

**Bristol Community Energy Limited**  
**Financial Statements**  
**30 April 2018**

**ELLIOTT BUNKER LIMITED**  
Chartered Accountants & statutory auditor  
61 Macrae Road  
Ham Green  
Bristol  
BS20 0DD

# Bristol Community Energy Limited

## Financial Statements

Year ended 30 April 2018

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# Bristol Community Energy Limited

## Officers and Professional Advisers

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### The board of directors

Peter Thompson - Chairman  
Andy O'Brien - Secretary  
Andrew Lee - Director  
Eric Booth - Director  
Chris Speller - Director  
Gareth Hoskins - Director  
Daniella Radice - Director  
Deborah Douglas - Director  
David Bunker – Director  
Henrietta Ridgeon (appointed 19 May 2018)

### Company secretary

Andy O'Brien

### Registered office

Overmoor Farm  
Neston  
Corsham  
Wiltshire  
SN13 9TZ

### Auditor

Elliott Bunker Limited  
Chartered Accountants & statutory auditor  
61 Macrae Road  
Ham Green  
Bristol  
BS20 0DD

# Bristol Community Energy Limited

## Directors' Report *(continued)*

### Year ended 30 April 2018

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The directors present their report and the financial statements of the group for the year ended 30 April 2018.

#### Principal activities

The cooperative's principal activities 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.

#### Directors

The directors who served the society during the year were as follows:

Peter Thompson  
Andy O'Brien  
Andrew Lee  
Jeff Kenna (resigned 10 May 2017)  
Eric Booth  
Chris Speller  
Gareth Hoskins  
Daniella Radice  
Deborah Douglas  
David Bunker

## FINANCIAL AND BUSINESS REVIEW

In the year to April 2018 BEC's generation assets provided satisfactory returns, in particular the Puriton solar farm performed above expectations, while the Lawrence Weston solar farm performed slightly below expectations, due in part to shading issues that are being addressed. Our roof-mounted generation assets continued to perform as expected. BEC successfully executed share and bond issues to complete the financing of the solar farm projects, and started the process of identifying longer-term and lower-cost finance to replace the short-term bonds. BEC actively researched new ways for the business to continue to expand despite the substantial withdrawal of government subsidies, including acquiring wind assets, grid-attached battery storage, smart grids and hydro.

At the time of preparing these accounts, we are very pleased that our first battery storage project (a 100kW Tesla battery at a new housing development) should be live within weeks, and we are currently working up another larger battery scheme

In October 2018 we will also be submitting a planning application for a £2 million hydro scheme in central Bristol.

Alongside this we are continuing to seek roofs for additional solar projects. This has taken on a particular urgency given the government's current illogical proposals to close the Feed-in Tariff (FiT) scheme for renewables schemes like these in April 2019.

# Bristol Community Energy Limited

## Directors' Report *(continued)*

Year ended 30 April 2018

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### *Wider collaborations*

We have also continued to invest some resource this year in scaling up the low-carbon activity in the greater Bristol region. Almost two years ago we initiated a collaborative project aiming to “accelerate the transition to a low carbon society in the West of England”. This is bringing together renewables developers, community groups, the four West of England local authorities, financiers, lawyers, IT specialists, PR companies, and other interested parties.

The initiative has been well received, and working groups for project development, finance, and public engagement have been running for some time. Last April the initiative was formally established as “Zero West”, a Community Interest Company. A membership structure for the new organisation is currently being finalised, for organisations and individuals.

Zero West is currently collaborating with partners in Wales and South West England on larger regional projects such as marine energy. As part of this work it has developed a consortium of organisations in South West England and Wales which aims to develop offshore wind capacity in the region. This is very timely as the Crown Estate is currently consulting on making additional offshore wind farm sites available for development.

### *Community funding*

We were very pleased with the number of applications made to the first round of BEC’s “Megawatt Community Energy Fund” grant programme. £50,000 had been allocated to this round, and we aim to hold a round each year provided our schemes generate sufficient income – please see the related resolution at this year’s AGM.

