

BEC FINANCE REVIEW 2021/2022



Bristol Energy Cooperative

BEC FINANCE REVIEW 2021/2022

Executive summary

- 2021/2022 was a year of solid performance for BEC.
- We continued to navigate our way through the Covid-19 epidemic, swiftly followed by the emerging energy crisis.
- We increased our staff numbers, and made significant progress on our project development, collaborations and relationship-building.
- We also ran our eighth community share offer. This raised £1.3 million and brought the number of BEC members past 1500.
- In addition, we began to assess how we could boost BEC's funding through impact investment.

PROFIT & LOSS

BRISTOL COMMUNITY ENERGY LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2022

	Note	2022 £	2021 £
Turnover		1,261,020	1,252,591
Cost of sales		<u>(543,720)</u>	<u>(556,886)</u>
Gross profit		717,300	695,705
Administrative expenses		(366,072)	(537,547)
Other operating income		<u>20,036</u>	<u>8,511</u>
Operating profit	3	371,264	166,669
Other interest receivable and similar income	4	28,305	704
Interest payable and similar charges	5	(495,657)	(463,487)
Exceptional item		<u>5</u>	<u>(776)</u>
Loss before tax		<u>(96,083)</u>	<u>(296,890)</u>
Loss for the financial year		<u>(96,083)</u>	<u>(296,890)</u>
Profit/(loss) attributable to:			
Owners of the company		<u>(96,083)</u>	<u>(296,890)</u>

TURNOVER

Consolidated turnover increased slightly to £1.26m, compared to £1.25m in 2020/21.

Around 95% of this income came from our two ground-mounted solar farms.

The increase was largely due to annual RPI indexing of Feed-In Tariffs for our solar projects.

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GROSS PROFIT

Gross profit increased by 3% year-on-year, rising from £696K to £717K.

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ADMIN EXPENSES

Administrative expenses (£366K) decreased sharply compared with 2020/21 (£538K).

This is largely because there were none of the one-off financing fees that applied in the previous year.

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- Employment costs increased by £16k to £133k.
- Includes £19K of share offer costs.



Bristol Energy Cooperative

Growing our team, increasing our impact, accelerating the transition to net zero.



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- Includes £19K of share offer costs
- Community fund payments of £34k

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We contributed £25k into the Megawatt Community Energy Fund and £9k to Ambition Lawrence Weston

OPERATING PROFIT

Operating profit increased by £204K
to £371K.

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INTEREST PAYABLE

Interest charges increased by £32K since last year.

This is because interest started accruing on the Share Offer 7 investments from 01/09/21.

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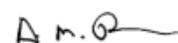
INTEREST PAYABLE

£546K reduction in bank loan balances (in accordance with facility terms) and bond debt since prior year.

BRISTOL COMMUNITY ENERGY LIMITED
 (REGISTRATION NUMBER: IP031313)
 CONSOLIDATED BALANCE SHEET AS AT 30 APRIL 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	9	1,475,916	1,540,089
Tangible assets	10	6,678,485	7,027,164
Investments	11	113,864	79,118
Other financial assets	12	-	34,741
		<u>8,268,265</u>	<u>8,681,112</u>
Current assets			
Stocks	13	177,536	84,147
Debtors: amounts falling due within one year	14	563,703	513,861
Debtors: amounts falling due within one year		1,007,688	-
Cash at bank and in hand		<u>1,758,863</u>	<u>2,251,839</u>
	14	<u>3,507,790</u>	<u>2,849,847</u>
Creditors: Amounts falling due within one year	16	<u>(2,952,280)</u>	<u>(3,256,457)</u>
Net current assets/(liabilities)		<u>555,510</u>	<u>(406,610)</u>
Total assets less current liabilities		<u>8,823,775</u>	<u>8,274,502</u>
Creditors: Amounts falling due after more than one year	16	<u>(5,566,695)</u>	<u>(5,667,675)</u>
Net assets		<u>3,257,080</u>	<u>2,606,827</u>
Capital and reserves			
Called up share capital		4,852,366	4,106,030
Profit and loss account		<u>(1,595,286)</u>	<u>(1,499,203)</u>
Equity attributable to owners of the company		<u>3,257,080</u>	<u>2,606,827</u>
Shareholders' funds		<u>3,257,080</u>	<u>2,606,827</u>

Approved and authorised by the Board on 12/10/2022 and signed on its behalf by:


