

REGISTERED NUMBER: 30960R (England and Wales)

**Report of the Directors and**  
**Consolidated Financial Statements**  
**for the Year Ended 31 March 2015**  
**for**  
**Bath & West Community Energy Limited**

*(Final drafts – subject to signature)*

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**for the Year Ended 31 March 2015**

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**Bath & West Community Energy Limited**

**Society Information**  
**for the Year Ended 31 March 2015**

**DIRECTORS:**

J P Kenna  
P J Capener  
D A L Bunker  
C J Crookall-Fallon  
J Stephenson  
M Bess  
J S Bateman

**SECRETARY:**

D A L Bunker

**REGISTERED OFFICE:**

Mulberry House  
19 Maple Grove  
Bath  
BA2 3EF

**REGISTERED NUMBER:**

30960R (England and Wales)

**AUDITORS:**

Monahans  
Statutory Auditor  
Chartered Accountants  
Lennox House  
3 Pierrepoint Street  
Bath  
BA1 1LB

**Bath & West Community Energy Limited (Registered number: 30960R)**

**Report of the Directors**  
**for the Year Ended 31 March 2015**

The directors present their report with the financial statements of the society and the group for the year ended 31 March 2015.

**PRINCIPAL ACTIVITY**

In this year the principal activities of the Bath & West Community Energy (BWCE) Limited group included the development, financing, commissioning and operation of community solar PV, wind and hydro projects, working for the benefit of communities in Bath and surrounding area. The BWCE group includes a number of subsidiaries that hold BWCE's renewable energy project assets and BWCE Development Ltd that carries out project development work for BWCE and its partner community enterprises.

During the year BWCE:

- Raised £2.2million from its own community share offers plus a £500,000 loan from Bath & North East Somerset Council, to build a 2,340 kW solar array south of Bath that was commissioned just before the year end
- Installed 110kW of solar PV on three buildings, including B&NES Council Offices at Lewis House, with funds BWCE raised in the previous year
- Secured planning and Environmental Agency approval for a small hydro scheme at the Old Mill Hotel in Bathampton. The project will be built out during the coming year.
- Supported Low Carbon Gordano to raise nearly £2.2 million for the installation of its 1,870 kW solar array near Avonmouth that was then commissioned during the year
- Supported Wiltshire Wildlife Community Energy to raise £2.9 million towards the installation of a 5,000 kW solar array. The project has a build out planned during the second half of 2015
- Helped Frome Renewable Energy Company set up, develop 200kW of roof mounted solar PV and prepare for its first share offer. The projects will be installed in the second half of 2015
- Helped Chelwood Community Energy set up and develop a 5,000 kW solar array south of Bath. Subject to a successful fundraise the project has a build out planned for the second half of 2015

BWCE's project development activities have grown rapidly during this year and last, in response to significant and increasing demand from other community groups looking to draw on the experience BWCE has gained to date. During this year the decision was taken by the board, following discussions with members, to transfer BWCE's project development activities into a separate cooperative company, Mongoose Energy, owned in part by the community benefit societies it supports. This will:

- Reduce the risk profile in BWCE as the liabilities associated with project development will be passed on to Mongoose Energy, whilst retaining the ability for BWCE to earn a dividend from Mongoose Energy in line with its level of trade
- Enable Mongoose Energy to work across the country and so build the scale necessary to draw in the commercial finance required to grow the sector
- Enable BWCE to focus on its delivery in Bath & surrounding area and the building out of the rest of its mission, including energy efficiency and local energy supply

In total, from setting up in 2010 to the end of March 2015, BWCE has:

- Commissioned, or supported other community benefit societies to commission, nearly 6,000kW of community solar PV, generating enough electricity to meet the equivalent annual demand from 1500 typical homes and will reduce carbon emissions by around 3,850 tonnes per year
- Helped develop a further 10MW of solar PV for other community benefit societies in two large solar arrays, that when built out could generate enough electricity to meet the equivalent annual demand from 2,700 typical homes and reduce carbon dioxide emissions by around 4,150 tonnes per year

These figures assume Ofgem's estimate that the electricity demand from a typical home is 3,300kWh per year and the government's estimate for 2015 of 0.4623 kg of carbon dioxide emissions reduced per kWh of renewable electricity generated.

**COMMUNITY BENEFIT**

During 2014-2015 BWCE set up an independent charitable fund to which it donated £25,000 of its cash surplus. Of which, £20,000 was distributed during the year to local community projects that were either reducing carbon emissions or helping to alleviate fuel poverty. For more information on the projects supported see [www.bwce.coop](http://www.bwce.coop).

