Company Registration number: IP031313

BRISTOL COMMUNITY ENERGY LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

BRISTOL COMMUNITY ENERGY LIMITED

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BRISTOL COMMUNITY ENERGY LIMITED

COMPANY INFORMATION

Chairman	P Thompson
Directors	P Thompson A M O'Brien D A L Bunker D G Hoskins H Ridgeon A Lee D Radice C J Speller D Douglas
Company secretary	H Prentice
Registered office	Happy City Canningford House 38 Victoria St Bristol BS1 6BY
Auditors	Albert Goodman LLP Mary Street House Mary Street Taunton Somerset TA1 3NW

The directors present their strategic report for the year ended 30 April 2019.

Principal activity
The cooperative's principal activties are:

- to enable meaningful cuts in carbon emissions, and reduce dependence on unsustainable sources of energy.

- to fund and implement renewable energy and energy efficient measures, in collaboration with people, communities and businesses.

- to work co-operatively with people and communities to make carbon reduction technologies available to all regardless of financial resources, and support mutual action to respond to the challenges of climate change.

Fair review of the business
This year BEC's generation assets provided satisfactory returns, and the business continued to expand despite continuing negative government policy towards the renewables sector.

We were also pleased to engage Hugh Prentice as our management accountant and company secretary. Hugh has significant experience in the community energy sector.

Solar
a) We completed another solar rooftop installation. At 138kW it's our largest one to date.

b) Last year we reported a serious fire at South Bristol Sports Centre, where we have a 50kW solar installation. Around two thirds of our panels were destroyed. We made a successful insurance claim for damage and loss of income, and plans are now underway to rebuild the destroyed roofs.

Lovedon Fields Battery
Our 100kW battery installation is currently generating less income than originally forecast, but we are gaining much useful experience about the sector, which is still in its infancy and in constant change.

Netham Weir hydro
We were successful in gaining planning permission and the necessary environmental permits for our hydro scheme at Netham Weir. We submitted our pre-accreditation application for the Feed-in Tariff before the government closed down the scheme, but unfortunately it was not accepted as the cap for hydro schemes had been reached.

Undaunted, we are now developing the scheme as an unsubsidised project, and are mid-way through a crowd-fund to raise the funds required to complete the remaining pre-development work.

Microgrid Foundry
This year we set up a joint venture with a number of other community energy groups to invest in community microgrids. These are being developed by community groups who wish to build their own sustainable housing projects. These combine excellent energy efficiency with on-site renewables, energy storage and smart technology. This enables the residents to get most of their energy from on-site generation, topping up from the grid when needed, and exporting any excess energy to it. No gas boilers are required.

This joint venture is called the Microgrid Foundry. It will de-risk the community groups' projects by investing in the on-site technologies and the grid connection, and run the integrated scheme as a Community Energy Services Company (CESCO). After a few years of successful operation, the residents will have the option of buying the CESCO from the Microgrid Foundry, and running it themselves.

We hope to make our first investments in this exciting venture later this year. Further information is at https://zerowest.org/microgrids-key-to-zero-carbon-homes/

Zero West
We have continued to put significant time into developing Zero West, a collaboration to accelerate the region's zero carbon transition. It was established as a Community Interest Company last year, and individual and organisational membership is available at zerowest.org

Zero West has three inter-related work groups: vision creation, infrastructure projects, and community action:

Vision creation: This group has been researching what the region would really need to do to go zero carbon, working with a range of technical experts and using cutting-edge data modelling. This work is nearing the point where it can be shared with the public, and we plan to work with artists and cultural organisations to produce engaging and moving visions that will inspire hope and action.

Infrastructure projects: This group is fostering and promoting collaborations to accelerate the large-scale roll-out of the technologies we need for our transition. This ranges from floating offshore wind turbines to new-build housing with electric heating, from whole-house, whole-street energy efficiency to local energy supply via aggregated solar on domestic roofs.

