Frequently asked questions

What energy services are available?

COFELY District Energy can provide hot water for building space heating and domestic hot water purposes. Chilled water is also available in some areas. Electricity can generally be provided if a CHP unit can be installed within the site or building. A thermal connection will then be made to the wider network.

Can connecting to the scheme help meet local planning obligations?

Yes. Many local authorities are choosing to address their climate change obligations by encouraging development of energy efficient, low carbon and sustainable energy schemes. Furthermore, CHP can help developments meet BREEAM and the Code for Sustainable Homes standards. Southampton's planning policies are contained in the Councils Core Strategy (www.southampton.gov.uk).

Can the scheme facilitate compliance with energy legislation?

Because the scheme is inherently efficient it helps to reduce energy consumption and carbon emissions, thus assisting with obligations under the Building Regulations, the CRC Energy Efficiency Scheme, Display Energy Certificates and Energy Performance Certificates.

Does electricity from the schemes substitute grid reinforcement from the regional electricity companies?

No. The scheme's power generation (where available) only offsets a proportion of electricity from the grid and does not substitute grid reinforcement.

Developers' Guidance

The SDES is open to both public and private sector consumers. The primary energy service is for heating and domestic hot water purposes, however chilled water can be provided to developments close to the Heat Station in West Quay. Electricity is available at local Energy Centres, generally where consumers are able to accommodate an on-site CHP unit, subject to there also being sufficient overall heat load.

A Developer's Guide to Connection

What savings can be expected from connecting to the scheme?

Savings are typically achieved in two ways, Firstly, capital costs are reduced by around 20%. Secondly, there are significant savings on plant room space.

What ongoing savings can tenants expect?

The inherent efficiency of District Energy schemes means that most consumers can expect to save 5-10% on their overall energy bills, compared to traditional methods.

Do existing heating and cooling systems need to be changed?

No. The temperatures and pressures used by the scheme are the same as those typically used in heating and cooling systems.

What is the typical contract period?

Contracts are typically for at least 20 years. Crucially, the value of the initial cost saving is maintained, in real terms, over the life of the contract through a transparent system of annual indexation.





MINUTES
For the ANNUAL GENERAL MEETING of the Directors and Guests of
Accessible Retail Ltd
on
Thursday 17th November 2011
Hammerson Management Suite, 8-10 Portland Terrace, WestQuay Shopping Centre, Southampton
1.45pm

In attendance: 44 AR members

Apologies for absence received by the following Board members :-

Craig Buchanan
Bradley Critcher
Iain Small
Steve Bennett
Mark Rudman
Justin Houlihan

Approval of Minutes of the AGM 9th September 2010

Proposed: Alan Gibbons, L3P
Seconded: Andrew Hetherton, GL Hearn
Approved: All in attendance

Received Chairman's report (John Maddison) (copy attached)

Proposed: James Curson, Curson Sowerby
Seconded: Andrew Berger-North, Hammerson
Approved: All in attendance

Received Treasurer's report (Daniel Berrevoets) (copy attached)

Proposed: Trevor Wood, Trevor Wood Associates

Seconded: Russell Smith, Rapleys

Approved: All in attendance

Re-appointed the Accountant and Auditors – Knight & Co

Proposed: Aidan Farrell, Wren Kitchens

Seconded: Trevor Wood, Trevor Wood Associates

Approved: All in attendance

Received CEO's Research and Update report (William McKee)

The Following have been nominated for re-appointment by the Chairman as Board members for 2011/2012. Ratification is sought from the membership.

John Maddison Chairman

David Marsden Deputy Chairman

Will McKee Chief Executive

Daniel Berrevoets Treasurer

Steve Bennett

Lorcan Mooney

Craig Buchanan

Simon Watson-James

Tim Hayns

Brad Critcher

Nick Duffield

Paul Hope

Justin Houlihan

Mark Rudman

Iain Small

The Board would also like to nominate James Goodliffe at Starbucks to join the AR Board with effect from Jan 2012.

Elect Board for the year 2011/2012

Proposed: Guy Allan, Home Retail

Seconded: Paul Bishton, Redleaf Ltd

Approved: All in attendance

The Chairman announced that he will be standing down in April 2012 and a new Elected Chairman will be taking over, this is to be formally announced at the Christmas lunch 2011.

The board also wishes to record that:

Robert Lawson stood down from the board and as Deputy Chairman in May 2011 and David Marsden took up this role.

Philip Bell-Brown resigned from the board in January 2011.

