

Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 March 2016
for
Bath & West Community Energy Limited

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for the Year Ended 31 March 2016

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Bath & West Community Energy Limited

Society Information
for the Year Ended 31 March 2016

DIRECTORS:

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

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 Pierrepont Street
Bath
BA1 1LB

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

Report of the Directors
for the Year Ended 31 March 2016

The directors present their report with the financial statements of the society and the group for the year ended 31 March 2016.

PRINCIPAL ACTIVITIES

The principal activities of the Bath & West Community Energy (BWCE) Ltd group include the financing and operation of community solar PV, wind and hydro projects, working for the benefit of communities in Bath and surrounding area.

At the beginning of the year BWCE's development activities were transferred into a new company, Mongoose Energy Limited. Mongoose Energy is majority owned by the ten community enterprises, including BWCE, to which it provides project development and asset management services. This means that BWCE can take on much larger scale projects as it does not assume project liabilities until financial close is achieved or until construction is complete. This reduces significantly project development risks to BWCE.

During the year BWCE, in partnership with Mongoose Energy:

- Raised £1.22 million from a community share offer to build a 250kW solar array at Stowey Farm in Bath & North East Somerset and a replacement water wheel to generate electricity at the Old Mill Hotel in Bathampton. These two projects will be built out and commissioned during the 2016-17 financial year.
- The share offer was carried out in time to secure some of the last EIS tax relief for investors before the scheme was closed by government for these types of project. More funds were raised at the time than required for these two projects.
- The balance of funds raised through the share offer was allocated alongside BWCE's first ever bond offer (raising £1.68 million) to the build of BWCE's largest project to date, the Portworthy 4MW solar array near Plymouth.
- BWCE took the project into community ownership before government support schemes closed and the opportunity was lost. The project was financed with the support of local community enterprises, one of which will look to buy into the project when BWCE's bond matures in two years. The community fund from the project will be allocated in the area local to the project.

National Context

BWCE has taken an active involvement in national policy debates, responding to government consultations and engaging through sector associations as a member of Community Energy England and Regen SW. Peter Capener, BWCE's chair, is on the board of Community Energy England and chairs the government's ministerial community energy contact group.

The 2015-16 financial year has seen significant changes in legislation that are already having an impact on BWCE. As well as the removal of EIS tax relief for community energy project investment, the government has also removed the climate change levy exemption from renewable energy and introduced major cuts in the Feed in Tariff for new projects. Ongoing issues within the wider economy have also resulted in low wholesale electricity prices and lower than expected increases in inflation, as measured by the Retail Price Index (RPI). RPI is important to BWCE because Feed in Tariff (FIT) payments to clean electricity generators are increased annually in line with RPI.

These and other issues have reduced our flexibility to respond to fluctuations in project performance. However, along with others in the sector, BWCE is reviewing its strategy in the light of these changes to ensure it can continue to expand in line with our vision for community energy.

Impact of BWCE's Activities

By the end of the year the capacity of BWCE's projects was over 7MW of solar PV, generating enough electricity in a full year to meet the equivalent annual electricity demand from nearly 3,000 typical UK homes and reduce carbon dioxide emissions by the equivalent of the full carbon footprint of nearly 700 residents of Bath & North East Somerset.

Overall BWCE's projects performed on average to forecast even though it was not a great solar year. BWCE's major project of the previous year, the 2.34MW Wilmington solar array, performed as expected. The new 4MW Portworthy array was below forecast, due primarily to issues post commissioning and being, of all BWCE's projects, most affected by lower than forecast solar irradiance since it began generating in December 2015.

During the year BWCE donated £50,000 of its cash surplus to its independent charitable community fund, most of which was distributed to local community projects that were either reducing carbon emissions or helping to alleviate fuel poverty. For more information on the projects supported see <http://www.bwce.coop/communityfund>

Report of the Directors
for the Year Ended 31 March 2016

In addition to the community fund, BWCE's community ownership model has benefited the communities of Bath and the surrounding area by ensuring that over half of approximately £500,000 project income from electricity generation is retained within the local economy, money that would have otherwise filtered out of the area within a typical commercial ownership model.