Community action: Achieving a zero-carbon future will require buy-in from all sectors of society, and that is the focus of this group. This year we've seen the youth climate strikes, Extinction Rebellion, and wise words from David Attenborough and Mark Carney. Local councils and Parliament have declared climate emergencies, and we now have a national target date for zero carbon. Finally, finally, we seem to be at a tipping point. People want to know what they can do to help, and this group is providing practical things they can do right now.

Community funding
BEC provided a further £25,000 contribution to the "Megawatt Community Energy Fund" grant programme. Fellow energy co-op Low Carbon Gordano also contributed to the Fund, and together we provided funding to 14 community projects:

APE Project CIC
Bedminster Energy Group
Bristol Community Land Trust
Clevedon Community Association
Congresbury Scouts and Guides
Crockerne Primary School
Incredible Edible
Life Cycle UK
Lockleaze Community Orchard
Nailsea School
Sea Mills Community Initiatives
The ReUsery
Ujima Radio
Willsbridge Mill Community Refresh

More details are available at:
http://www.bristolenergy.coop/megawattfund2019.html

Alongside the Megawatt Fund BEC also provided £8,605 to Ambition Lawrence Weston (our partner in the Lawrence Weston solar farm).

Bright Renewables
This year Mongoose Energy took the difficult decision to cease offering its services. It was sad to see because the company had been instrumental in helping BEC to reach its current size.

Mongoose had been providing BEC with asset-management of our solar farms. Other community groups were in a similar situation, so many of them, including BEC, came together to form a new organisation to continue providing this service. It's called Bright Renewables, is 100% community-owned, and BEC is a shareholder. We are pleased with the new arrangement, and the service that is being provided.

Principal risks and uncertainties
Changes to FIT & other energy income rates may adversely affect the turnover of the group. Management strategies are in place to monitor and react to changes in the energy sector and overall economy.

Approved by the Board on 11/9/19 and signed on its behalf by:

A.M.O

A M O'Brien
Director

The directors present their report and the consolidated financial statements for the year ended 30 April 2019.

Directors of the group
The directors who held office during the year were as follows:

P Thompson - Chairman

A M O'Brien

D A L Bunker

D G Hoskins

H Ridgeon (appointed 19 May 2018)

A Lee

D Radice

C J Speller

D Douglas

E Booth (resigned 18 October 2018)

Financial instruments

Objectives and policies
The group is financed through a combination of fixed term borrowing and issued bonds.

Price risk, credit risk, liquidity risk and cash flow risk
The group minimizes its liquidity risk by managing these balances through a combination of cash flow review and regular credit control which ensures that the group can meet its liabilities as they fall due. The group's bankers receive regular information to ensure that the banking facilities are adequately secured which ensures that as far as possible the banking facilities are ongoing.

The group is sensitive to interest rates because of its bank borrowings and maintains a close working relationship with its bankers to ensure that the borrowings are structured appropriately at the lowest rates.

Our turnover is predominantly related to long term agreements for energy production so we have pre-agreed payment terms on most trade debt. We pay our suppliers within agreed payment terms, and in many cases by direct debit to maintain good supplier relationships.

Future Developments
The future developments of the business are included within the strategic report.

Disclosure of information to the auditor
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 11/9/19 and signed on its behalf by:

A M O'Brien
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRISTOL COMMUNITY ENERGY LIMITED

Opinion

We have audited the financial statements of Bristol Community Energy Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2019, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 April 2019 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Albert Goodman LLP

Michael Cahill (Senior Statutory Auditor)
For and on behalf of Albert Goodman LLP, Statutory Auditor

Mary Street House
Mary Street
Taunton
Somerset
TA1 3NW

Date: 23 September 2019

BRISTOL COMMUNITY ENERGY LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2019

	Note	2019 £	(As restated) 2018 £
Turnover		1,273,867	1,056,470
Cost of sales		(470,719)	(546,765)
Gross profit		803,148	509,705
Administrative expenses		(291,280)	(269,686)
Operating profit	3	511,868	240,019
Other interest receivable and similar income	4	2,030	937
Interest payable and similar charges	5	(560,905)	(548,553)
Loss before tax		(47,007)	(307,597)
Taxation	9	-	(15,910)
Loss for the financial year		(47,007)	(323,507)
Profit/(loss) attributable to:			
Owners of the company		(47,007)	(323,507)

