

Company Registration No. IP032290 (England and Wales)

EXETER COMMUNITY ENERGY LTD
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019

EXETER COMMUNITY ENERGY LTD

COMPANY INFORMATION

Directors

G Wyatt
H Taverner-Wood
S Bedford
A Mumford
M Davey
P Bowers
P Devine-Wright
T Bowers (Appointed 5 June 2018)
D Thompson (Appointed 5 June 2018)
A Extance (Appointed 5 June 2018)
V Vallis (Appointed 5 February 2019)

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

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EXETER COMMUNITY ENERGY LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2019

The directors present their annual report and financial statements for the year ended 31 January 2019.

Principal activities

The principal activity of the company were the renewable energy projects and the provision of free energy advice to the vulnerable and energy poor 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	
H Taverner-Wood	
S Bedford	
A Mumford	
M Davey	
P Bowers	
P Devine-Wright	
T Bowers	(Appointed 5 June 2018)
J Haigh	(Appointed 5 June 2018 and resigned 31 December 2018)
D Thompson	(Appointed 5 June 2018)
A Extance	(Appointed 5 June 2018)
V Vallis	(Appointed 5 February 2019)

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

.....
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 2019

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 2019 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 profit 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

.....

13 West Street
Exeter
Devon
EX1 1BB

EXETER COMMUNITY ENERGY LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2019

	Notes	2019 £	2018 £
Turnover		110,085	59,363
Cost of sales		(93,180)	(45,493)
		<hr/>	<hr/>
Gross profit		16,905	13,870
Administrative expenses		(13,720)	(14,196)
Other operating income		25,507	18,990
		<hr/>	<hr/>
Operating profit		28,692	18,664
Interest receivable and similar income		407	265
Interest payable and similar expenses		(22,314)	(22,725)
		<hr/>	<hr/>
Profit/(loss) before taxation		6,785	(3,796)
Tax on profit/(loss)	2	-	-
		<hr/>	<hr/>
Profit/(loss) for the financial year		<u>6,785</u>	<u>(3,796)</u>

EXETER COMMUNITY ENERGY LTD

BALANCE SHEET

AS AT 31 JANUARY 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	3		361,423		382,328
Current assets					
Debtors	4	29,273		34,536	
Cash at bank and in hand		56,258		35,686	
		<u>85,531</u>		<u>70,222</u>	
Creditors: amounts falling due within one year	5	<u>(49,504)</u>		<u>(100,135)</u>	
Net current assets/(liabilities)			36,027		(29,913)
Total assets less current liabilities			<u>397,450</u>		<u>352,415</u>
Creditors: amounts falling due after more than one year	6		(38,100)		-
Net assets			<u>359,350</u>		<u>352,415</u>
Capital and reserves					
Called up share capital	8	398,700		398,550	
Profit and loss reserves		(39,350)		(46,135)	
Total equity			<u>359,350</u>		<u>352,415</u>

For the financial year ended 31 January 2019 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 2019

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

.....
P Bowers
Director

.....
D Thompson
Director and Secretary

Company Registration No. IP032290

EXETER COMMUNITY ENERGY LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2019

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 February 2017		398,550	(42,339)	356,211
Year ended 31 January 2018:				
Loss and total comprehensive income for the year		-	(3,796)	(3,796)
Balance at 31 January 2018		<u>398,550</u>	<u>(46,135)</u>	<u>352,415</u>
Year ended 31 January 2019:				
Profit and total comprehensive income for the year		-	6,785	6,785
Issue of share capital	8	150	-	150
Balance at 31 January 2019		<u><u>398,700</u></u>	<u><u>(39,350)</u></u>	<u><u>359,350</u></u>

EXETER COMMUNITY ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2019

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 2019

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 2019

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 company has estimated losses of £324,107 (2018: £345,130) available for carry forward against future trading profits.