Projects supported in the first round included a community vegetable garden in Knowle; energy awareness feasts in Lockleaze; a children's bike exchange programme in St Paul's; energy advice to vulnerable people in South Gloucestershire; arts and crafts sessions in Hartcliffe which re-purpose waste materials; energy awareness days for older women from the South Asian community; solar panels for a Southville community centre; a low-carbon community housing project in Lockleaze; and household heat surveys and energy efficiency advice in Knowle West. The full list of supported projects is at:

[www.bristolenergy.coop/megawattawards2017.html](http://www.bristolenergy.coop/megawattawards2017.html)

Alongside the Megawatt fund BEC also provided the following community funding in the financial year:

- £2,500 to SolarAid for overseas projects.
- £8,400 to Ambition Lawrence Weston (our partner in the Lawrence Weston solar farm).
- £5,000 to a bursary fund to support research in the West of England into sustainable energy and climate change. BEC and the Centre for Sustainable Energy jointly funded the bursary, and two projects were selected – see [www.bserf.org.uk/funded-projects](http://www.bserf.org.uk/funded-projects)

# Bristol Community Energy Limited

## Directors' Report *(continued)*

Year ended 30 April 2018

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### Director's responsibilities statement

The Directors are responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society legislation 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 Co-operative and Community Benefit Society legislation the officers 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 society and the profit or loss of the society for that period.

In preparing these financial statements, the Director's are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

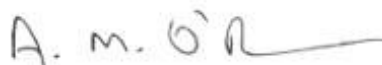
### Auditor

Each of the persons who is an officer at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the society's auditor is unaware; and
- they have taken all steps that they ought to have taken as an officer to make themselves aware of any relevant audit information and to establish that the society's auditor is aware of that information.

The auditor is re-appointed in accordance with section 93 of the Co-operative and Community Benefit Societies Act 2014.

This report was approved by the management committee on 2nd October 2018 and signed on behalf of the board by:



Andy O'Brien

Registered office:  
Overmoor Farm  
Neston  
Corsham  
Wiltshire  
SN13 9TZ

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# **Bristol Community Energy Limited**

## **Independent Auditor's Report to Bristol Community Energy Limited**

**Year ended 30 April 2018**

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### **Opinion**

We have audited the consolidated financial statements of Bristol Community Energy Limited (the 'society') for the year ended 31 March 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the society, 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 society those matters we are required to state to it 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 society, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 March 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 respective responsibilities of management committee and auditor section of our report. We are independent of the society 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 management committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the management committee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the society'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.

# Bristol Community Energy Limited

## Independent Auditor's Report to Bristol Community Energy Limited *(continued)*

Year ended 30 April 2018

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### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The management committee is responsible for the other information. 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.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the society and its environment obtained in the course of the audit, we have not identified material misstatements in the management committee report.

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:

- the society has not kept proper books of account or has not maintained a satisfactory system of control over its transactions; or
- the financial statements are not in agreement with the society's books of account; or
- we fail to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

### Respective responsibilities of the management committee and independent accountant

As explained more fully in the management committee's responsibilities statement, the management committee is 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 management committee determines 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 management committee is responsible for assessing the society'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 management committee either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

### Respective responsibilities of management committee and auditor

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.



# Bristol Community Energy Limited

## Independent Auditor's Report to the Members of Bristol Community Energy Limited (continued)

Year ended 30 April 2018

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As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management committee.
- Conclude on the appropriateness of the management committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nicolas Michael FCA (Senior Statutory Auditor)

For and on behalf of  
Elliott Bunker Limited  
Chartered accountant & statutory auditor

61 Macrae Road  
Ham Green  
Bristol  
BS20 0DD

28th September 2018

# Bristol Community Energy Limited

## Consolidated Statement of Comprehensive Income

Year ended 30 April 2018

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|   | Note     | 2018<br>£        | 2017<br>£ |
|---|----------|------------------|-----------|
| <b>Revenue</b>  |          | <b>1,056,470</b> | 905,227   |
| Cost of sales   |          | <b>(443,559)</b> | (380,846) |
| <b>Gross profit</b>   |          | <b>612,911</b>   | 524,381   |
| Administrative expenses   |          | <b>(372,892)</b> | (264,380) |
| <b>Operating profit</b>   | <b>4</b> | <b>240,019</b>   | 260,001   |
| Other interest receivable and similar income                      | <b>7</b> | <b>937</b>       | 1,158     |
| Interest payable and similar expenses                             | <b>8</b> | <b>(548,553)</b> | (504,593) |
| <b>Loss before taxation</b>                                       |          | <b>(307,597)</b> | (243,434) |
| Tax on loss   |          | <b>(15,910)</b>  | –         |
| <b>Loss for the financial year and total comprehensive income</b> |          | <b>(323,507)</b> | (243,434) |

All the activities of the group are from continuing operations.