Financial Position

The board of BWCE believes the organisation is in a strong financial position with a significant portfolio of solar PV projects generating a healthy cash surplus. BWCE Group now has fixed assets worth £9.74 million and annual generation income of around £500,000 with an operating profit of just over £100,000.

Net current assets have grown to nearly £750,000, with increased funds raised still to be allocated to the construction of the Stowey Farm solar and Old Mill Hydro schemes in the following financial year.

Development income during the year is largely due to Mongoose Energy completing the sale of the Braydon Manor split site solar project to another community enterprise and a commercial third party. This represents the last remaining development activity initiated by BWCE on behalf of other community enterprises. Profit on these last development activities of interest to BWCE was lower than expected due to the complexity and innovative nature of the shared grid connection.

Project income in the year was reduced following the issues with the 4MW Portworthy solar array highlighted above, and the removal of the climate change levy exemption during the year. This later point had a particular impact on the 2.34MW Wilmington solar array commissioned in March 2015.

The board notes the significant impact that accepted accounting practice with regard to depreciation of fixed assets has on the profit and loss account of an asset owning business such as BWCE.

BWCE adopts the recognised practice of annually revaluing its renewable energy projects in line with their market value, based on independently verified discount rates.

The losses shown in the profit and loss account to date are offset by the revaluation reserve, leaving shareholder funds well in excess of member investment in the community enterprise.

Future Prospects

BWCE's core business model remains robust. We have put plans in place to correct or reduce the impact of the local and also national challenges we are facing within the sector. These plans give us an opportunity to look beyond the short term to create sustainable solutions to delivering community energy, even when the Feed in Tariff finally closes for new projects.

Our plans include:

- All new development work being delivered by Mongoose Energy, distancing BWCE from the risks and liabilities associated with developing new projects
- Increasing operational efficiency to deliver improvements in project performance and asset management
- Reducing costs, for example by re-financing existing loans at a lower interest rate
- Increasing our income by selling the electricity we generate for more. An example could be selling direct to large consumers rather than just exporting to the grid
- Diversifying our income streams, by:
 - participating in Mongoose Energy's local energy supply offer in partnership with other community energy enterprises
 - reviewing new technology opportunities such as grid connected batteries and Combined Heat and Power
 - reviewing new models such as electricity demand management and investment in energy efficiency
- Spreading our risks by implementing a programme of solar PV installations on the roofs of large, commercial or public buildings and selling the electricity generated directly to the occupiers.

Good progress is being made on the above actions, although some of these will take more than a year to implement fully.

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

**Report of the Directors
for the Year Ended 31 March 2016**

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report.

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

Other changes in directors holding office are as follows:

Ms J S M Laurie - appointed 25 July 2015
Ms P Penkman - appointed 25 July 2015

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 Act 2014 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 2016 on pages six to twenty three. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (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 Benefit Societies 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 2016 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.

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 Pierrepoint Street
Bath
BA1 1LB

Date:

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

Consolidated Profit and Loss Account
for the Year Ended 31 March 2016

		2016		2015	
	Notes	£	£	£	£
TURNOVER	2		1,119,606		825,446
Changes in stocks of finished goods and work in progress			<u>(85,410)</u>		<u>(15,759)</u>
			1,034,196		809,687
Other operating income			<u>69,071</u>		<u>31,434</u>
			1,103,267		841,121
Raw materials and consumables		526,851		575,682	
Other external charges		<u>-</u>		<u>50,000</u>	
			<u>526,851</u>		<u>625,682</u>
			576,416		215,439
Directors' salaries		12,000		8,000	
Depreciation		255,823		85,190	
Other operating charges		<u>203,224</u>		<u>83,407</u>	
			<u>471,047</u>		<u>176,597</u>
OPERATING PROFIT	3		105,369		38,842
Interest receivable and similar income			<u>32,396</u>		<u>4,058</u>
			137,765		42,900
Interest payable and similar charges	4		<u>252,858</u>		<u>129,132</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			(115,093)		(86,232)
Tax on loss on ordinary activities	5		<u>1,019</u>		<u>2,571</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION			(116,112)		(88,803)
Minority interest - equity			<u>(2,616)</u>		<u>(335)</u>
DEFICIT FOR THE GROUP CARRIED FORWARD			<u>(113,496)</u>		<u>(88,468)</u>

