

Company Registration No. IP032290 (England and Wales)

EXETER COMMUNITY ENERGY LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023

EXETER COMMUNITY ENERGY LIMITED

COMPANY INFORMATION

Directors

A Mumford
T Bowers
D Thompson
A Extance
D Bacon
F Mosley
P Sumaria
I Elliot (Appointed 19 October 2022)
E Sueref (Appointed 19 October 2022)
G Booth (Appointed 30 May 2023)

Secretary D Thompson

Company number IP032290

Registered office

Bradninch Court
Regen
Castle Street
Exeter
Devon
EX4 3PL

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 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

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 period to 31 March 2023 show a surplus of £3,470, This has turned the surplus of £11,949 at the the start of the period to a surplus of £15,419 at the end of the period. This surplus is after taking account of the proposed 5% interest payment on members' shares.

This is the fifth successive year in which ECOE has made a surplus. There has been an increase in turnover in the year of 33% increasing total net turnover (excluding grants and donations) from £210,097 to £279,728. The increase in turnover was driven by the Healthy Homes for Wellbeing project which saw an increase in home visits of 54% and the provision of services increased by 152%.

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. ECOE will continue to seek to use surplus funds to repay 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.

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 £5,000 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:

A Mumford	
T Bowers	
D Thompson	
A Extance	
T Crawford	(Resigned 6 July 2022)
S Ryder	(Resigned 6 July 2022)
L Hill	(Resigned 15 January 2023)
D Bacon	
F Mosley	
P Sumaria	
I Elliot	(Appointed 19 October 2022)
E Sueref	(Appointed 19 October 2022)
G Booth	(Appointed 30 May 2023)

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

EXETER COMMUNITY ENERGY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

On behalf of the board

.....
A Mumford
Director

.....
I Elliot
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 period ended 31 March 2023 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

.....

21 Heavitree Road
Exeter
Devon
EX1 2LD

EXETER COMMUNITY ENERGY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Year ended 31 March 2023 £	Period ended 31 March 2022 £
Turnover		279,728	210,097
Cost of sales		(355,493)	(197,004)
		<hr/>	<hr/>
Gross (loss)/profit		(75,765)	13,093
Administrative expenses		(27,492)	(19,915)
Other operating income		128,399	42,230
		<hr/>	<hr/>
Operating profit		25,142	35,408
Interest receivable and similar income		250	54
Interest payable and similar expenses		(21,922)	(19,472)
		<hr/>	<hr/>
Profit before taxation		3,470	15,990
Tax on profit	3	-	-
		<hr/>	<hr/>
Profit for the financial year		3,470	15,990
		<hr/> <hr/>	<hr/> <hr/>

EXETER COMMUNITY ENERGY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 February 2021		352,900	(4,041)	348,859
Period ended 31 March 2022:				
Profit and total comprehensive income for the period		-	15,990	15,990
Issue of share capital	9	250	-	250
Redemption of shares	9	(27,400)	-	(27,400)
Balance at 31 March 2022		325,750	11,949	337,699
Period ended 31 March 2023:				
Profit and total comprehensive income for the period		-	3,470	3,470
Issue of share capital	9	200	-	200
Redemption of shares	9	(3,300)	-	(3,300)
Balance at 31 March 2023		322,650	15,419	338,069

EXETER COMMUNITY ENERGY LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	4		324,513		348,703
Current assets					
Stocks		880		-	
Debtors	5	90,121		53,593	
Cash at bank and in hand		226,804		196,263	
		<u>317,805</u>		<u>249,856</u>	
Creditors: amounts falling due within one year	6	(205,149)		(148,260)	
Net current assets			<u>112,656</u>		<u>101,596</u>
Total assets less current liabilities			437,169		450,299
Creditors: amounts falling due after more than one year	8		(99,100)		(112,600)
Net assets			<u>338,069</u>		<u>337,699</u>
Capital and reserves					
Called up share capital	9	322,650		325,750	
Profit and loss reserves		15,419		11,949	
Total equity			<u>338,069</u>		<u>337,699</u>

For the financial year ended 31 March 2023 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 MARCH 2023

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

.....
D Thompson
Director and Secretary

.....
A Mumford
Director

.....
I Elliot
Director

Company Registration No. IP032290

EXETER COMMUNITY ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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 Bradninch Court, Regen, Castle Street, Exeter, Devon, EX4 3PL.

1.1 Reporting period

The comparative reporting period was extended to 14 months. This reporting period is 12 months and hence not entirely comparable.

1.2 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.

1.3 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.

1.4 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
Computer equipment	3 years straight line

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.

EXETER COMMUNITY ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 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.

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.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 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.

1.8 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.

EXETER COMMUNITY ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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.

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.

1.9 Equity instruments

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

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 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.

1.12 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 MARCH 2023

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

The company has estimated losses of £249,505 (2022: £272,795) available for carry forward against future trading profits.

On the basis of these financial statements, no provision has been made for corporation tax (2022: none).

4 Tangible fixed assets

	Plant and machinery £	Computer equipment £	Total £
Cost			
At 1 April 2022	475,801	1,689	477,490
Additions	-	249	249
	<hr/>	<hr/>	<hr/>
At 31 March 2023	475,801	1,938	477,739
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
At 1 April 2022	128,499	288	128,787
Depreciation charged in the year	23,793	646	24,439
	<hr/>	<hr/>	<hr/>
At 31 March 2023	152,292	934	153,226
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 March 2023	323,509	1,004	324,513
	<hr/>	<hr/>	<hr/>
At 31 March 2022	347,302	1,401	348,703
	<hr/>	<hr/>	<hr/>

Plant and machinery includes a solar PV installation at The Beacon Community Centre with a net book value of £22,384. One license (out of three) has not been obtained in respect of this installation. No impairment in value has been recognised in these financial statements as the risk of any consequences arising from this situation is considered by the directors to be low.

EXETER COMMUNITY ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5 Debtors		2023	2022
Amounts falling due within one year:		£	£
Trade debtors		69,802	31,270
Other debtors		1,386	-
Prepayments and accrued income		18,933	22,323
		<u>90,121</u>	<u>53,593</u>
6 Creditors: amounts falling due within one year		2023	2022
	Notes	£	£
Trade creditors		45,366	25,788
Other taxation and social security		20,201	12,647
Deferred income		32,787	-
Other creditors		75,000	75,000
Accruals and deferred income		31,795	34,825
		<u>205,149</u>	<u>148,260</u>
7 Loans and overdrafts		2023	2022
		£	£
Other loans		99,100	112,600
		<u>99,100</u>	<u>112,600</u>
Payable after one year		99,100	112,600
		<u>99,100</u>	<u>112,600</u>
8 Creditors: amounts falling due after more than one year		2023	2022
	Notes	£	£
Other borrowings	7	99,100	112,600
		<u>99,100</u>	<u>112,600</u>
9 Called up share capital		2023	2022
		£	£
Ordinary share capital Issued and fully paid			
322,650 shares (2022: 325,750) of £1 each		322,650	325,750
		<u>322,650</u>	<u>325,750</u>

200 shares were issued at par and 3,300 shares were redeemed at par during the year.