

Company Registration No. IP032290 (England and Wales)

EXETER COMMUNITY ENERGY LTD
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

EXETER COMMUNITY ENERGY LTD

COMPANY INFORMATION

Directors	G Wyatt H Taverner-Wood S Bedford A Mumford M Davey P Bowers P Devine-Wright
Company number	IP032290
Registered office	Stephens Scown LLP Curzon House Southernhay Exeter EX1 1RS
Accountants	Hammett Spire LLP 13 West Street Exeter Devon EX1 1BB

EXETER COMMUNITY ENERGY LTD

CONTENTS

	Page
Directors' report	1
Accountants' report	2
Profit and loss account	3
Balance sheet	4 - 5
Statement of changes in equity	6
Notes to the financial statements	7 - 11

EXETER COMMUNITY ENERGY LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2018

The directors present their annual report and financial statements for the year ended 31 January 2018.

Principal activities

The principal activity of the company continued to be that of renewable energy projects in the community.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G Wyatt

G Wondrausch

(Resigned 6 June 2017)

H Taverner-Wood

S Bedford

A Mumford

M Davey

P Bowers

P Devine-Wright

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

.....

G Wyatt

Director

Date:

.....

P Bowers

Director

Date:

EXETER COMMUNITY ENERGY LTD

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF EXETER COMMUNITY ENERGY LTD FOR THE YEAR ENDED 31 JANUARY 2018

In order to assist you to fulfil your duties under the Co-operative and Community Benefit Societies Act 2014, we have prepared for your approval the financial statements of Exeter Community Energy Ltd for the year ended 31 January 2018 set out on pages 3 to 10 from the company's accounting records and from information and explanations you have given us.

We have carried out this engagement in accordance with the guidance issued by the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Exeter Community Energy Ltd, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Exeter Community Energy Ltd and state those matters that we have agreed to state to the Board of Directors of Exeter Community Energy Ltd, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF as detailed at icaew.com. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Exeter Community Energy Ltd and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Exeter Community Energy Ltd 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 loss of Exeter Community Energy Ltd. You consider that Exeter Community Energy Ltd 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 Exeter Community Energy Ltd. 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.

Hammett Spire LLP

Accountants

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13 West Street
Exeter
Devon
EX1 1BB

EXETER COMMUNITY ENERGY LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2018

	Notes	2018 £	2017 £
Turnover		59,363	36,301
Cost of sales		(45,493)	(31,353)
		<hr/>	<hr/>
Gross profit		13,870	4,948
Administrative expenses		(14,196)	(11,051)
Other operating income		18,990	10,642
		<hr/>	<hr/>
Operating profit		18,664	4,539
Interest receivable and similar income		265	127
Interest payable and similar expenses		(22,725)	(23,249)
		<hr/>	<hr/>
Loss before taxation		(3,796)	(18,583)
Tax on loss	2	-	-
		<hr/>	<hr/>
Loss for the financial year		(3,796)	(18,583)
		<hr/> <hr/>	<hr/> <hr/>

EXETER COMMUNITY ENERGY LTD

BALANCE SHEET

AS AT 31 JANUARY 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3		382,328		402,524
Current assets					
Debtors	4	34,536		18,669	
Cash at bank and in hand		35,686		42,906	
		<u>70,222</u>		<u>61,575</u>	
Creditors: amounts falling due within one year	5	<u>(100,135)</u>		<u>(37,788)</u>	
Net current (liabilities)/assets			<u>(29,913)</u>		<u>23,787</u>
Total assets less current liabilities			<u>352,415</u>		<u>426,311</u>
Creditors: amounts falling due after more than one year	6		-		(70,100)
Net assets			<u><u>352,415</u></u>		<u><u>356,211</u></u>
Capital and reserves					
Called up share capital	8	398,550		398,550	
Profit and loss reserves		(46,135)		(42,339)	
Total equity			<u><u>352,415</u></u>		<u><u>356,211</u></u>

For the financial year ended 31 January 2018 the company was entitled to exemption from audit under section 84 of the Co-operative and Community Benefit Societies Act 2014.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

EXETER COMMUNITY ENERGY LTD

BALANCE SHEET (CONTINUED)

AS AT 31 JANUARY 2018

The financial statements were approved by the board of directors and authorised for issue on
and are signed on its behalf by:

.....
G Wyatt
Director

.....
H Taverner-Wood
Director and Secretary

.....
P Bowers
Director

Company Registration No. IP032290

EXETER COMMUNITY ENERGY LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2018

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 February 2016	398,550	(23,756)	374,794
Year ended 31 January 2017:			
Loss and total comprehensive income for the year	-	(18,583)	(18,583)
	<u>398,550</u>	<u>(42,339)</u>	<u>356,211</u>
Balance at 31 January 2017	398,550	(42,339)	356,211
Year ended 31 January 2018:			
Loss and total comprehensive income for the year	-	(3,796)	(3,796)
	<u>398,550</u>	<u>(46,135)</u>	<u>352,415</u>
Balance at 31 January 2018	<u>398,550</u>	<u>(46,135)</u>	<u>352,415</u>

EXETER COMMUNITY ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2018

1 Accounting policies

Company information

Exeter Community Energy Ltd is a society limited by shares registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014. The registered office is Stephens Scown LLP, Curzon House, Southernhay, Exeter, EX1 1RS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

For solar PV systems, no depreciation is charged until they are fully operational and the first billing period has been completed.