**Report of the Directors**  
**for the Year Ended 31 March 2015**

In addition to the community fund, BWCE's community ownership model has benefited the communities of Bath and surrounding area by ensuring that nearly 60% of project income from electricity generation, or in the order of £100,000, is retained within the local economy, money that would have otherwise filtered out of the area within a typical commercial ownership model. The balance of project income that still flows out of the area is made up of loan repayments and interest to out of area loan providers, primarily SSE, and interest on the investment that comes from out of area members.

The picture with regards project development and construction is more complex and currently relies more heavily on out of area contractors and service providers, lawyers, EPC contractors etc. However, BWCE is keen to build up a clearer picture of this area of activity and will work to increase the proportion that is retained locally.

**FINANCIAL POSITION**

The board of BWCE believes the organisation is in a strong financial position with a range of successful projects generating a good cash surplus with a growth of over £60,000 in net current assets during the year. This position has been strengthened by the installation of BWCE's largest solar array in March 2015. However, this multi-million pound project was commissioned just before year end and so benefits this year's accounts with only 6 days of income.

The accounts also take a prudent view on the profit from the development of two significant projects being developed for Wiltshire Wildlife Community Energy and Chelwood Community Energy that have consumed significant resources during the year but hadn't reached financial close by year end.

From a profit and loss perspective, the board notes the significant impact that standard accounting standards have on the depreciation of fixed assets for an asset owning business such as BWCE, taking just over £87,000 out of the profit and loss account for this year. This impact is offset by the revaluation of the project assets in line with their market value as opposed to their depreciated book value that reduces asset value on a straight line basis over 25 years. This year's revaluation is not nearly so large as last year's independent revaluation that accounted for the significant market value increase on commissioning of BWCE's projects. BWCE's 2,340 kW Wilmington solar array has not been revalued in this year's accounts, because although it had been commissioned 6 days before the end of the year, it had not then been handed over to BWCE by the contractors.

Following the recent policy announcements by central government with regards wind energy, the board believes it is far less likely that BWCE's development work on two wind energy projects will come to fruition. As a result, over £40,000 of work in progress has been written off, reducing the Profit and Loss account by this amount.

Most of the project development work undertaken by BWCE Development Ltd in the year was on projects which are owned by the BWCE group, most notably the solar array at Wilmington and three smaller roof mounted projects. Under the accounting rules on consolidation, the development fees of £85k charged between BWCE Development and other companies in the BWCE Group have been eliminated from the Consolidated Profit and Loss Account, and the cost of those Fixed Assets shown in the Consolidated Balance Sheet is less than was actually spent on them by a corresponding amount.

The negative impact of consolidation on this year's Profit & Loss Account is proportionally greater than for the previous year, when the majority of project development work was for other community benefit societies. As a result, development profit could be incorporated within last year's consolidated accounts whereas this year it can't. The revaluation of project assets, referred to above, illustrates the increase in market value of the projects delivered by BWCE's activities, providing assurance that BWCE's approach to profit taking on project development is robust.

The board understands that from next financial year, following a change in accounting standards, the accounts will amalgamate the Revaluation Reserve with the Profit and Loss Account, providing a clearer picture of the organisation's financial position.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**Report of the Directors**  
**for the Year Ended 31 March 2015**

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2014 to the date of this report.

J P Kenna  
P J Capener  
D A L Bunker  
C J Crookall-Fallon  
J Stephenson  
M Bess

Other changes in directors holding office are as follows:

A J Walton - resigned 10 September 2014  
C A Hough - resigned 10 December 2014  
J S Bateman - appointed 19 July 2014

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 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 Societies 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 society and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the society and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, Monahans, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

.....  
D A L Bunker - Secretary

Date: .....

**Report of the Independent Auditors to the Members of  
Bath & West Community Energy Limited**

We have audited the financial statements of Bath & West Community Energy Limited for the year ended 31 March 2015 on pages seven to twenty one. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the society's members, as a body, in accordance with Section 87 of the Co-operative and Community Societies Benefit Act 2014. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in a Report of the Auditors 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 and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent society's affairs as at 31 March 2015 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

**Report of the Independent Auditors to the Members of  
Bath & West Community Energy Limited**

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

We have nothing to report in respect of the following matters where 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
- the society has not maintained a satisfactory system of control over its transactions; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

Monahans  
Statutory Auditor  
Chartered Accountants  
Lennox House  
3 Pierrepont Street  
Bath  
BA1 1LB

Date: .....



