

Company Registration No. IP032290 (England and Wales)

EXETER COMMUNITY ENERGY LIMITED
ANNUAL REPORT AND UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020

EXETER COMMUNITY ENERGY LIMITED

COMPANY INFORMATION

Directors	H Taverner-Wood S Bedford A Mumford P Devine-Wright T Bowers D Thompson A Extance L Cramer R McNeile	(Appointed 3 February 2020) (Appointed 9 June 2020)
Secretary	D Thompson	
Company number	IP032290	
Registered office	Stephens Scown LLP Curzon House Southernhay Exeter EX1 1RS	
Accountants	Hammett Spire LLP 21 Heavitree Road Exeter Devon EX1 2LD	

EXETER COMMUNITY ENERGY LIMITED

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EXETER COMMUNITY ENERGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2020

The directors present their annual report and financial statements for the year ended 31 January 2020.

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	(Resigned 30 June 2020)
H Taverner-Wood	
S Bedford	
A Mumford	
M Davey	(Resigned 6 June 2019)
P Bowers	(Resigned 6 June 2019)
P Devine-Wright	
T Bowers	
D Thompson	
A Extance	
V Vallis	(Appointed 5 February 2019 and resigned 1 July 2020)
L Cramer	(Appointed 3 February 2020)
R McNeile	(Appointed 9 June 2020)

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

On behalf of the board

.....
T Bowers
Director

.....
A Extance
Director

Date:

EXETER COMMUNITY ENERGY LIMITED

REPORTING ACCOUNTANTS' REPORT TO THE MEMBERS ON THE UNAUDITED FINANCIAL STATEMENTS OF EXETER COMMUNITY ENERGY LIMITED

We report on the financial statements for the year ended 31 January 2020 which comprise the Revenue Account, the Balance Sheet, the Statement of Changes in Equity and the related notes.

This report is made solely to the members of the society, as a body, in accordance with Section 85 of the Co-operative and Community Benefit Societies Act 2014. Our work has been undertaken so that we might state to the members of the society those matters we are required to state to them in our report and for no other purpose. In those circumstances, to the fullest extent permitted by law, we will not accept or assume responsibility to anyone other than the society and the members of the society as a body for our work, for the report, or for the opinions we form.

RESPECTIVE RESPONSIBILITIES OF OFFICERS AND REPORTING ACCOUNTANTS

The company's board of directors are responsible for the preparation of the financial statements and they consider that the company is entitled to opt out of an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and did not involve gathering all the evidence that would be required for an audit and consequently it does not cover all the matters that an auditor considers in giving their opinion on financial statements. Our procedures consisted of comparing the accounts with the accounting records kept by the society, and making such limited enquiries of the officers of the society as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:

- The accounts, including the Revenue Account and Balance Sheet, are in agreement with the accounting records kept by the society under s75 of the Co-operative and Community Benefit Societies Act 2014;
- Having regard only to, and on the basis of, the information contained in those accounting records the Revenue Account and Balance Sheet comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- For the preceding year of account, the financial criteria for the exercise of the power conferred by section 84 were met in relation to the year.

Hammett Audit

Chartered Accountants
Registered Auditor

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21 Heavitree Road
Exeter
Devon
EX1 2LD

EXETER COMMUNITY ENERGY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2020

	Notes	2020 £	2019 £
Turnover		154,188	110,085
Cost of sales		(132,966)	(93,180)
		<hr/>	<hr/>
Gross profit		21,222	16,905
Administrative expenses		(3,641)	(13,720)
Other operating income		24,742	25,507
		<hr/>	<hr/>
Operating profit		42,323	28,692
Interest receivable and similar income		453	407
Interest payable and similar expenses		(20,630)	(22,314)
		<hr/>	<hr/>
Profit before taxation		22,146	6,785
Tax on profit	2	(86)	-
		<hr/>	<hr/>
Profit for the financial year		<u>22,060</u>	<u>6,785</u>

EXETER COMMUNITY ENERGY LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	3		363,369		361,423
Current assets					
Debtors	4	44,748		29,273	
Cash at bank and in hand		126,288		56,258	
		<u>171,036</u>		<u>85,531</u>	
Creditors: amounts falling due within one year	5	(135,345)		(49,504)	
Net current assets			<u>35,691</u>		<u>36,027</u>
Total assets less current liabilities			<u>399,060</u>		<u>397,450</u>
Creditors: amounts falling due after more than one year	6		(38,100)		(38,100)
Net assets			<u><u>360,960</u></u>		<u><u>359,350</u></u>
Capital and reserves					
Called up share capital	8	378,250		398,700	
Profit and loss reserves		(17,290)		(39,350)	
Total equity			<u><u>360,960</u></u>		<u><u>359,350</u></u>

For the financial year ended 31 January 2020 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 in accordance with rule 113.