Andrew Melen left the board in January 2011.

Grahame Smith did not take up his position on the board in 2010 as previously announced.

Steven Bennett joined the board as a new retailer representative in April 2011.

Iain Small joined the board as a replacement retailer representative in May 2011.

Paul Hope joined the board in May 2011 as L&T representative to replace Rob Lawson in this regard.

The Board also wishes to record their continued appreciation of the services of Louise Oliver (Event and Corporate Support).

No other business was discussed.

The meeting was concluded.



AGENDA
For the ANNUAL GENERAL MEETING of the Directors and Guests of
Accessible Retail Ltd
on
Thursday 17th November 2011
Hammerson Management Suite, 8–10 Portland Terrace, WestQuay Shopping Centre, Southampton
1.45pm

In attendance:

a) Apologies for absence

b) Approval of Minutes of the AGM 9th September 2010

Proposed:

Seconded:

c) Receive Chairman's report (John Maddison)

Proposed:

Seconded:

d) Receive Treasurer's report (Daniel Berrevoets)

Proposed:

Seconded:

e) Re-appoint the Accountant and Auditors – Knight & Co

Proposed:

Seconded:

f) CEO's Research and Update report (William McKee)

g) Elect Board for the year 2011/2012

Proposed:

Seconded:

The Following have been nominated for re-appointment by the Chairman as Board members for 2011/2012. Ratification is sought from the membership.

John Maddison Chairman

David Marsden Deputy Chairman

Will McKee Chief Executive

Daniel Berrevoets Treasurer

Steve Bennett

Lorcan Mooney

Craig Buchanan

Simon Watson-James

Tim Hayns

Brad Critcher

Nick Duffield

Paul Hope

Justin Houlihan

Mark Rudman

Iain Small

The Board would also like to nominate James Goodliffe at Starbucks to join the AR Board with effect from Jan 2012.

The Board also wishes to record their continued appreciation of the services of Louise Oliver (Event and Corporate Support).

h) Any Other Business

REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011
FOR
ACCESSIBLE RETAIL-ONE VOICE FOR RETAIL
WAREHOUSE AND SUPERSTORE PROPERTY
LIMITED

**ACCESSIBLE RETAIL-ONE VOICE FOR RETAIL
WAREHOUSE AND SUPERSTORE PROPERTY
LIMITED**

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for the Year Ended 31 MARCH 2011**

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**ACCESSIBLE RETAIL-ONE VOICE FOR RETAIL
WAREHOUSE AND SUPERSTORE PROPERTY
LIMITED**

COMPANY INFORMATION
for the Year Ended 31 MARCH 2011

DIRECTORS:

D Berrevoets
W A McKee
M Neal
R A Lawson
C T Buchanan
Mr J R P Maddison
D J Marsden
S D Watson James
T J Hayns
L M Mooney
N T Duffield

SECRETARY:

D Berrevoets

REGISTERED OFFICE:

11 Castle Hill
Maidenhead
Berkshire
SL6 4AA

REGISTERED NUMBER:

04379091 (England and Wales)

ACCOUNTANTS:

Knight & Company
Chartered Accountants
11 Castle Hill
Maidenhead
Berkshire
SL6 4AA

**ACCESSIBLE RETAIL-ONE VOICE FOR RETAIL
WAREHOUSE AND SUPERSTORE PROPERTY
LIMITED**

**REPORT OF THE DIRECTORS
for the Year Ended 31 MARCH 2011**

The directors present their report with the financial statements of the company for the year ended 31 March 2011.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of to promote one voice between professionals and others concerned or interested in out of town retail and leisure property.

The company is limited by guarantee.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2010 to the date of this report.

D Berrevoets
W A McKee
M Neal
R A Lawson
C T Buchanan
Mr J R P Maddison
D J Marsden
S D Watson James
T J Hayns
L M Mooney
N T Duffield

Other changes in directors holding office are as follows:

P Bell - Brown - resigned 18 January 2011
A R Melen - resigned 18 January 2011
G Smith - resigned 19 March 2011

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

.....
D Berrevoets - Secretary

Date:

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
ACCESSIBLE RETAIL-ONE VOICE FOR RETAIL
WAREHOUSE AND SUPERSTORE PROPERTY
LIMITED

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Accessible Retail-One Voice for Retail Warehouse and Superstore Property Limited for the year ended 31 March 2011 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/members/handbook.