The company has entered into an agreement on one site whereby it has paid an amount equal to the purchase cost of a solar PV system in return for a 20 year lease thereof. Legal title of the equipment has passed to the property owner.

The solar PV system has been capitalised as an asset of the company applying 'substance over form' as it has all the rights, risks and rewards of the asset over the majority of its useful economic life.

Plant and machinery	20 years straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

EXETER COMMUNITY ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2018

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

EXETER COMMUNITY ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

1.8 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Loss before taxation	(3,796)	(18,583)
Expected tax charge based on the standard rate of corporation tax in the UK of 0% (2017: 0%)	-	-
Taxation charge in the financial statements	-	-

The company has estimated losses of £345,130 (2017: 354,282) available for carry forward against future trading profits.

On the basis of these financial statements, no provision has been made for corporation tax.

EXETER COMMUNITY ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2018

3 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 February 2017	417,393
Additions	710
At 31 January 2018	<u>418,103</u>
Depreciation and impairment	
At 1 February 2017	14,870
Depreciation charged in the year	20,905
At 31 January 2018	<u>35,775</u>
Carrying amount	
At 31 January 2018	<u>382,328</u>
At 31 January 2017	<u>402,524</u>

4 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	28,432	15,126
Corporation tax recoverable	-	12
Other debtors	6,104	3,531
	<u>34,536</u>	<u>18,669</u>

5 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Other borrowings	7	68,100	-
Deferred grants		1,456	9,118
Trade creditors		5,676	3,640
Accruals and deferred income		24,903	25,030
		<u>100,135</u>	<u>37,788</u>

6 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Other borrowings	7	-	70,100
		<u>-</u>	<u>70,100</u>

EXETER COMMUNITY ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2018

7	Loans and overdrafts	2018 £	2017 £
	Other loans	68,100	70,100
	Payable within one year	68,100	-
	Payable after one year	-	70,100

The loan is unsecured. Interest is payable at 4% per annum.

8	Called up share capital	2018 £	2017 £
	Ordinary share capital Issued and fully paid 398,550 shares of £1 each	398,550	398,550

9 Related party transactions

Sungift Solar Limited (of which G Wondrausch is a Director, but who retired as a director of ECOE on 6 June 2017)

Costs invoiced to the Society during the year amounted to £300 (previous year: £205,208);

Stephens Scown LLP (of which Sonya Bedford is a Partner)

Professional charges invoiced to the Society amounted to £ nil (previous year: £3,500).

Consultancy fees were invoiced to the Society by the following directors: G Wyatt £23,250 (previous year £16,400); H Taverner-Wood £ nil (previous year: £400).

EXETER COMMUNITY ENERGY LTD

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 JANUARY 2018

	2018	2017
	£	£
Administrative expenses		
Project management and development	10,425	6,950
Training, conference and travelling expenses	875	483
Professional subscriptions	635	190
Legal and professional fees	300	290
Accountancy	600	864
Insurance	835	724
Printing and stationery	170	151
Marketing and community engagement	281	1,382
Sundry expenses	75	17
	<u>14,196</u>	<u>11,051</u>

EXETER COMMUNITY ENERGY LTD

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2018

		2018		2017
	£	£	£	£
Turnover				
Export sales		5,247		2,762
FITs - generation		35,578		22,956
PPA sales		15,308		10,583
Home visits		3,230		-
		<u>59,363</u>		<u>36,301</u>
Cost of sales				
Project preparation and delivery	15,837		14,237	
Project operating expenses	8,751		2,246	
Depreciation	20,905		14,870	
	<u> </u>	<u>(45,493)</u>	<u> </u>	<u>(31,353)</u>
Gross profit		13,870		4,948
Other operating income				
Government grants receivable and released	11,117		7,463	
Non government grants receivable and released	6,544		-	
Sundry income	5,600		3,179	
Grants payable	(4,271)		-	
	<u> </u>	<u>18,990</u>	<u> </u>	<u>10,642</u>
Administrative expenses		<u>(14,196)</u>		<u>(11,051)</u>
Operating profit		18,664		4,539
Investment revenues				
Bank interest received	265		127	
	<u> </u>	<u>265</u>	<u> </u>	<u>127</u>
Interest payable and similar expenses				
Bank interest on loans and overdrafts	2,797		-	
Interest payable on members' shares	19,928		23,249	
	<u> </u>	<u>(22,725)</u>	<u> </u>	<u>(23,249)</u>
Loss before taxation		<u>(3,796)</u>		<u>(18,583)</u>