BRISTOL COMMUNITY ENERGY LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2019

	2019 £	(As restated) 2018 £
Loss for the year	(47,007)	(323,507)
Total comprehensive income for the year	(47,007)	(323,507)
Total comprehensive income attributable to:		
Owners of the company	(47,007)	(323,507)

BRISTOL COMMUNITY ENERGY LIMITED

(REGISTRATION NUMBER: IP031313)

CONSOLIDATED BALANCE SHEET AS AT 30 APRIL 2019

	Note	2019 £	(As restated) 2018 £
Fixed assets			
Intangible assets	10	1,668,436	1,732,609
Tangible assets	11	7,611,510	7,759,660
Investments	12	44,740	-
		9,324,686	9,492,269
Current assets			
Stocks	13	75,656	24,119
Debtors	14	268,402	226,827
Cash at bank and in hand		629,755	649,753
		973,813	900,699
Creditors: Amounts falling due within one year	16	(2,706,925)	(2,178,363)
Net current liabilities		(1,733,112)	(1,277,664)
Total assets less current liabilities		7,591,574	8,214,605
Creditors: Amounts falling due after more than one year	16	(6,335,247)	(7,211,121)
Net assets		1,256,327	1,003,484
Capital and reserves			
Called up share capital		2,073,124	1,773,274
Profit and loss reserve		(816,797)	(769,790)
Equity attributable to owners of the company		1,256,327	1,003,484
Total equity		1,256,327	1,003,484

Approved and authorised by the Board on 11/9/19 and signed on its behalf by:

P Thompson	A M O'Brien	D A L Bunker
Chairman	Director	Director

BRISTOL COMMUNITY ENERGY LIMITED

(REGISTRATION NUMBER: IP031313)

BALANCE SHEET AS AT 30 APRIL 2019

	Note	2019 £	(As restated) 2018 £
Fixed assets			
Tangible assets	11	477,600	402,231
Investments	12	1,777,350	1,732,610
		2,254,950	2,134,841
Current assets			
Stocks	13	75,656	24,119
Debtors	14	2,341,511	2,477,751
Cash at bank and in hand		34,893	34,263
		2,452,060	2,536,133
Creditors: Amounts falling due within one year	16	(2,291,499)	(1,842,381)
Net current assets		160,561	693,752
Total assets less current liabilities		2,415,511	2,828,593
Creditors: Amounts falling due after more than one year	16	(921,915)	(1,545,626)
Net assets		1,493,596	1,282,967
Capital and reserves			
Called up share capital		2,073,124	1,773,274
Profit and loss reserve		(579,528)	(490,307)
Total equity		1,493,596	1,282,967

The company made a loss after tax for the financial year of £89,221 (2018 - loss of £143,322).

Approved and authorised by the Board on 11/9/19 and signed on its behalf by:

P Thompson
Chairman

A M O'Brien
Director

D A L Bunker
Director

BRISTOL COMMUNITY ENERGY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2019

	Ordinary share capital	Profit and loss reserve	Total	Total equity
	£	£	£	£
At 1 May 2018	1,773,274	(769,790)	1,003,484	1,003,484
Movement in year:				
Loss for the year	-	(47,007)	(47,007)	(47,007)
Total comprehensive income	-	(47,007)	(47,007)	(47,007)
New share capital subscribed	511,650	-	511,650	511,650
Other share capital movements	(211,800)	-	(211,800)	(211,800)
Total movement for the year	299,850	(47,007)	252,843	252,843
At 30 April 2019	2,073,124	(816,797)	1,256,327	1,256,327

BRISTOL COMMUNITY ENERGY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2019

	Ordinary share capital £	Profit and loss reserve £	Total £	Total equity £
At 1 May 2017	1,148,574	(446,283)	702,291	702,291
Movement in year:				
Loss for the year	-	(323,507)	(323,507)	(323,507)
Total comprehensive income	-	(323,507)	(323,507)	(323,507)
New share capital subscribed	624,700	-	624,700	624,700
Total movement for the year	624,700	(323,507)	301,193	301,193
At 30 April 2018	1,773,274	(769,790)	1,003,484	1,003,484