This report is made solely to the Board of Directors of Accessible Retail-One Voice for Retail Warehouse and Superstore Property Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Accessible Retail-One Voice for Retail Warehouse and Superstore Property Limited and state those matters that we have agreed to state to the Board of Directors of Accessible Retail-One Voice for Retail Warehouse and Superstore Property Limited, as a body, in this report in accordance with AAF 2/10 as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Accessible Retail-One Voice for Retail Warehouse and Superstore Property Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and deficit of Accessible Retail-One Voice for Retail Warehouse and Superstore Property Limited. You consider that Accessible Retail-One Voice for Retail Warehouse and Superstore Property Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Accessible Retail-One Voice for Retail Warehouse and Superstore Property Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Knight & Company
Chartered Accountants
11 Castle Hill
Maidenhead
Berkshire
SL6 4AA

Date:

**ACCESSIBLE RETAIL-ONE VOICE FOR RETAIL
WAREHOUSE AND SUPERSTORE PROPERTY
LIMITED**

**INCOME AND EXPENDITURE ACCOUNT
for the Year Ended 31 MARCH 2011**

	Notes	31/3/11 £	31/3/10 £
INCOME		133,104	116,137
COSTS OF SERVICES PROVIDED			
Handbook/telephone directory/newsletter/website expenses		2,674	14,612
Research & lobbyist expenses		<u>106,020</u>	<u>31,931</u>
GROSS SURPLUS		24,410	69,594
Administrative expenses		<u>66,757</u>	<u>68,245</u>
OPERATING (DEFICIT)/SURPLUS	2	(42,347)	1,349
Interest receivable and similar income		<u>141</u>	<u>60</u>
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		(42,206)	1,409
Tax on (deficit)/surplus on ordinary activities	3	<u>30</u>	<u>13</u>
(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>(42,236)</u></u>	<u><u>1,396</u></u>

**ACCESSIBLE RETAIL-ONE VOICE FOR RETAIL
WAREHOUSE AND SUPERSTORE PROPERTY
LIMITED**

**BALANCE SHEET
31 MARCH 2011**

	Notes	31/3/11 £	31/3/10 £
CURRENT ASSETS			
Debtors	4	30,450	6,996
Cash at bank		<u>120,821</u>	<u>185,363</u>
		151,271	192,359
CREDITORS			
Amounts falling due within one year	5	<u>8,548</u>	<u>7,400</u>
NET CURRENT ASSETS		<u>142,723</u>	<u>184,959</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>142,723</u>	<u>184,959</u>
RESERVES			
Profit and loss account	6	<u>142,723</u>	<u>184,959</u>
		<u>142,723</u>	<u>184,959</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2011.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2011 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on and were signed on its behalf by:

.....
Chairman

.....
Deputy Chairman

.....
Treasurer

**ACCESSIBLE RETAIL-ONE VOICE FOR RETAIL
WAREHOUSE AND SUPERSTORE PROPERTY
LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 MARCH 2011**

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Income

Income represents a detailed of activities as broken down on income and expenditure.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. **OPERATING (Deficit)/Surplus**

The operating deficit (2010 - operating surplus) is stated after charging:

	31/3/11 £	31/3/10 £
Directors' remuneration and other benefits etc	- <u> </u>	- <u> </u>

3. **TAXATION**

Analysis of the tax charge

The tax charge on the deficit on ordinary activities for the year was as follows:

	31/3/11 £	31/3/10 £
Current tax:		
UK corporation tax	30 <u> </u>	13 <u> </u>
Tax on (deficit)/surplus on ordinary activities	30 <u> </u>	13 <u> </u>

4. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/3/11 £	31/3/10 £
Trade debtors	17,160	-
Other debtors	13,290 <u> </u>	6,996 <u> </u>
	30,450 <u> </u>	6,996 <u> </u>

5. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/3/11 £	31/3/10 £
Taxation and social security	5,948	4,700
Other creditors	2,600 <u> </u>	2,700 <u> </u>
	8,548 <u> </u>	7,400 <u> </u>

**ACCESSIBLE RETAIL-ONE VOICE FOR RETAIL
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**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 MARCH 2011**

6. **RESERVES**

	Profit and loss account £
At 1 April 2010	184,959
Deficit for the year	<u>(42,236)</u>
At 31 March 2011	<u>142,723</u>

7. **GUARANTEE**

The company does not have a share capital but is limited by members' guarantees.