Consolidated Statement of Total Recognised Gains and Losses
for the Year Ended 31 March 2016

LOSS FOR THE FINANCIAL YEAR		(113,496)	(88,468)
Unrealised surplus on revaluation of other items		<u>237,855</u>	<u>98,868</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		<u>124,359</u>	<u>10,400</u>

The notes form part of these financial statements

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

Consolidated Balance Sheet
31 March 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Intangible assets	7	-	109,249
Tangible assets	8	9,741,019	4,315,211
Investments	9	<u>10,000</u>	<u>-</u>
		9,751,019	4,424,460
CURRENT ASSETS			
Stocks		11,598	97,008
Debtors	10	1,710,952	457,970
Investments	11	1	-
Cash at bank		<u>255,580</u>	<u>396,154</u>
		1,978,131	951,132
CREDITORS			
Amounts falling due within one year	12	<u>1,228,864</u>	<u>369,922</u>
NET CURRENT ASSETS		<u>749,267</u>	<u>581,210</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,500,286	5,005,670
CREDITORS			
Amounts falling due after more than one year	13	(5,304,036)	(1,209,832)
PROVISIONS FOR LIABILITIES	16	(11,791)	(10,772)
ACCRUALS AND DEFERRED INCOME	17	(23,500)	(24,500)
MINORITY INTERESTS	18	<u>(24,710)</u>	<u>(27,100)</u>
NET ASSETS		<u>5,136,249</u>	<u>3,733,466</u>
CAPITAL AND RESERVES			
Called up share capital	19	4,727,420	3,448,770
Revaluation reserve	20	651,259	430,155
Profit and loss account	20	<u>(242,430)</u>	<u>(145,459)</u>
SHAREHOLDERS' FUNDS		<u>5,136,249</u>	<u>3,733,466</u>

The notes form part of these financial statements

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

Consolidated Balance Sheet - continued
31 March 2016

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

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

.....
D A L Bunker - Director

.....
J P Kenna - Director

.....
P J Capener - Director

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The notes form part of these financial statements

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

Society Balance Sheet
31 March 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Intangible assets	7	-	-
Tangible assets	8	-	-
Investments	9	<u>1,746,064</u>	<u>553,064</u>
		1,746,064	553,064
CURRENT ASSETS			
Debtors	10	4,812,351	2,952,287
Investments	11	1	-
Cash at bank		<u>63,600</u>	<u>20,477</u>
		4,875,952	2,972,764
CREDITORS			
Amounts falling due within one year	12	<u>294,496</u>	<u>170,269</u>
NET CURRENT ASSETS		<u>4,581,456</u>	<u>2,802,495</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,327,520	3,355,559
CREDITORS			
Amounts falling due after more than one year	13	<u>1,682,000</u>	-
NET ASSETS		<u><u>4,645,520</u></u>	<u><u>3,355,559</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	4,727,420	3,448,770
Profit and loss account	20	<u>(81,900)</u>	<u>(93,211)</u>
SHAREHOLDERS' FUNDS		<u><u>4,645,520</u></u>	<u><u>3,355,559</u></u>

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

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

.....
D A L Bunker - Director

.....
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 2016

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 January 2015).

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 accounted for under the acquisition method. The results of companies acquired or disposed of are included in the profit and 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 the Co-operative and Communities Benefit Act 2014.

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the group qualifies as a small group.

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 invoiced development and consultancy fees, excluding value added tax.

Tangible fixed assets

Plant and machinery, which comprise solar PV systems and the associated costs of installation, are depreciated over 25 or 30 years, the lifetime of the lease for the land on which the systems are situated, down to a residual value of £500 per project.