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The notes on pages 11 to 17 form part of these financial statements.

# Bristol Community Energy Limited

## Consolidated Statement of Financial Position

30 April 2018


|  | Note | 2018<br>£               | 2017<br>£             |
|--|------|-------------------------|-----------------------|
| <b>Fixed assets</b>  |      |                         |                       |
| Tangible assets  | 9    | 7,759,660               | 7,980,989             |
| Investments  | 10   | 1,732,609               | 1,732,609             |
|  |      | <u>9,492,269</u>        | <u>9,713,598</u>      |
| <b>Current assets</b>  |      |                         |                       |
| Stock - Development costs                                      |      | 24,119                  | —                     |
| Debtors  | 11   | 226,827                 | 233,529               |
| Cash at bank and in hand                                       |      | 649,753                 | 1,075,384             |
|  |      | <u>900,699</u>          | <u>1,308,913</u>      |
| <b>Creditors: amounts falling due within one year</b>          | 12   | <u>(949,318)</u>        | <u>(1,109,284)</u>    |
| <b>Net current (liabilities)/assets</b>                        |      | <u>(48,619)</u>         | <u>199,629</u>        |
| <b>Total assets less current liabilities</b>                   |      | <u>9,443,650</u>        | <u>9,913,227</u>      |
| <b>Creditors: amounts falling due after more than one year</b> | 13   | <u>(8,440,166)</u>      | <u>(9,210,936)</u>    |
| <b>Net assets</b>  |      | <u><u>1,003,484</u></u> | <u><u>702,291</u></u> |
| <b>Capital and reserves</b>                                    |      |                         |                       |
| Called up share capital  |      | 1,773,274               | 1,148,574             |
| Profit and loss account  |      | (769,790)               | (446,283)             |
| <b>Members funds</b>   |      | <u><u>1,003,484</u></u> | <u><u>702,291</u></u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 2nd October 2018, and are signed on behalf of the board by:



Peter Thompson  
Chairman



Andy O'Brien  
Secretary



David Bunker  
Director

Company registration number: IP031313

The notes on pages 11 to 17 form part of these financial statements.

**Bristol Community Energy Limited**  
**Consolidated Statement of Changes in Equity**  
**Year ended 30 April 2018**

|   | Called up<br>share capital<br>£ | Profit and<br>loss account<br>£ | <b>Total<br/>£</b>      |
|---|---------------------------------|---------------------------------|-------------------------|
| <b>At 1 May 2016</b>                                    | 933,977                         | (202,849)                       | 731,128                 |
| Loss for the year                                       |                                 | (243,434)                       | (243,434)               |
| <b>Total comprehensive income for the year</b>          | –                               | (243,434)                       | (243,434)               |
| Issue of shares   | 214,597                         | –                               | 214,597                 |
| <b>Total investments by and distributions to owners</b> | 214,597                         | –                               | 214,597                 |
| <b>At 30 April 2017</b>                                 | 1,148,574                       | (446,283)                       | <b>702,291</b>          |
| Loss for the year                                       |                                 | (323,507)                       | (323,507)               |
| <b>Total comprehensive income for the year</b>          | –                               | (323,507)                       | <b>(323,507)</b>        |
| Issue of shares   | 624,700                         | –                               | <b>624,700</b>          |
| <b>Total investments by and distributions to owners</b> | 624,700                         | –                               | <b>624,700</b>          |
| <b>At 30 April 2018</b>                                 | <u>1,773,274</u>                | <u>(769,790)</u>                | <u><b>1,003,484</b></u> |

The notes on pages 11 to 17 form part of these financial statements.

# Bristol Community Energy Limited

## Notes to the Financial Statements

Year ended 30 April 2018

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### 1. General information

The society is a registered society, registered in England and Wales. The address of the registered office is Overmoor Farm, Neston, Corsham, SN13 9TZ, Wiltshire.