**ACCESSIBLE RETAIL-ONE VOICE FOR RETAIL
WAREHOUSE AND SUPERSTORE PROPERTY
LIMITED**

**INCOME AND EXPENDITURE ACCOUNT
for the Year Ended 31 MARCH 2011**

		31/3/11		31/3/10	
		£	£	£	£
Income	Notes				
Subscriptions		67,491		53,625	
Data Base Disk Income		600		1,400	
Surplus on members activities	A	65,013		61,112	
Deposit account interest		<u>141</u>		<u>60</u>	
			133,245		116,197
Cost of Services Provided					
Membership service expenses	B	2,674		14,612	
Research fund		62,732		4,500	
Lobbyist		43,288		27,431	
Administration Costs					
Insurance		2,639		2,642	
Administration Support		36,000		39,191	
Telephone and Fax		1,905		1,397	
Postage, stat & Carriage		10,906		14,877	
Travelling		2,519		2,709	
Sundry expenses		6,427		3,438	
Accountancy		3,865		3,740	
Bank charges		<u>2,496</u>		<u>251</u>	
			<u>175,451</u>		<u>114,788</u>
NET (DEFICIT)/SURPLUS			<u><u>(42,206)</u></u>		<u><u>1,409</u></u>

**ACCESSIBLE RETAIL-ONE VOICE FOR RETAIL
WAREHOUSE AND SUPERSTORE PROPERTY
LIMITED**

**NOTES TO THE INCOME AND EXPENDITURE ACCOUNT
for the Year Ended 31st March 2011**

**A SURPLUS/(DEFICIT) ON MEMBER'S
ACTIVITIES**

	2011	2010
	£	£
AGM	173	(1,359)
Golf Day	1,528	1,517
Professional Golf Day	(2,628)	3,430
Urban Golf Event	(4,805)	100
Christmas Lunch	59,796	55,173
Conference	9,682	2,568
Five-A-Side Football	56	(175)
A R Quiz Night	136	(1,191)
Burns Night	(652)	1,174
Cardiff evening income	(1,012)	(125)
Professional meetings	(61)	
Research report	2,800	
	<u>65,013</u>	<u>61,112</u>

B MEMBERSHIP SERVICE EXPENSES

	2011	2010
	£	£
Handbook/Telephone Directory	(7,026)	1,375
Newsletter	4,150	3,500
Web Site	5,550	9,737
	<u>2,674</u>	<u>14,612</u>

ACCESSIBLE RETAIL AGM – 17th NOVEMBER 2011 – SOUTHAMPTON

TREASURER'S REPORT

The audited AR Accounts for the period ending March 31st 2011 have been available for inspection on the AR Website for perusal.

Accounts filed at Companies House for small companies nearly all follow the same format, primarily for taxation purposes. Those of you who have heard my previous reports will be aware that AR as an organisation trading between members is obliged to return VAT and annual accounts but does not pay tax (except for unavoidable tax on interest we receive on monies held in the bank).

This year in order to clarify matters for the members and give a more relevant indication of our expenditure I have, in conjunction with our Auditors, broken it down into separate sections.

In order to arrive at a net profit or loss audited accounts usually refer to income, less cost of sales, leaving a gross profit from which administrative expenses are then deducted. In light of our activities these headings do not reflect what we spend our money on the overheads we bear.

I have therefore reclassified Cost of Sales as to Cost of Services Provided. These are the purely discretionary expenditure items which vary from year to year, if we decide or can afford to do them. These items are excess costs on the handbook, directory, newsletters, website, what we decide to spend on research/lobbying papers and of course the cost of our Chief Executive, which is closely aligned to the last two items. We do not include losses on member's activities in this section.

Our Administrative Expenses are as you would expect – Louise's fees, stationary, costs, telephone, postage etc. These are the fixed and largely unavoidable costs involved in running the organisation. You will be pleased to hear that we do keep a close eye on these items and always seek to achieve best value and savings wherever possible.

Turning to the figures for 2010/2011, as mentioned every year our annual, audited accounts have never truly been indicative of our financial position but a snapshot of our financial position at the end of the financial year – 31st March.

As a constantly trading organisation we will always have input/output sums (such as VAT, late subscriptions, etc) and to minimise imbalances the AR year end is 31 March, thereby avoiding the distortion caused by major input/output cash flow items such as the Christmas lunch and to reflect the majority of subscription income and other events such as the Conference, have all been absorbed.

As a result I can confirm that we showed a trading deficit of £42,206 (plus £1409 for previous year) on an increased turnover of £133,245 up 14% from £116,137 in 2010. This is primarily due to increased subscriptions which is very gratifying in the current climate.