 A M O'Brien
 Company secretary and director


 P Thompson
 Chairman


 C J Speller
 Director

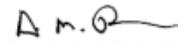
BALANCE SHEET

Impact of Share Offer 8

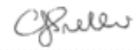
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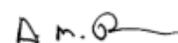
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Fixed assets (held at cost of £8.7m less depreciation of £2m)

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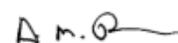
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10 Tangible assets			
Group	Furniture, fittings and equipment £	Plant and machinery £	Total £
Cost or valuation			
At 1 May 2021	1,443	8,676,545	8,677,988
Additions	1,258	3,928	5,186
Disposals	-	(1,673)	(1,673)
At 30 April 2022	2,701	8,678,800	8,681,501
Depreciation			
At 1 May 2021	1,443	1,649,381	1,650,824
Charge for the year	93	351,431	351,524
Eliminated on disposal	-	668	668
At 30 April 2022	1,536	2,001,480	2,003,016
Carrying amount			
At 30 April 2022	1,165	6,677,320	6,678,485
At 30 April 2021	-	7,027,164	7,027,164

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LOSS FOR THE YEAR

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- Assets are depreciated on a straight-line basis and BEC does not revalue its fixed assets.

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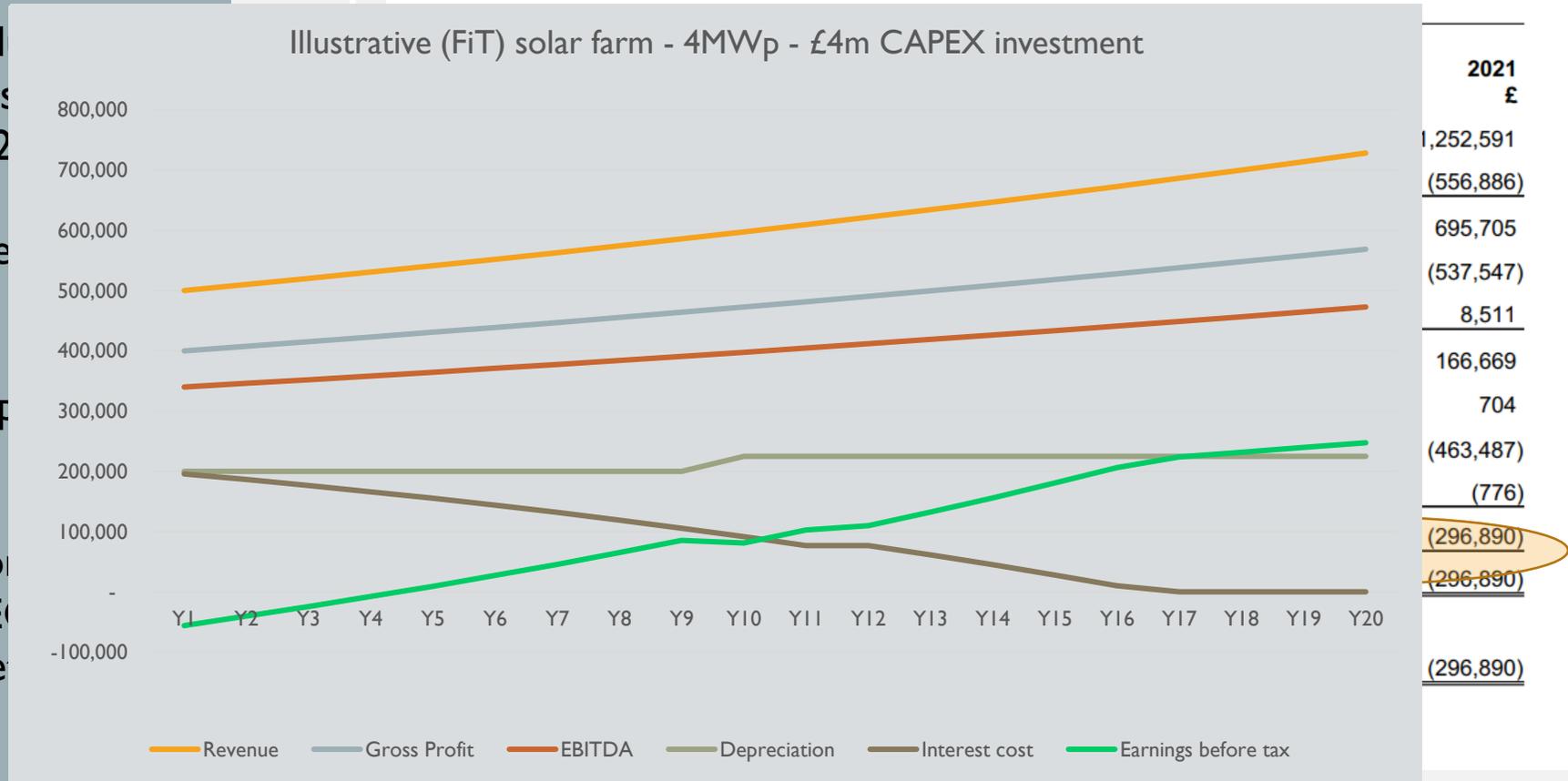
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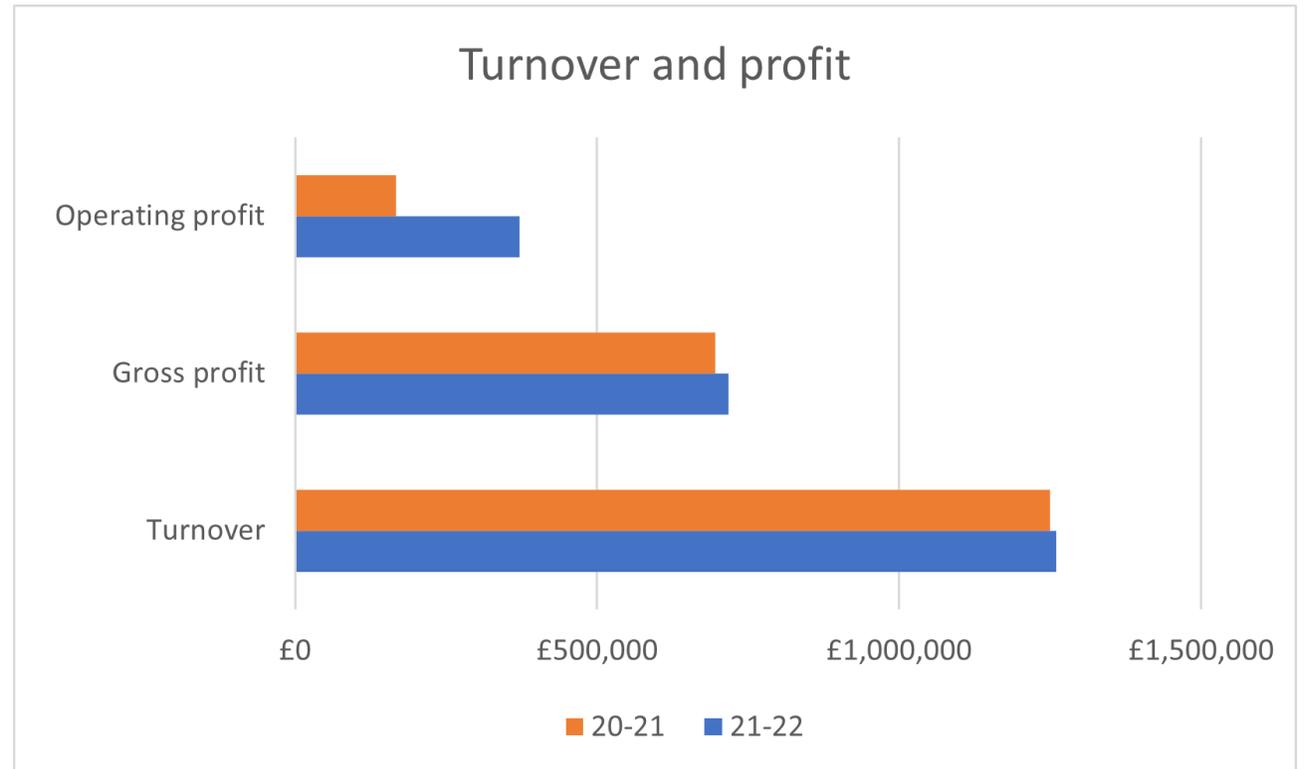
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BRISTOL COMMUNITY ENERGY LIMITED CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2022



SUMMARY





LOOKING FORWARD

BEC's financial performance is and will continue to be affected by many, often interlinking, variables:

- Inflation
- Wholesale electricity prices
- Weather (irradiance)
- Raw material & construction costs
- Availability and cost of finance.