**Bath & West Community Energy Limited (Registered number: 30960R)**

**Consolidated Profit and Loss Account**  
**for the Year Ended 31 March 2015**

|   | Notes | 2015<br>£     | £               | 2014<br>£     | £               |
|---|-------|---------------|-----------------|---------------|-----------------|
| <b>TURNOVER</b>   | 2     |               | 825,446         |               | 393,164         |
| Changes in stocks of finished goods and work in progress  |       |               | <u>(15,759)</u> |               | <u>(34,578)</u> |
|   |       |               | 809,687         |               | 358,586         |
| Other operating income  |       |               | <u>31,434</u>   |               | <u>1,717</u>    |
|   |       |               | 841,121         |               | 360,303         |
| Raw materials and consumables   |       | 575,682       |                 | 203,117       |                 |
| Other external charges  |       | <u>50,000</u> |                 | <u>-</u>      |                 |
|   |       |               | <u>625,682</u>  |               | <u>203,117</u>  |
|   |       |               | 215,439         |               | 157,186         |
| Directors' salaries   |       | 8,000         |                 | 8,000         |                 |
| Depreciation  |       | 85,190        |                 | 60,892        |                 |
| Other operating charges   |       | <u>83,372</u> |                 | <u>48,997</u> |                 |
|   |       |               | <u>176,562</u>  |               | <u>117,889</u>  |
| <b>OPERATING PROFIT</b>   | 3     |               | 38,877          |               | 39,297          |
| Interest receivable and similar income  |       |               | <u>4,058</u>    |               | <u>2,415</u>    |
|   |       |               | 42,935          |               | 41,712          |
| Interest payable and similar charges  | 4     |               | <u>129,167</u>  |               | <u>96,374</u>   |
| <b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>  |       |               | (86,232)        |               | (54,662)        |
| Tax on loss on ordinary activities  | 5     |               | <u>2,571</u>    |               | <u>2,175</u>    |
| <b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>   |       |               | (88,803)        |               | (56,837)        |
| Minority interest - equity  |       |               | <u>(335)</u>    |               | <u>865</u>      |
| <b>DEFICIT FOR THE GROUP CARRIED FORWARD</b>  |       |               | (88,468)        |               | (57,702)        |
| <b><u>Consolidated Statement of Total Recognised Gains and Losses</u></b><br><b><u>for the Year Ended 31 March 2015</u></b> |       |               |                 |               |                 |
|   |       |               | 2015<br>£       |               | 2014<br>£       |
| <b>LOSS FOR THE FINANCIAL YEAR</b>  |       |               | (88,468)        |               | (57,702)        |
| Unrealised surplus on revaluation of other items  |       |               | 98,868          |               | 358,357         |
|   |       |               | <u>10,400</u>   |               | <u>300,655</u>  |
| <b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>   |       |               | <u>10,400</u>   |               | <u>300,655</u>  |

The notes form part of these financial statements

**Bath & West Community Energy Limited (Registered number: 30960R)**

**Consolidated Balance Sheet**  
**31 March 2015**

|  | Notes | 2015<br>£      | £                | 2014<br>£      | £                |
|--|-------|----------------|------------------|----------------|------------------|
| <b>FIXED ASSETS</b>                          |       |                |                  |                |                  |
| Intangible assets                            | 7     |                | 109,249          |                | -                |
| Tangible assets                              | 8     |                | 4,315,211        |                | 1,730,000        |
| Investments                                  | 9     |                | -                |                | -                |
|  |       |                | <u>4,424,460</u> |                | <u>1,730,000</u> |
| <b>CURRENT ASSETS</b>                        |       |                |                  |                |                  |
| Stocks                                       |       | 97,008         |                  | 112,767        |                  |
| Debtors                                      | 10    | 457,970        |                  | 94,318         |                  |
| Cash at bank                                 |       | <u>396,154</u> |                  | <u>440,216</u> |                  |
|  |       | 951,132        |                  | 647,301        |                  |
| <b>CREDITORS</b>                             |       |                |                  |                |                  |
| Amounts falling due within one year          | 11    | <u>369,922</u> |                  | <u>129,287</u> |                  |
| <b>NET CURRENT ASSETS</b>                    |       |                | <u>581,210</u>   |                | <u>518,014</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                | 5,005,670        |                | 2,248,014        |
| <b>CREDITORS</b>                             |       |                |                  |                |                  |
| Amounts falling due after more than one year | 12    |                | (1,209,832)      |                | (761,531)        |
| <b>PROVISIONS FOR LIABILITIES</b>            | 15    |                | (10,772)         |                | (8,201)          |
| <b>ACCRUALS AND DEFERRED INCOME</b>          | 16    |                | (24,500)         |                | -                |
| <b>MINORITY INTERESTS</b>                    | 17    |                | <u>(27,100)</u>  |                | <u>(25,148)</u>  |
| <b>NET ASSETS</b>                            |       |                | <u>3,733,466</u> |                | <u>1,453,134</u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                |                  |                |                  |
| Called up share capital                      | 18    |                | 3,448,770        |                | 1,176,551        |
| Revaluation reserve                          | 19    |                | 430,155          |                | 358,357          |
| Profit and loss account                      | 19    |                | <u>(145,459)</u> |                | <u>(81,774)</u>  |
| <b>SHAREHOLDERS' FUNDS</b>                   |       |                | <u>3,733,466</u> |                | <u>1,453,134</u> |