BRISTOL COMMUNITY ENERGY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2019

	Ordinary share capital £	Profit and loss reserve £	Total £
At 1 May 2018	1,773,274	(490,307)	1,282,967
Movement in year:			
Loss for the year	-	(89,221)	(89,221)
Total comprehensive income	-	(89,221)	(89,221)
New share capital subscribed	511,650	-	511,650
Other share capital movements	(211,800)	-	(211,800)
	299,850	(89,221)	210,629
At 30 April 2019	2,073,124	(579,528)	1,493,596

BRISTOL COMMUNITY ENERGY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2019

	Ordinary share capital £	Profit and loss reserve £	Total £
At 1 May 2017	1,148,574	(346,985)	801,589
Movement in year:			
Loss for the year	-	(143,322)	(143,322)
Total comprehensive income	-	(143,322)	(143,322)
New share capital subscribed	624,700	-	624,700
	624,700	(143,322)	481,378
At 30 April 2018	1,773,274	(490,307)	1,282,967

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
Happy City
Canningford House
38 Victoria St
Bristol
BS1 6BY

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are presented in Sterling (£).

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 April 2019.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Going concern

The directors have considered the current financial performance of the company and the net liabilities position. After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group will be profitable resulting in achieving a net asset position in the future and are confident that the company has adequate resources to continue trading for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

Prior period adjustments
Prior period adjustments are accounting adjustments arising from reflecting the maturity dates of loans and borrowings and reclassifying expenses. The change is applied retrospectively as if the loan maturity and profit and loss classification had always been applied.

Turnover recognition
Turnover comprises the fair value of the consideration received or receivable for the generation of electricity in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

Tax
The tax expense for the period comprises tax. Tax is recognised in the profit and loss account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Tangible assets
Tangible assets are stated at cost, less accumulated depreciation and accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation
Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	straight line over 15 to 27 years
Tools and equipment	33% straight line

Goodwill
Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation
Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Straight Line over 27 years

Investments
Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Investment in associates
Investments in associates are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Inventories
The cost of work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the projects to their present location and condition. Development costs on new projects are carried forward to the extent that they are deemed recoverable. At each reporting date, projects are assessed for impairment. If projects are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Assets held under hire purchase agreements are capitalised as tangible fixed assets with the future obligation being recognised as a liability. Finance costs are recognised in the Profit and Loss Account calculated at a constant periodic rate of interest over the term of the liability.

Reserves
Called up share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period profits and losses.

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation
The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payments obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

3 Operating profit

Arrived at after charging/(crediting):

	2019 £	2018 £
Depreciation expense	239,915	335,091
Amortisation expense	64,173	-
Loss on disposal of property, plant and equipment	12,574	-

4 Other interest receivable and similar income

	2019	2018
	£	£
Interest income on bank deposits	2,030	937

5 Interest payable and similar expenses

	2019	2018
	£	£
Interest on bank overdrafts and borrowings	317,296	322,400
Interest expense on other finance liabilities	243,609	226,153
	560,905	548,553

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2019	2018
	£	£
Wages and salaries	76,031	62,086
Social security costs	3,157	2,111
Pension costs, defined contribution scheme	2,659	3,320
Other employee expense	805	604
	82,652	68,121

Staff numbers

The average number of persons employed by the group (including directors) during the year was 11 (2018: 12).

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019	2018
	£	£
Remuneration	52,498	40,883
Contributions paid to money purchase schemes	1,980	2,044
	54,478	42,927

8 Auditors' remuneration

	2019	2018
	£	£
Audit of these financial statements	10,050	9,081

9 Taxation

Tax charged/(credited) in the profit and loss account:

	2019 £	2018 £
Current taxation		
UK corporation tax	-	15,910

10 Intangible assets

Group

	Goodwill £	Total £
Cost or valuation		
At 1 May 2018	1,732,609	1,732,609
At 30 April 2019	1,732,609	1,732,609
Amortisation		
Amortisation charge	64,173	64,173
At 30 April 2019	64,173	64,173
Carrying amount		
At 30 April 2019	1,668,436	1,668,436
At 30 April 2018	1,732,609	1,732,609