### 2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 3. Accounting policies

#### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### Consolidation

The financial statements consolidate the financial statements of Bristol Community Energy Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

#### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

#### Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

# Bristol Community Energy Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 April 2018

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### 3. Accounting policies *(continued)*

#### Income tax *(continued)*

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

#### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

|                     |   |                   |
|---------------------|---|-------------------|
| Plant and machinery | - | 4% straight line  |
| Tools and equipment | - | 33% straight line |

#### Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

#### Investments 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.

# Bristol Community Energy Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 April 2018

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### 3. Accounting policies *(continued)*

#### Investments in joint ventures

Investments in joint ventures 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 joint venture.

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the society are assigned to those units.

#### Stocks

Development costs on new projects are carried forward to the extent that they are deemed recoverable.

#### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### Financial instruments

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

# Bristol Community Energy Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 April 2018

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### 3. Accounting policies *(continued)*

#### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### Going Concern

The financial statements have been prepared on a going concern basis. The Statement of Financial Position currently shows net current liabilities. This is due to the maturity of certain bonds falling within one year. The reality is that the majority of such bonds are likely to be rolled on to the following year. In addition, the group is in the process of refinancing its operations and the directors, having carefully considered future cash flows, are confident that the group will continue to meet its financial obligations. The directors conclude that it is appropriate to prepare these financial statements under the going concern principle.

### 4. Operating profit

Operating profit or loss is stated after charging:

|                                 | 2018           | 2017           |
|---------------------------------|----------------|----------------|
|                                 | £              | £              |
| Depreciation of tangible assets | 335,091        | 299,790        |
| Operating lease rentals         | 31,945         | 31,712         |
|                                 | <u>367,036</u> | <u>331,502</u> |

### 5. Auditor's remuneration

|  | 2018         | 2017         |
|--|--------------|--------------|
|  | £            | £            |
| Fees payable for the audit of the financial statements | 9,000        | 8,500        |
|  | <u>9,000</u> | <u>8,500</u> |

### 6. Particulars of employees

The average number of persons employed by the society during the year amounted to 3 (2017: 3).

### 7. Other interest receivable and similar income

|                                       | 2018       | 2017         |
|---------------------------------------|------------|--------------|
|                                       | £          | £            |
| Interest on cash and cash equivalents | 13         | 23           |
| Interest on bank deposits             | 924        | 1,135        |
|                                       | <u>937</u> | <u>1,158</u> |

### 8. Interest payable and similar expenses

|  | 2018           | 2017           |
|--|----------------|----------------|
|  | £              | £              |
| Interest on banks loans and overdrafts | 314,587        | 307,724        |
| Interest payable - other loans         | 7,814          | -              |
| Interest on bonds                      | 182,932        | 171,287        |
| Interest payable to shareholders       | 43,220         | 25,582         |
|  | <u>548,553</u> | <u>504,593</u> |

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# Bristol Community Energy Limited

## Notes to the Financial Statements (continued)

Year ended 30 April 2018

### 9. Tangible assets

|                         | Plant and<br>machinery<br>£ | Assets under<br>construction<br>£ | Equipment<br>£ | Total<br>£              |
|-------------------------|-----------------------------|-----------------------------------|----------------|-------------------------|
| <b>Cost</b>             |                             |                                   |                |                         |
| At 1 May 2017           | 8,362,998                   | –                                 | 1,443          | <b>8,364,441</b>        |
| Additions               | –                           | 113,763                           | –              | <b>113,763</b>          |
| <b>At 30 April 2018</b> | <u>8,362,998</u>            | <u>113,763</u>                    | <u>1,443</u>   | <u><b>8,478,204</b></u> |
| <b>Depreciation</b>     |                             |                                   |                |                         |
| At 1 May 2017           | 382,848                     | –                                 | 605            | <b>383,453</b>          |
| Charge for the year     | 334,757                     | –                                 | 334            | <b>335,091</b>          |
| <b>At 30 April 2018</b> | <u>717,605</u>              | <u>–</u>                          | <u>939</u>     | <u><b>718,544</b></u>   |
| <b>Carrying amount</b>  |                             |                                   |                |                         |
| <b>At 30 April 2018</b> | <u>7,645,393</u>            | <u>113,763</u>                    | <u>504</u>     | <u><b>7,759,660</b></u> |
| At 30 April 2017        | <u>7,980,150</u>            | <u>–</u>                          | <u>838</u>     | <u>7,980,988</u>        |