The notes form part of these financial statements

**Bath & West Community Energy Limited (Registered number: 30960R)**

**Consolidated Balance Sheet - continued**  
**31 March 2015**

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on ..... and were signed on its behalf by:

.....  
D A L Bunker - Secretary

.....  
J P Kenna - Director

.....  
P J Capener - Director

**Bath & West Community Energy Limited (Registered number: 30960R)**

**Society Balance Sheet**  
**31 March 2015**

|  | Notes | 2015<br>£      | £                | 2014<br>£      | £                |
|--|-------|----------------|------------------|----------------|------------------|
| <b>FIXED ASSETS</b>                          |       |                |                  |                |                  |
| Intangible assets                            | 7     |                | -                |                | -                |
| Tangible assets                              | 8     |                | -                |                | -                |
| Investments                                  | 9     |                | <u>553,064</u>   |                | <u>443,813</u>   |
|  |       |                | 553,064          |                | 443,813          |
| <b>CURRENT ASSETS</b>                        |       |                |                  |                |                  |
| Debtors                                      | 10    | 2,952,287      |                  | 447,193        |                  |
| Cash at bank                                 |       | <u>20,477</u>  |                  | <u>298,039</u> |                  |
|  |       | 2,972,764      |                  | 745,232        |                  |
| <b>CREDITORS</b>                             |       |                |                  |                |                  |
| Amounts falling due within one year          | 11    | <u>170,269</u> |                  | <u>33,635</u>  |                  |
| <b>NET CURRENT ASSETS</b>                    |       |                | <u>2,802,495</u> |                | <u>711,597</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                | <u>3,355,559</u> |                | <u>1,155,410</u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                |                  |                |                  |
| Called up share capital                      | 18    |                | 3,448,770        |                | 1,176,550        |
| Profit and loss account                      | 19    |                | <u>(93,211)</u>  |                | <u>(21,140)</u>  |
| <b>SHAREHOLDERS' FUNDS</b>                   |       |                | <u>3,355,559</u> |                | <u>1,155,410</u> |

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on ..... and were signed on its behalf by:

.....  
D A L Bunker - Secretary

.....  
J P Kenna - Director

.....  
P J Capener - Director

The notes form part of these financial statements

**Notes to the Consolidated Financial Statements**  
**for the Year Ended 31 March 2015**

1. **ACCOUNTING POLICIES**

**Accounting convention**

The group accounts have been prepared in accordance with the Co-operative and Communities Benefits Act 2014 and the Financial Reporting Standard for Smaller Entities (effective 2008).

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the society and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are for accounted under the acquisition method. The results of companies acquired or disposed of are included in the profit & loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account is omitted for the group financial statements as permitted by Co-operative and Communities Benefit Act 2014.

**Related party exemption**

The society has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

**Turnover**

Turnover represents the sale of the group's share of electricity generated during the period and net invoiced development fees, excluding value added tax.

**Goodwill**

Goodwill is in respect of the Wilmington Community Solar Limited project which was commissioned on 25 March 2015. No amortisation charge was made in the year due to the close proximity to the year end.

**Tangible fixed assets**

Plant and machinery, which comprise of solar PV systems and the associated costs of installation, are depreciated over 25 years, the lifetime of the lease for the land on which the panels are situated, down to a residual value of £500 per project.

A full valuation of all plant & machinery is carried out every five years and interim valuations are carried out as required. Surpluses arising from the valuations of plant & machinery are taken direct to the revaluation reserve.

Depreciation is not charged until the solar PV systems are fully operational.

**Stock - work in progress**

Work in progress comprises costs incurred on projects where there is a reasonable expectation that they will be successfully commissioned. Where costs have been sustained on projects the outcome of which is less than likely these are written off to the income & expenditure account in the period in which they are incurred.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Grants**

Local authority grants are credited to the profit & loss account in the period in which the relevant costs for which the grant has been paid, are incurred. Any grant income where the associated costs have not yet been sustained, is carried forward and included in creditors. When costs are subsequently written out of work in progress, the associated grant income is recognised in the profit and loss account.