Whilst our income increased the deficit figure is primarily due to increased spending on the research and lobbying activities (plus the associated costs) commissioned in the last financial year, following a year when we spent very little. As outlined at last year's AGM for year ending March 2010 we did not draw down from the retained surplus to pay various research and lobbying costs commissioned by the Board but advised that we would do so over the next 12 months. This is entirely within our plan to undertake meaningful projects on a bi-annual basis, utilising and replacing our built up reserves which have accumulated.

I am pleased to confirm that the Board's decision to continue with the AR Conference, even if this required a modest subsidy, has been vindicated once again. The 2011 Conference following extremely hard work by Martin Clews and Louise has resulted in a modest profit in what has been a very challenging environment.

Our reserves at the yearend stood at £142,723 (£184,959 in previous year) and as of November 2011 our management accounts showed this had reduced to nearer £88,000 but we do of course anticipate further cash injections in December and January.

By virtue of good housekeeping and the maintaining of surpluses we are able to run the organisation, spend money on appropriate projects keep a "balance" for emergencies/rainy days.

Once again I am able to identify some of the key financial issues from 2010/11

- Subscription income increased by 14%.
- The majority of our social and educational events make a surplus or break even but we will continue to subsidise not only the conference but also those that are considered beneficial in social and networking terms.
- The 2010 Christmas lunch in its new venue was once again extremely successful (thanks to everyone involved for all their hard work). For those of you who are not aware the amounts raised and donated for Charity at Christmas do not appear within our accounts but do appear briefly on our balance sheet whilst we hold the pledged monies. As a result we raised nearly £35,000 for our designated Charities which equates to all of the money raised in the room on the day (raffle, auction, pledges) before Gift Aid is applied. The Variety Club remains the biggest beneficiary receiving £26,250 but we have also made smaller donations to charities our members are associated with on request.
- In addition to the charitable donations which are ringfenced, by virtue of sponsorship, advertising and of course profit, AR made a Christmas lunch surplus in excess of **£59,000**, an increase on last year. This valuable contribution to the lobbying and research activities undertaken on behalf of the

membership. We will be returning to the new venue this year where I am pleased to advise that AR has set the highest benchmark already (and is still reigning champion at the Hilton) for the most bottled beer consumed by one function in a 2 hour post lunch window.

By continued application of careful cost control, we will endeavour to maximise the “surplus” and ensure that it is spent to the benefit and with the approval of our membership. I trust the above demonstrates that your Board meets with your satisfaction over the financial affairs of AR. The company is still in very good financial health and the despite my natural desire to prevent expenditure (!) your Board’s objective is of course to keep an emergency reserve but spend the surpluses generated on issues and events that benefit the members whilst keeping a very careful eye on cash flow.

A very big thank you is recorded to B&Q, Hammerson, GL Hearn, Curson Sowerby, Starbucks and Pizza Hut who have all kindly contributed towards the sponsorship of the 2011 AGM.

3 points of order are required and your approval is required for the following:

- 1) That one of you nominates (and another seconds) this year’s Treasurer’s Report for approval and that the Audited Accounts for the period ending March 31st 2011 can be signed and submitted to Companies House.
- 2) That Knight & Co are re-appointed as Auditors to AR.
- 3) That £500.00 of AR Funds is placed behind the bar this evening.

Thank you.

Daniel Berrevoets

May I begin by thanking everyone for taking the time to attend today – it is very much appreciated by the Board. Hopefully you will find the day interesting and worthwhile with another insight into operational retail and this evenings networking opportunities. The moving of the BCSC Conference required us to move the AGM from September to November, so its 14 months since our last AGM, but it will remain annually in November going forward.

As with most of our events, this AGM would not be possible without the kind support of our members. I would like to thank those involved in organising the Study Tour today (Hammerson and Curson Sowerby) at West Quay. Also, JD Sports, Staples & Wren for agreeing to present this afternoon. Finally, to B&Q, GL Hearn, Pizza Hut and Starbucks for their support for either today or this evening.

As a standard reminder, AR exists to promote the retail warehouse property sector, representing the interests of owners, investors and occupiers together with their agents. To achieve this, AR undertakes four principle activities for its members:

1. Lobbying to influence Government and Statutory bodies to provide a regulatory framework within which the sector has to operate, especially planning and economic issues, which will help the efficiency and sustainability of our business.
2. Provide professional development and support to our members.
3. Organising networking and communication opportunities.
4. Raising money for charitable purposes.