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

3 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 February 2018 and 31 January 2019	418,103
Depreciation and impairment	
At 1 February 2018	35,775
Depreciation charged in the year	20,905
At 31 January 2019	56,680
Carrying amount	
At 31 January 2019	361,423
At 31 January 2018	382,328

EXETER COMMUNITY ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

4 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	21,777	28,432
Other debtors	7,496	6,104
	<u>29,273</u>	<u>34,536</u>

5 Creditors: amounts falling due within one year

	Notes	2019	2018
		£	£
Other borrowings	7	-	68,100
Deferred grants		-	1,456
Trade creditors		21,403	5,676
Accruals and deferred income		28,101	24,903
		<u>49,504</u>	<u>100,135</u>

6 Creditors: amounts falling due after more than one year

	Notes	2019	2018
		£	£
Other borrowings	7	38,100	-
		<u>38,100</u>	<u>-</u>

7 Loans and overdrafts

	2019	2018
	£	£
Other loans	38,100	68,100
	<u>38,100</u>	<u>68,100</u>
Payable within one year	-	68,100
Payable after one year	38,100	-
	<u>38,100</u>	<u>68,100</u>

The loans are unsecured. Interest is payable at 4% per annum.

8 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
398,700 shares (2018: 398,550) of £1 each	398,700	398,550
	<u>398,700</u>	<u>398,550</u>

EXETER COMMUNITY ENERGY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2019

8 Called up share capital

(Continued)

Reconciliation of movements during the year:

	Ordinary Number
At 1 February 2018	398,550
Issue of fully paid shares	150
	<hr/>
At 31 January 2019	398,700
	<hr/> <hr/>

150 shares were issued at par for cash consideration during the year.

9 Related party transactions

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

Professional charges amounting to £1,700 were invoiced to the company during the year (previous year: £ nil).

Consultancy fees invoiced to the company by directors during the year were:

G Wyatt £24,062 (previous year £23,250);

T Bowers £7,089 (previous year: £ nil).

EXETER COMMUNITY ENERGY LTD

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 JANUARY 2019

	2019	2018
	£	£
Administrative expenses		
Project management and development	10,260	10,425
Training, conference and travelling expenses	799	875
Professional subscriptions	425	635
Legal and professional fees	308	300
Accountancy	600	600
Insurance	980	835
Printing and stationery	80	170
Marketing and community engagement	156	281
Sundry expenses	112	75
	<u>13,720</u>	<u>14,196</u>

EXETER COMMUNITY ENERGY LTD

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2019

		2019		2018
	£	£	£	£
Turnover				
Export sales		5,068		5,247
FITs - generation		36,935		35,578
PPA sales		16,617		15,308
Home visits		42,300		3,230
Generating referrals		2,135		-
Provision of services		7,030		-
		<hr/>		<hr/>
		110,085		59,363
Cost of sales				
Project preparation and delivery	11,322		15,837	
Project operating expenses	60,953		8,751	
Depreciation	20,905		20,905	
	<hr/>		<hr/>	
		(93,180)		(45,493)
Gross profit		<hr/>		<hr/>
		16,905		13,870
Other operating income				
Government grants receivable and released	3,000		11,117	
Non government grants receivable and released	23,986		6,544	
Sundry income	-		3,250	
Donations	2,621		2,350	
Grants payable	(4,100)		(4,271)	
	<hr/>		<hr/>	
		25,507		18,990
Administrative expenses		(13,720)		(14,196)
		<hr/>		<hr/>
Operating profit		28,692		18,664
Investment revenues				
Bank and loan interest received	407		265	
	<hr/>		<hr/>	
		407		265
Interest payable and similar expenses				
Loan interest paid	2,374		2,797	
Interest payable on members' shares	19,940		19,928	
	<hr/>		<hr/>	
		(22,314)		(22,725)
Profit/(loss) before taxation		<hr/>		<hr/>
		6,785		(3,796)
		<hr/> <hr/>		<hr/> <hr/>