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

EXETER COMMUNITY ENERGY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JANUARY 2020

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

.....
T Bowers
Director

.....
D Thompson
Director

.....
A Extance
Director and Secretary

Company Registration No. IP032290

EXETER COMMUNITY ENERGY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 February 2018		398,550	(46,135)	352,415
Year ended 31 January 2019:				
Profit and total comprehensive income for the year		-	6,785	6,785
Issue of share capital	8	150	-	150
		<u> </u>	<u> </u>	<u> </u>
Balance at 31 January 2019		398,700	(39,350)	359,350
Year ended 31 January 2020:				
Profit and total comprehensive income for the year		-	22,060	22,060
Other movements		(20,450)	-	(20,450)
		<u> </u>	<u> </u>	<u> </u>
Balance at 31 January 2020		<u>378,250</u>	<u>(17,290)</u>	<u>360,960</u>

EXETER COMMUNITY ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

Company information

Exeter Community Energy Limited 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 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

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 and cash equivalents

Cash and cash equivalents 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 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

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 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 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.

EXETER COMMUNITY ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

2 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	86	-
	<u>86</u>	<u>-</u>

The company has estimated losses of £307,285 (2019: £324,107) 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 2019	418,103
Additions	22,850
	<u>440,953</u>
At 31 January 2020	<u>440,953</u>
Depreciation and impairment	
At 1 February 2019	56,680
Depreciation charged in the year	20,904
	<u>77,584</u>
At 31 January 2020	<u>77,584</u>
Carrying amount	
At 31 January 2020	<u>363,369</u>
At 31 January 2019	<u>361,423</u>

4 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	28,113	15,440
Other debtors	3,339	7,496
Prepayments and accrued income	13,296	6,337
	<u>44,748</u>	<u>29,273</u>

EXETER COMMUNITY ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

5 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	19,827	21,403
Corporation tax	86	-
Other taxation and social security	3,208	-
Other creditors	75,000	-
Accruals and deferred income	37,224	28,101
	<u>135,345</u>	<u>49,504</u>

6 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Other borrowings	7	38,100	38,100
		<u>38,100</u>	<u>38,100</u>

7 Loans and overdrafts

	2020 £	2019 £
Other loans	38,100	38,100
	<u>38,100</u>	<u>38,100</u>
Payable after one year	38,100	38,100
	<u>38,100</u>	<u>38,100</u>

8 Called up share capital

	2020 £	2019 £
Ordinary share capital Issued and fully paid		
398,700 shares (2018: 398,550) of £1 each	378,250	398,700
	<u>378,250</u>	<u>398,700</u>

9 Related party transactions

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

Professional charges amounting to £307 (2019: £1,700) were invoiced to the company during the year.

EXETER COMMUNITY ENERGY LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2020

		2020		2019
	£	£	£	£
Turnover				
Export sales		6,159		5,068
FITs - generation		40,692		36,935
PPA sales		15,286		16,617
Home visits		73,450		42,300
Generating referrals		1,030		2,135
Provision of services		17,571		7,030
		<hr/>		<hr/>
		154,188		110,085
Cost of sales				
Project preparation and delivery	6,115		11,322	
Project operating expenses	105,947		60,953	
Depreciation	20,904		20,905	
	<hr/>		<hr/>	
		(132,966)		(93,180)
Gross profit	13.76%	21,222	15.36%	16,905
Other operating income				
Government grants receivable and released	-		3,000	
Non government grants receivable and released	24,975		23,986	
Donations	6,907		2,621	
Grants payable	(5,330)		(4,100)	
Hardship fund	(1,810)		-	
	<hr/>		<hr/>	
		24,742		25,507
Administrative expenses				
Project management and development	-		10,260	
Training, conference and travelling expenses	99		799	
Professional subscriptions	283		425	
Legal and professional fees	35		308	
Accountancy	600		600	
Insurance	1,764		980	
Printing and stationery	85		80	
Marketing and community engagement	240		156	
Sundry expenses	535		112	
	<hr/>		<hr/>	
		(3,641)		(13,720)
Operating profit		42,323		28,692
Interest receivable and similar income				
Bank and loan interest received	453		407	
	<hr/>		<hr/>	
		453		407
Interest payable and similar expenses				
Loan interest paid	1,651		2,374	
Interest payable on members' shares	18,979		19,940	
	<hr/>		<hr/>	

EXETER COMMUNITY ENERGY LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

		2020		2019
	£	£	£	£
		(20,630)		(22,314)
Profit before taxation	14.36%	<u>22,146</u>	6.16%	<u>6,785</u>