Today we'd like to briefly update you on each of these areas.

In respect of lobbying, we are now well settled into the new Coalition Government to work with in continually uncertain economic times. I am pleased that Will McKee is here today and will provide a more detailed update on the work we have been doing in the last year.

We've now published both parts of our three year research project in conjunction with GVA on Retail Impact of Out of Centre Retailing on Town Centres. Earlier in the year we hosted a breakfast briefing seminar and Q&A to present this research at GVA which was oversubscribed and attended by some 70 members. As with all of our research work, we have a standard objective to ensure it has longevity in terms of its use and subsequent development. This research was somewhat timely in the context of the Government commissioned Portas review and it has been provided to and reviewed by her team in the

lead up to her recommendation report. Now, we're looking at how we take this forward to the next stage, but more on that from Will later.

Professional development support is usually delivered to our members through both the professional forum and the annual conference. The professional forum held in May this year was extremely well attended, despite the need for a last minute switch in venue. A new and improved venue will be announced for the 2012 event in due course. The annual conference took place last month and its revamp continued. It was both a unique first and a privilege to have three CEO's from the retail property sector speaking. As a result, we also experienced record ticket sales with 360 delegates attending, an increase of 100 from last year. Most pleasingly, we had 70 retailers there this year, which further aids the networking lunch afterwards. Feedback was good and the challenge now is to grow this event in 2012 again. Furthermore, as I suggested in my 2010 update, we've joined up with SAS on APC events for our young and future members. We've held several of these and they are open to any non-members within member organisations. We expect to do more of these next year too. We also continue to increase CPD events and going into 2012 we are looking to link up with PMA to provide sector relevant seminar briefings in this regard.

Networking events are still seeing growth both in terms of attendance and number. The first Friday drinks once again ran throughout the summer this year at our summer venue and the 2012 events are all sponsored already with further sponsors on the waiting list. As hoped, the golf day was scaled back up to its former glory and we returned to a Championship course in the form of a new venue (The Oxfordshire), thanks to the support of Henderson and Morgan Williams. The event was a huge success and well attended, so we are delighted to confirm that this will be repeated again next year. Next month, our Christmas lunch will again be held at The Westminster Park Plaza and has sold out completely in record quick time with some 950 attending this year. This event is a vital source of funds to support both our research work and charitable donations. Our thanks go to all our sponsors and supporters of all of the events which simply could not happen without them.

As ever, I have to give particular thanks on behalf of the board to Louise Oliver and her team who work so hard to organise and lay on our events. They once again played an active role in running the conference with our external organiser Martin Clews. That's in addition to the golf days, Christmas lunch, forums and drinks.

We continue to raise valuable funds to support charitable causes, despite the continued difficult economic backdrop. After losing the charity Football event, we worked even harder on raising funds at the Christmas lunch and will do so again this year to help fill the revenue gap. This has allowed us to give more support to an even wider range of Charities this year. I was once again able to present a Variety Club minibus to a school in Harrow at last year's Christmas lunch. At the end of January, I was then further privileged to visit a school in Tottenham, North London to present another minibus on your behalf along with Miss

London. I cannot tell you what a humbling, yet rewarding experience this was to see the work that those schools do, and how our contributions make such a difference to the lives of the children. Next month, I will also be presenting a minibus again at the Christmas lunch, which will be our 49th bus, an incredible achievement on the part of the membership. Our support of the Variety Club has not gone unnoticed by them and in May, I was invited to the PROPS annual lunch to receive a special recognition award on behalf of AR for its ongoing support of the Variety Club. I believe that this is only the third award of its kind ever given out by them and a huge accolade for the organisation. In addition, we've supported more individual members than ever this year with over £7K of individual support to members' charitable endeavours.

Over and above these four principle activities, we're constantly working on new ideas and initiatives to improve the organisation. We've published two of our newsletters 'One Voice' in March and in September, (copies of the latter are available today if you require another one. In addition, we've launched our e-newsletter to communicate with and update members on a more regular basis. We've also now integrated IT systems to pay for events online and to survey members by email.

Ideas and feedback are always welcomed by the board, so please speak to me or any board member if you have any.

All that leaves me to say is thank you all for your continued support and I hope that you enjoy the remainder of the day and evening.

I will now pass you over to Dan Berreroets, our Treasurer, who will run you through the financial position of the organisation.