### 10. Investments

|                                  | Shares in<br>group<br>undertakings<br>£ |
|----------------------------------|---|
| <b>Goodwill on consolidation</b> |   |
| At 1 May 2017 and 30 April 2018  | <u>1,732,609</u>                        |
| <b>Impairment</b>                |   |
| At 1 May 2017 and 30 April 2018  | <u>–</u>                                |
| <b>Carrying amount</b>           |   |
| At 1 May 2017 and 30 April 2018  | <u>1,732,609</u>                        |
| At 30 April 2017                 | <u>1,732,609</u>                        |

#### Subsidiaries, associates and other investments

Details of the investments in which the group has an interest of 20% or more are as follows:

| Subsidiary undertakings                     | Class of share | Percentage of<br>shares held |
|---|----------------|------------------------------|
| SSB Puriton C.I.C                           | Ordinary       | 100                          |
| Severn Community Energy One C.I.C           | Ordinary       | 100                          |
| Severn Community Energy Two C.I.C (dormant) | Ordinary       | 100                          |
| BEC Solar One Limited (dormant)             | Ordinary       | 100                          |

# Bristol Community Energy Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 April 2018

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### 11. Debtors

|               | 2018           | 2017           |
|---------------|----------------|----------------|
|               | £              | £              |
| Trade debtors | 5,216          | 11,886         |
| Other debtors | <u>221,611</u> | <u>221,643</u> |
|               | <u>226,827</u> | <u>233,529</u> |

### 12. Creditors: amounts falling due within one year

|                                 | 2018           | 2017             |
|---------------------------------|----------------|------------------|
|                                 | £              | £                |
| Trade creditors                 | 30,730         | 69,555           |
| Corporation tax                 | 7              | 7                |
| Social security and other taxes | 239            | 17,350           |
| Other loans and maturing bonds  | 676,070        | –                |
| Other creditors                 | <u>242,272</u> | <u>1,022,372</u> |
|                                 | <u>949,318</u> | <u>1,109,284</u> |

### 13. Creditors: amounts falling due after more than one year

|                           | 2018             | 2017             |
|---------------------------|------------------|------------------|
|                           | £                | £                |
| Bank loans and overdrafts | 5,973,062        | 5,783,336        |
| Other creditors- Bonds    | <u>2,467,104</u> | <u>3,427,600</u> |
|                           | <u>8,440,166</u> | <u>9,210,936</u> |

Loans falling due within and after more than one year are secured on the Society's assets.

### 14. Deferred tax

The deferred tax account consists of the tax effect of timing differences in respect of:

|                                | 2018             | 2017             |
|--------------------------------|------------------|------------------|
|                                | £                | £                |
| Accelerated capital allowances | 174,000          | 137,929          |
| Unused tax losses              | <u>(174,000)</u> | <u>(153,839)</u> |
|                                | <u>–</u>         | <u>(15,910)</u>  |

### 15. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £3,320 (2017: £1,035).

# Bristol Community Energy Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 April 2018

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### 16. Financial instruments at fair value

Financial instruments measured at amortised cost

Unsecured Solar Bonds £3,120,104 (2017 : £2,636,600)

### 17. Share capital

During the year, 624,700 £1 shares were issued.

The purpose of the offer was to raise funds to:

- Consolidate finances by increasing the number of shareholders in the business
- Continue building more community energy projects to decarbonise energy use and further the Society's aim of accelerating the transition to a more sustainable society.

There are two classes of shares with a nominal value of £1 per share. All members of the society have one vote regardless of how many shares are held. Class A shares may be withdrawn subject to Board approval and availability of funds. Class B shares were created specially and issued to a specific investor to assist with the financing of one of the subsidiaries, Severn Community Energy Once CIC.

As a Community Benefit Society no dividends will be distributed but the Board of Directors will be recommending the payment of interest to shareholders with effect from the point of issue of Share certificates at a rate of interest of 5% per annum.

### 18. Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

|                    | 2018             | 2017             |
|--------------------|------------------|------------------|
|                    | £                | £                |
| Later than 5 years | <u>1,350,100</u> | <u>1,379,400</u> |

### 19. Contingencies

The society has given guarantees in respect of the borrowings from banks and other institutional lenders of its subsidiaries, Severn Community Energy One C.I.C. and SSB Puriton C.I.C as at April 30, 2018.

These guarantees are secured by charges dated December 11, 2015 and April 15, 2016 on the present and future assets of the society.