Grants relating to fixed assets are treated as deferred income within liabilities and are recognised in the profit & loss account in other operating income on a systematic basis over the useful life of the asset.

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 March 2015**

2. **TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

|                        | 2015           | 2014           |
|------------------------|----------------|----------------|
|                        | £              | £              |
| Electricity generation | 180,219        | 174,943        |
| Development            | <u>645,227</u> | <u>218,221</u> |
|                        | <u>825,446</u> | <u>393,164</u> |

3. **OPERATING PROFIT**

The operating profit is stated after charging:

|  | 2015         | 2014         |
|--|--------------|--------------|
|  | £            | £            |
| Depreciation - owned assets                    | 85,190       | 60,892       |
| Auditors' remuneration                         | <u>8,834</u> | <u>5,485</u> |
|  |              |              |
| Directors' remuneration and other benefits etc | <u>8,000</u> | <u>8,000</u> |

Details of the transactions with directors can be found in note 21.

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

Interest payable and similar charges includes the following:

|                                 | 2015           | 2014           |
|---------------------------------|----------------|----------------|
|                                 | £              | £              |
| Loan interest                   | 58,563         | 42,203         |
| Shareholder interest            | 70,569         | 54,120         |
| Interest donated to charity     | -              | 1,948          |
| Interest waived by shareholders | <u>-</u>       | <u>(1,948)</u> |
|                                 | <u>129,132</u> | <u>96,323</u>  |

5. **TAXATION**

**Analysis of the tax charge**

The tax charge on the loss on ordinary activities for the year was as follows:

|                                    | 2015         | 2014         |
|------------------------------------|--------------|--------------|
|                                    | £            | £            |
| Deferred tax                       | <u>2,571</u> | <u>2,175</u> |
|                                    |              |              |
| Tax on loss on ordinary activities | <u>2,571</u> | <u>2,175</u> |

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 March 2015**

6. **LOSS OF PARENT SOCIETY**

The Profit and Loss Account of the parent society is not presented as part of these financial statements. The parent society's loss for the financial year was £(72,071) (2014 - £(50,670)).

7. **INTANGIBLE FIXED ASSETS**

**Group**

|                       | Goodwill<br>£         |
|-----------------------|-----------------------|
| <b>COST</b>           |                       |
| Additions             | <u>109,249</u>        |
| At 31 March 2015      | <u>109,249</u>        |
| <b>NET BOOK VALUE</b> |                       |
| At 31 March 2015      | <u><u>109,249</u></u> |

8. **TANGIBLE FIXED ASSETS**

**Group**

|                          | Plant and<br>machinery<br>£ |
|--------------------------|-----------------------------|
| <b>COST OR VALUATION</b> |                             |
| At 1 April 2014          | 1,730,000                   |
| Additions                | 2,571,533                   |
| Revaluations             | <u>32,188</u>               |
| At 31 March 2015         | <u>4,333,721</u>            |
| <b>DEPRECIATION</b>      |                             |
| Charge for year          | 85,190                      |
| Revaluation adjustments  | <u>(66,680)</u>             |
| At 31 March 2015         | <u>18,510</u>               |
| <b>NET BOOK VALUE</b>    |                             |
| At 31 March 2015         | <u><u>4,315,211</u></u>     |
| At 31 March 2014         | <u><u>1,730,000</u></u>     |

Cost or valuation at 31 March 2015 is represented by:

|                   | Plant and<br>machinery<br>£ |
|-------------------|-----------------------------|
| Valuation in 2015 | 204,817                     |
| Cost              | <u>4,128,904</u>            |
|                   | <u><u>4,333,721</u></u>     |

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 March 2015**

8. **TANGIBLE FIXED ASSETS - continued**

**Group**

If the solar PV systems had not been revalued they would have been included at the following historical cost:

|                        | 2015<br>£        | 2014<br>£        |
|------------------------|------------------|------------------|
| Cost                   | <u>4,128,904</u> | <u>1,486,786</u> |
| Aggregate depreciation | <u>186,519</u>   | <u>126,440</u>   |

The solar PV systems were valued on net present value basis on 1 July 2015 by the directors.

The directors have adopted an approach consistent with last year's independent revaluation. The board have adopted a policy of having an independent revaluation of its assets at least once every five years.