11 Tangible assets

Group

	Equipment £	Plant and machinery £	Assets under construction £	Total £
Cost or valuation				
At 1 May 2018	1,443	8,362,998	113,763	8,478,204
Additions	-	107,051	30,746	137,797
Disposals	-	(54,800)	-	(54,800)
Transfers	-	144,509	(144,509)	-
At 30 April 2019	1,443	8,559,758	-	8,561,201
Depreciation				
At 1 May 2018	939	717,605	-	718,544
Charge for the year	504	241,603	-	242,107
Eliminated on disposal	-	(10,960)	-	(10,960)
At 30 April 2019	1,443	948,248	-	949,691
Carrying amount				
At 30 April 2019	-	7,611,510	-	7,611,510
At 30 April 2018	504	7,645,393	113,763	7,759,660

Company

	Equipment £	Plant and machinery £	Assets under construction £	Total £
Cost or valuation				
At 1 May 2018	1,443	331,664	113,763	446,870
Additions	-	107,051	30,746	137,797
Disposals	-	(54,800)	-	(54,800)
Transfers	-	144,509	(144,509)	-
At 30 April 2019	1,443	528,424	-	529,867
Depreciation				
At 1 May 2018	939	43,700	-	44,639
Charge for the year	504	18,084	-	18,588
Eliminated on disposal	-	(10,960)	-	(10,960)
At 30 April 2019	1,443	50,824	-	52,267
Carrying amount				
At 30 April 2019	-	477,600	-	477,600
At 30 April 2018	504	287,964	113,763	402,231

12 Investments

Company

	2019 £	2018 £
Investments in subsidiaries	1,732,610	1,732,610
Investments in associates	44,740	-
	1,777,350	1,732,610

Subsidiaries	£
Cost or valuation	
At 1 May 2018	1,732,610
Carrying amount	
At 30 April 2019	1,732,610
At 30 April 2018	1,732,610

Associates	£
Cost	
Additions	44,740
Carrying amount	
At 30 April 2019	44,740

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held 2019	2018
Subsidiary undertakings			
SSB Puriton C.I.C	Ordinary	100%	100%
Severn Community Energy One C.I.C	Ordinary	100%	100%
Severn Community Energy Two C.I.C (dormant)	Ordinary	100%	100%
BEC Solar One Limited (dormant)	Ordinary	100%	100%
Associates			
Microgrid Foundry Limited	Ordinary	25%	0%
COAM Members Limited	Ordinary	20%	0%

13 Stocks

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Work in progress	75,656	24,119	75,656	24,119

14 Debtors

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	88,038	5,216	1,886	2,905
Amounts owed by group undertakings	-	-	2,327,272	2,432,807
Other debtors	15,596	13,593	7,696	13,593
Prepayments	164,768	208,018	4,657	28,446
Total current trade and other debtors	268,402	226,827	2,341,511	2,477,751

15 Cash and cash equivalents

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Cash at bank	629,755	649,753	34,893	34,263

16 Creditors

	Note	Group	Group (As restated)	Company	Company (As restated)
		2019	2018	2019	2018
		£	£	£	£
Due within one year					
Loans and borrowings	18	2,451,216	1,905,115	2,198,289	1,700,780
Trade creditors		112,470	30,730	18,177	4,584
Social security and other taxes		10,259	-	5,722	-
Other creditors		4,338	239	4,338	239
Accrued expenses		128,635	242,272	64,966	136,771
Corporation tax	9	7	7	7	7
		2,706,925	2,178,363	2,291,499	1,842,381
Due after one year					
Loans and borrowings	18	6,335,247	7,211,121	921,915	1,545,626

17 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £2,659 (2018 - £3,320).