LOOKING FORWARD

Reasons to be optimistic:

- BEC is set to capitalise from the recent notable rise in wholesale electricity prices.

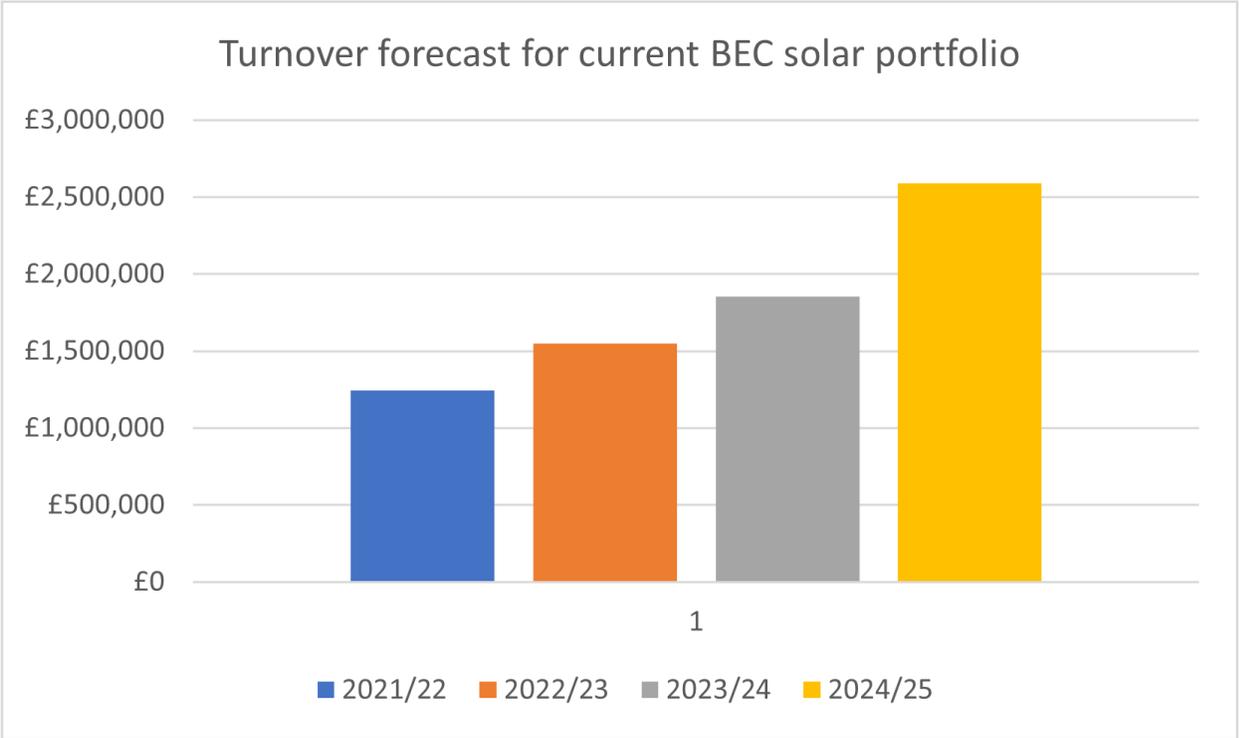


With Power Purchase Agreements (PPAs) now in place until 2025 for both solar farms and select rooftop solar PV systems, income projections in the short-term look strong.

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** Figures are estimates only, based on prior period generation and export data, contracted PPA rates and including an allowance for panel degradation*

- BEC is a Community Benefit Society and we are administered by the Financial Conduct Authority (FCA). One of the rules the FCA imposes on us is that we cannot provide our investors with a higher rate of interest than we had originally promised them. Instead, we have to use any additional revenue to advance our primary aims.
- This means we will use any extra monies to develop more renewable energy / energy efficiency schemes and put extra money into community benefit payments.

- At this year's AGM we are submitting a resolution to provide extra funding for fuel poverty and energy advice support in Bristol.
- This is in addition to the Megawatt Community Energy grants and the funds that we give to Ambition Lawrence Weston each year.



LOOKING FORWARD

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- BEC is set to capitalise from the recent notable rise in wholesale electricity prices.
- Our pipeline of project opportunities – more info in the Strategy Review.

Thank you