9. **FIXED ASSET INVESTMENTS**

**Society**

|                       | Shares in<br>group<br>undertakings<br>£ |
|-----------------------|---|
| <b>COST</b>           |   |
| At 1 April 2014       | 443,813                                 |
| Additions             | <u>109,251</u>                          |
| At 31 March 2015      | <u>553,064</u>                          |
| <b>NET BOOK VALUE</b> |   |
| At 31 March 2015      | <u>553,064</u>                          |
| At 31 March 2014      | <u>443,813</u>                          |

The group or the society's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries**

**Bath & West Community Solar 2 Limited**

Nature of business: Solar electricity generation

|                  |         |
|------------------|---------|
|                  | %       |
| Class of shares: | holding |
| Ordinary         | 100.00  |

**Bath & West Community Solar Ltd**

Nature of business: Solar electricity generation

|                  |         |
|------------------|---------|
|                  | %       |
| Class of shares: | holding |
| Ordinary         | 100.00  |

**Hartham Park Community Energy Limited**

Nature of business: Solar electricity generation

|                  |         |
|------------------|---------|
|                  | %       |
| Class of shares: | holding |
| Ordinary         | 90.00   |



**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 March 2015**

9. **FIXED ASSET INVESTMENTS - continued**

**BWCE Development Limited**

Nature of business: Renewable energy projects

|                  |         |
|------------------|---------|
|                  | %       |
| Class of shares: | holding |
| Ordinary         | 100.00  |

**Wilmington Community Solar Limited**

Nature of business: Solar electricity generation

|                  |         |
|------------------|---------|
|                  | %       |
| Class of shares: | holding |
| Ordinary         | 100.00  |

**Old Mill Hydro Limited**

Nature of business: Hydro electricity generation

|                  |         |
|------------------|---------|
|                  | %       |
| Class of shares: | holding |
| Ordinary         | 100.00  |

10. **DEBTORS**

|   | <b>Group</b>   |               | <b>Society</b>   |                |
|---|----------------|---------------|------------------|----------------|
|   | 2015           | 2014          | 2015             | 2014           |
|   | £              | £             | £                | £              |
| Amounts falling due within one year:          |                |               |                  |                |
| Trade debtors                                 | 16,827         | 4,170         | 6,285            | 600            |
| Amounts owed by group undertakings            | -              | -             | 2,484,079        | 177,631        |
| Other debtors                                 | 94,344         | 29,382        | 66,000           | 1,082          |
| VAT   | 89,965         | 14,626        | 119,644          | 7,276          |
| Prepayments and accrued income                | <u>256,834</u> | <u>46,140</u> | <u>24,462</u>    | <u>3,214</u>   |
|   | <u>457,970</u> | <u>94,318</u> | <u>2,700,470</u> | <u>189,803</u> |
| Amounts falling due after more than one year: |                |               |                  |                |
| Amounts owed by group undertakings            | <u>-</u>       | <u>-</u>      | <u>251,817</u>   | <u>257,390</u> |
| Aggregate amounts                             | <u>457,970</u> | <u>94,318</u> | <u>2,952,287</u> | <u>447,193</u> |

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 March 2015**

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | <b>Group</b>   |                | <b>Society</b> |               |
|------------------------------------|----------------|----------------|----------------|---------------|
|                                    | 2015           | 2014           | 2015           | 2014          |
|                                    | £              | £              | £              | £             |
| Other loans                        | 212,989        | 68,456         | -              | -             |
| Trade creditors                    | 5,178          | 18,341         | 3,759          | 2,767         |
| Amounts owed to group undertakings | -              | -              | 94,175         | 19,021        |
| Social security and other taxes    | -              | 183            | -              | 183           |
| Other creditors                    | 50,000         | 2,448          | 50,000         | 2,448         |
| Accrued expenses                   | <u>101,755</u> | <u>39,859</u>  | <u>22,335</u>  | <u>9,216</u>  |
|                                    | <u>369,922</u> | <u>129,287</u> | <u>170,269</u> | <u>33,635</u> |

Included in other loans is an advance of £157,920 (2014 :£41,694) made by an electricity generating company to assist in financing the development of certain potential electricity generating projects. The terms of the loan are such that a proportion of it is written off in the cases where the project fails in the development process. A fee is charged, including interest, in cases where projects are developed successfully.