18 Loans and borrowings

	Group (As restated)		Company (As restated)	
	2019 £	2018 £	2019 £	2018 £
Current loans and borrowings				
Bank borrowings	261,716	231,515	8,789	27,180
Other borrowings	2,189,500	1,673,600	2,189,500	1,673,600
	2,451,216	1,905,115	2,198,289	1,700,780

	Group (As restated)		Company (As restated)	
	2019 £	2018 £	2019 £	2018 £
Non-current loans and borrowings				
Bank borrowings	5,558,743	5,764,617	145,411	99,122
Other borrowings	776,504	1,446,504	776,504	1,446,504
	6,335,247	7,211,121	921,915	1,545,626

Group

Bank borrowings

Bonds 1, 2 and 3 are denominated in sterling with a nominal interest rate of 5% and repayable on demand. The balance at the year end is £2,189,500 (2018 - £2,343,600).

Bond 4 is denominated in sterling with a nominal interest rate of 4.5%. The balance at the year end is £776,504 (2018 - £776,504).

Other loan 1 is denominated in sterling with a nominal interest charge of 6% and repayable in instalments. The balance at the year end is £13,260 (2018 - £13,260).

Other loan 2 is denominated in sterling with a nominal interest rate of 5% and repayable in instalments. The balance at the year end is £50,000 (2018 - £nil).

Other loan 3 is denominated in sterling with a nominal interest rate of 5% and repayable in instalments. The balance at the year end is £85,862 (2018 - £89,392).

Other loan 4 is denominated in sterling with a nominal interest rate of 6% and repayable in instalments. The balance at the year end is £5,078 (2018 - £nil).

Bank loan 1 is denominated in sterling with a nominal interest rate of 8% and repayable in instalments. The balance at the year end is £824,448 (2018 - £824,000).

Bank loan 2 is denominated in sterling with a nominal interest rate of 3.5% - 4.275% and repayable in instalments. The balance at the year end is £ 2,401,937 (2018 - £2,500,000).

Bank loan 3 is denominated in sterling with a nominal interest rate of 3% above libor and repayable in instalments. The balance at the year end is £2,439,874 (2018 - £2,545,830).

Loans and borrowings are secured by fixed and floating charges over all present and future assets of the group.

19 Commitments

Group

Other financial commitments

The total amount of other financial commitments not provided in the financial statements was £2,330,395 (2018 - £2,344,667).

The commitment is in respect of the rental and easement leases in relation to the subsidiary sites at SSB Puriton CIC and Severn Community Energy One CIC on which the companies constructed a solar park. These leases were signed in 2016 for terms of 25 to 30 years.

The above commitment has been calculated to uplift the initial rent to reflect an increase in the retail prices index (RPI). The operating lease commitment shown above assumes the RPI will rise by 3% per annum over the remaining lease terms.

20 Financial guarantee

Company
The company has provided a guarantee to secure the amounts due to the banks in repsect of its subsidiaries. As at 30 April 2019, subsidiary bank borrowing guaranteed by the company amounts to £5,666,259 (2018 - £5,869,830).

21 Related party transactions

Group

Key management personnel
Directors

Summary of transactions with key management
Directors remuneration is disclosed in note 7.

22 Prior period adjustments

1. Following a review of loan documentation, it has been identified that the maturity analysis as previously stated in the accounts did not reflect the true position of the loans. Loans and borrowings are now reclassified between creditors in one year and creditors over one year in relation to their maturity, with no impact on the net asset position.

The effect of the change to the group is to increase creditors due within one year by £1,229,045 from £949,318 to £2,178,363 and decrease creditors due over one year by £1,229,045 from £8,440,166 to £7,211,121. This restatement has led to net current liabilities of £1,277,664 in the balance sheet at 30 April 2018.

The effect of the change to the company is to increase creditors due within one year by £1,700,780 from £141,601 to £1,842,381 and decrease creditors due over one year by £1,700,780 from £3,246,406 to £1,545,626. This restatement has led to net current assets of £693,752 in the balance sheet at 30 April 2018.

2. The allocation of costs between cost of sales and administration expenses was not consistently applied across the the group in 2018. In order to improve the comparability of the accounts, adjustments have been made between cost of sales and administrative expenses with no net effect on the operating profit.

The effect of the change to the group is to increase cost of sales by £103,206 from £443,559 to £546,765 and to decrease administrative expenses by £103,206 from £372,892 to £269,686.