

Company Registration No. IP032290 (England and Wales)

EXETER COMMUNITY ENERGY LIMITED

**ANNUAL REPORT AND UNAUDITED
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 JANUARY 2021**

EXETER COMMUNITY ENERGY LIMITED

COMPANY INFORMATION

Directors	H Taverner-Wood	
	S Bedford	
	A Mumford	
	P Devine-Wright	
	T Bowers	
	D Thompson	
	A Extance	
	R McNeile	(Appointed 9 June 2020)
	T Crawford	(Appointed 1 April 2021)
	S Ryder	(Appointed 3 August 2020)
	L Hill	(Appointed 26 April 2021)
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 2021

The directors present their annual report and financial statements for the year ended 31 January 2021.

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.

Summary of financial position

The accounts for this financial year to 31 January 2021 show a surplus of £13,249, reducing the total accumulated deficit from £17,290 to £4,041. This surplus is after taking account of the proposed 5% interest payment on members' shares and the payment to the Community Fund of £3,500 agreed at the AGM in 2020.

This is third successive year in which ECOE has made a surplus. There has been a decrease in turnover in the year of (15%), decreasing total net turnover (excluding grants and donations) from £154,188 to £130,727. The decrease in turnover was driven by the Healthy Homes for Wellbeing project which saw a decrease in home visits by 48%. The decrease was in part offset by an increase in Solar PV installations which saw increased turnover of 18%.

When considering the current year's performance and surplus, it should be noted that grants are received over the winter period, with most of the grant income being accounted for on receipt (in accordance with accounting Regulations), whereas the project's expenditure will continue throughout the year. Consequently, if we were to look at the figures in a few months' time, part of that surplus will have been spent.

ECOE's cashflow has remained positive during the year, allowing repayment of £25,500 of members' share capital. For the current year, ECOE will seek to use surplus funds to repay further share capital and medium terms loan investments where requested. As we repay more of our loan and share investments, interest payments will reduce, and surpluses will increase. This year we raised new medium-term loans to fund the Solar PV 3 project. We also retained an interest free benefactor loan to develop potential new Solar PV projects.

On the strength of the results and of the financial projections going forward, the Directors will recommend to members at the AGM that a transfer is made to the Community Fund of £3,500 this year based on the surplus generated and anticipated future income from Solar PV and Healthy Homes for Wellbeing projects. This may be supplemented by donations from members.

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	
P Devine-Wright	
T Bowers	
D Thompson	
A Extance	
V Vallis	(Resigned 1 July 2020)
L Cramer	(Appointed 3 February 2020 and resigned 9 February 2021)
R McNeile	(Appointed 9 June 2020)
T Crawford	(Appointed 1 April 2021)
S Ryder	(Appointed 3 August 2020)
L Hill	(Appointed 26 April 2021)

EXETER COMMUNITY ENERGY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

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

On behalf of the board

.....
A Extance
Director

.....
T Crawford
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 2021

	Notes	2021 £	2020 £
Turnover		130,727	154,188
Cost of sales		(127,035)	(132,966)
		<hr/>	<hr/>
Gross profit		3,692	21,222
Administrative expenses		(12,593)	(3,641)
Other operating income		42,147	24,742
		<hr/>	<hr/>
Operating profit		33,246	42,323
Interest receivable and similar income		461	453
Interest payable and similar expenses		(20,458)	(20,630)
		<hr/>	<hr/>
Profit before taxation		13,249	22,146
Tax on profit	3	-	(86)
		<hr/>	<hr/>
Profit for the financial year		13,249	22,060
		<hr/> <hr/>	<hr/> <hr/>

EXETER COMMUNITY ENERGY LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	4		375,057		363,369
Current assets					
Debtors	5	29,690		44,748	
Cash at bank and in hand		190,789		126,288	
		220,479		171,036	
Creditors: amounts falling due within one year	6	(134,077)		(135,345)	
Net current assets			86,402		35,691
Total assets less current liabilities			461,459		399,060
Creditors: amounts falling due after more than one year	7		(112,600)		(38,100)
Net assets			348,859		360,960
Capital and reserves					
Called up share capital	9	352,900		378,250	
Profit and loss reserves		(4,041)		(17,290)	
Total equity			348,859		360,960

For the financial year ended 31 January 2021 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.

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

.....
A Extance
Director

.....
T Crawford
Director

Company Registration No. IP032290

EXETER COMMUNITY ENERGY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 February 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)
Balance at 31 January 2020		378,250	(17,290)	360,960
Year ended 31 January 2021:				
Profit and total comprehensive income for the year		-	13,249	13,249
Issue of share capital	9	150	-	150
Redemption of shares	9	(25,500)	-	(25,500)
Balance at 31 January 2021		352,900	(4,041)	348,859

EXETER COMMUNITY ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

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 2021

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 2021

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 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

EXETER COMMUNITY ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	-	86

The company has estimated losses of £309,828 (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 (2019: £86).

4 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 February 2020	440,953
Additions	34,848
At 31 January 2021	475,801
Depreciation and impairment	
At 1 February 2020	77,584
Depreciation charged in the year	23,160
At 31 January 2021	100,744
Carrying amount	
At 31 January 2021	375,057
At 31 January 2020	363,369

EXETER COMMUNITY ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

5 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	12,591	28,113
Other debtors	50	3,339
Prepayments and accrued income	17,049	13,296
	<u>29,690</u>	<u>44,748</u>

6 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	15,490	19,827
Corporation tax	-	86
Other taxation and social security	3,927	3,208
Other creditors	75,000	75,000
Accruals and deferred income	39,660	37,224
	<u>134,077</u>	<u>135,345</u>

7 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Other borrowings	8	<u>112,600</u>	<u>38,100</u>

8 Loans and overdrafts

	2021 £	2020 £
Other loans	<u>112,600</u>	<u>38,100</u>
Payable after one year	<u>112,600</u>	<u>38,100</u>

9 Called up share capital

	2021 £	2020 £
Ordinary share capital Issued and fully paid		
352,900 shares (2020: 378,250) of £1 each	<u>352,900</u>	<u>378,250</u>

EXETER COMMUNITY ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 JANUARY 2021*

9 Called up share capital

(Continued)

150 shares were issued at par and 25,500 shares were redeemed at par during the year.

10 Related party transactions

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

Professional charges on a commercial basis amounting to £2,364 (2020: £307) were invoiced to the company during the year.