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                                      | <b>Group</b>     |                |
|--------------------------------------|------------------|----------------|
|                                      | 2015             | 2014           |
|                                      | £                | £              |
| Other loans - 1-2 years              | 64,220           | 34,558         |
| Other loans - 2-5 years              | 266,257          | 156,307        |
| Other loans due in more than 5 years | <u>879,355</u>   | <u>570,666</u> |
|                                      | <u>1,209,832</u> | <u>761,531</u> |

Amounts falling due in more than five years:

|                                      | <b>Group</b>   |                |
|--------------------------------------|----------------|----------------|
|                                      | 2015           | 2014           |
|                                      | £              | £              |
| Repayable by instalments             |                |                |
| Other loans due in more than 5 years | <u>879,355</u> | <u>570,666</u> |

**13. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

|                         | <b>Group</b> |              |
|-------------------------|--------------|--------------|
|                         | 2015         | 2014         |
|                         | £            | £            |
| Expiring:               |              |              |
| In more than five years | <u>7,832</u> | <u>7,124</u> |

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 March 2015**

**14. SECURED DEBTS**

The following secured debts are included within creditors:

|             | <b>Group</b>     |                |
|-------------|------------------|----------------|
|             | 2015             | 2014           |
|             | £                | £              |
| Other loans | <u>1,422,821</u> | <u>829,987</u> |

A debenture is held over the assets of Bath & West Community Solar Limited in respect of the loans made to the company. Interest at a rate of 5%pa is charged up to the fifth anniversary of the date on which the loan was granted and 8.5%pa thereafter.

A security is also held, by way of a fixed and floating charge, over the assets of Wilmington Community Solar Limited.

**15. PROVISIONS FOR LIABILITIES**

|                                | <b>Group</b>    |                 |
|--------------------------------|-----------------|-----------------|
|                                | 2015            | 2014            |
|                                | £               | £               |
| Deferred tax                   |                 |                 |
| Accelerated capital allowances | 28,974          | 27,045          |
| Tax losses carried forward     | <u>(18,202)</u> | <u>(18,844)</u> |
|                                | <u>10,772</u>   | <u>8,201</u>    |

**Group**

|                          | Deferred<br>tax<br>£ |
|--------------------------|----------------------|
| Balance at 1 April 2014  | 8,201                |
| Provided during year     | <u>2,571</u>         |
| Balance at 31 March 2015 | <u>10,772</u>        |

**16. ACCRUALS AND DEFERRED INCOME**

|                 | <b>Group</b>  |          |
|-----------------|---------------|----------|
|                 | 2015          | 2014     |
|                 | £             | £        |
| Deferred grants | <u>24,500</u> | <u>-</u> |

**17. MINORITY INTERESTS**

The minority interest relates to a 10% share of the ordinary share capital of Hartham Park Community Energy Limited.

|                      |                 |
|----------------------|-----------------|
|                      | £               |
| As at 1 April 2014   | (25,148)        |
| Share of profit      | 335             |
| Share of revaluation | <u>(2,287)</u>  |
| As at 31 March 2015  | <u>(27,100)</u> |

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 March 2015**

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

| Number:   | Class:   | Nominal<br>value: | 2015<br>£        | 2014<br>£        |
|-----------|----------|-------------------|------------------|------------------|
| 3,448,770 | Ordinary | £1                | <u>3,448,770</u> | <u>1,176,551</u> |

2,272,220 Ordinary shares of £1 each were allotted and fully paid for cash at par during the year.

At the discretion of the directors shares may be withdrawn by members after the expiry of three years from subscription and upon giving three months' notice to the society. Interest is paid annually to the members, at the directors' discretion. It is the intention of the directors to pay members an average annual return of 3-4% above the long run average retail price index over the life of the business.

During the prior year Windcluster Limited subscribed for 50,000 £1 shares and in the current year they subscribed for an additional 50,000 £1 shares. The terms of the agreement were that the funds received should be used to finance project development activities and once a project is closed, bonus shares would be issued to Windcluster as follows:

Bonus shares equal in value (at £1 per share) to 25% Y/100 of the Auditable Development Fee that the entity receives on a project subject to a maximum amount of 50,000 bonus shares, where Y is the number of shares fully paid in thousands at the time of Financial Close.

During the year the development fees were sufficient for Windcluster Limited to qualify for a further 50,000 of £1 shares which were issued post year end.

**19. RESERVES**

**Group**

|                      | Profit<br>and loss<br>account<br>£ | Revaluation<br>reserve<br>£ | Totals<br>£    |
|----------------------|------------------------------------|-----------------------------|----------------|
| At 1 April 2014      | (81,774)                           | 358,357                     | 276,583        |
| Deficit for the year | (88,468)                           |                             | (88,468)       |
| Revaluation          | -                                  | 98,868                      | 98,868         |
| Minority interest    | -                                  | (2,287)                     | (2,287)        |
| Transfer             | <u>24,783</u>                      | <u>(24,783)</u>             | -              |
| At 31 March 2015     | <u>(145,459)</u>                   | <u>430,155</u>              | <u>284,696</u> |

**Society**

|                      | Profit<br>and loss<br>account<br>£ |
|----------------------|------------------------------------|
| At 1 April 2014      | (21,140)                           |
| Deficit for the year | <u>(72,071)</u>                    |
| At 31 March 2015     | <u>(93,211)</u>                    |

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 March 2015**

20. **CAPITAL COMMITMENTS**

|   | 2015           | 2014     |
|---|----------------|----------|
|   | £              | £        |
| Contracted but not provided for in the financial statements | <u>107,503</u> | <u>-</u> |

21. **RELATED PARTY DISCLOSURES**

**Delightful Management Services Limited**

A company of which D A L Bunker is a director and shareholder

During the year Delightful Management Services Limited invoiced £21,340 (2014: £6,000) of consultancy services to the group.

D A L Bunker also received a salary of £4,000.

D A L Bunker provided a short term loan of £50,000 to the society which was repaid before the year end. He received interest of £2,170 on the loan.

|   | 2015         | 2014         |
|---|--------------|--------------|
|   | £            | £            |
| Amount due to related party at the balance sheet date | <u>5,000</u> | <u>1,500</u> |

**Windcluster Limited**

A company of which D A L Bunker is a director

Windcluster Limited subscribed for 50,000 £1 shares in Bath & West Community Energy Limited in the prior year and 50,000 £1 shares in the current year. The details of the share subscription are described in the share capital note.

The terms of the agreement were that the funds received shall be used to finance project development activities and once a project is closed bonus shares shall be issued to Windcluster. During the year the criteria were met for Windcluster to receive a further 50,000 £1 shares. The shares were issued post year end.

|   | 2015          | 2014     |
|---|---------------|----------|
|   | £             | £        |
| Amount due to related party at the balance sheet date | <u>50,000</u> | <u>-</u> |

**Overmoor Limited**

A company of which J P Kenna is a director and shareholder

During the year Overmoor Limited invoiced £59,340 (2014: £35,485) of consultancy services to the group.

J P Kenna also received a salary of £4,000 in the year.

J P Kenna provided a short term loan of £25,000 to the society which was repaid before the year end. He received interest of £906 on the loan.

|   | 2015          | 2014         |
|---|---------------|--------------|
|   | £             | £            |
| Amount due to related party at the balance sheet date | <u>17,401</u> | <u>9,163</u> |

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 March 2015**

21. **RELATED PARTY DISCLOSURES - continued**

**P J Capener**

During the year P J Capener invoiced £26,363 (2014: £15,000) of consultancy services to the group.

|   | 2015         | 2014         |
|---|--------------|--------------|
|   | £            | £            |
| Amount due to related party at the balance sheet date | <u>3,000</u> | <u>7,500</u> |

**Wiltshire Wildlife Community Energy Limited**

J P Kenna and P J Capener are directors

During the year the group provided goods and services in respect of solar panel development amounting to £327,581 (2014: £116,843). They also provided management services amounting to £11,284 and working capital finance up to a maximum of £117,800 during the prior year.

|   | 2015    | 2014  |
|---|---------|-------|
|   | £       | £     |
| Amount due from related party at the balance sheet date | 143,000 | 1,947 |

**Bath & West Low Carbon Community Fund CIO**

A charity of which P J Capener is a trustee

During the year Bath & West Community Energy Limited donated £25,000 to the charity.

**Hartham Park Community Energy Limited ("HPCE")**

Subsidiary

During the current year the society:

- levied management charges to HPCE of £4,504 (2014: £4,504)
- charged interest to HPCE of £17,056 (2014: £17,656)

At the balance sheet date HPCE owed the company £251,817 (2014: £287,724), £30,333 (2014: £30,333) of which is due in less than one year. An additional intercompany balance of £36,949 (2014: £41,175) is repayable in less than one year.

**Directors**

The following directors received interest on their shares in Bath & West Community Energy Limited at the same rate as the remaining shareholders.

|                     |        |
|---------------------|--------|
| J P Kenna           | £1,400 |
| P J Capener         | £1,400 |
| D A L Bunker        | £467   |
| C J Crookall-Fallon | £105   |
| J Stephenson        | £350   |
| M Bess              | £112   |
| A J Walton          | £1,435 |
| J S Bateman         | £123   |

22. **POST BALANCE SHEET EVENTS**

After the year end the majority of the trade and assets of BWCE Development Limited were transferred to Mongoose Energy Limited. At 31 March 2015 Mongoose Energy Limited had not traded and J P Kenna and D A L Bunker held the majority of the shares.

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 March 2015**

23. **ULTIMATE CONTROLLING PARTY**

There is no ultimate controlling party of the group or society.