A full independent valuation of all plant and machinery is carried out every five years and interim valuations are carried out as required by the directors. Surpluses or deficits arising from changes in the valuations of the solar PV systems are transferred to the revaluation reserve unless a deficit, or its reversal, is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

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 profit and loss 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.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

1. **ACCOUNTING POLICIES - continued**

Grants

Local authority grants are credited to the profit and 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 and loss account in other operating income on a systematic basis over the useful life of the asset.

2. **TURNOVER**

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

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

	2016	2015
	£	£
Electricity generation	501,866	180,219
Development & consultancy	617,740	645,227
	<u>1,119,606</u>	<u>825,446</u>

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation - owned assets	255,824	85,190
Auditors' remuneration	<u>15,066</u>	<u>8,834</u>
Directors' remuneration and other benefits etc	<u>12,000</u>	<u>8,000</u>

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

Interest payable and similar charges includes the following:

	2016	2015
	£	£
Bank loan interest	3,938	-
Loan interest	72,493	58,563
Bond interest	22,500	-
Shareholder interest	153,060	70,569
Other interest	<u>867</u>	<u>-</u>
	<u>252,858</u>	<u>129,132</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

5. **TAXATION**

Analysis of the tax charge

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

	2016	2015
	£	£
Deferred tax	<u>1,019</u>	<u>2,571</u>
Tax on loss on ordinary activities	<u>1,019</u>	<u>2,571</u>

Factors that may affect future tax charges

Individual corporate members of the group have substantial tax losses available to offset against future profits within those entities.

6. **PROFIT 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 profit for the financial year was £11,311 (2015 - £72,071 loss).

7. **INTANGIBLE FIXED ASSETS**

Group

	Goodwill £
COST	
At 1 April 2015	109,249
Reclassification/transfer	(<u>109,249</u>)
At 31 March 2016	—
NET BOOK VALUE	
At 31 March 2016	—
At 31 March 2015	<u>109,249</u>

Goodwill, being costs arising on the acquisition of Wilmington Community Solar Limited, have been reclassified as plant and machinery as the related solar array has now been fully commissioned.

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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

8. **TANGIBLE FIXED ASSETS**

Group

	Plant and machinery £
COST OR VALUATION	
At 1 April 2015	4,333,721
Additions	5,443,777
Revaluations	<u>69,449</u>
At 31 March 2016	<u>9,846,947</u>
DEPRECIATION	
At 1 April 2015	18,510
Charge for year	255,824
Revaluation adjustments	<u>(168,406)</u>
At 31 March 2016	<u>105,928</u>
NET BOOK VALUE	
At 31 March 2016	<u><u>9,741,019</u></u>
At 31 March 2015	<u><u>4,315,211</u></u>

Included within additions to plant and machinery is £110,699 worth of loan interest capitalised during the construction of the group's solar installations.

Cost or valuation at 31 March 2016 is represented by:

	Plant and machinery £
Valuation in 2016	69,449
Revaluation in prior years	205,323
Cost	<u>9,572,175</u>
	<u><u>9,846,947</u></u>

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

	2016 £	2015 £
Cost	<u>9,572,175</u>	<u>4,128,904</u>
Aggregate depreciation	<u>425,136</u>	<u>186,519</u>

The solar PV systems were valued on net present value basis on 31 March 2016 by the directors.

The directors have adopted an approach consistent with previous year's independent revaluations and have used independently verified discount rates. The board have adopted a policy of having a full independent revaluation of the group's assets at least once every five years.

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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

9. **FIXED ASSET INVESTMENTS**

Group

	Unlisted investments £
COST	
Additions	<u>10,000</u>
At 31 March 2016	<u>10,000</u>
NET BOOK VALUE	
At 31 March 2016	<u><u>10,000</u></u>

Society

	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
At 1 April 2015	553,064	-	553,064
Additions	<u>1,183,000</u>	<u>10,000</u>	<u>1,193,000</u>
At 31 March 2016	<u>1,736,064</u>	<u>10,000</u>	<u>1,746,064</u>
NET BOOK VALUE			
At 31 March 2016	<u><u>1,736,064</u></u>	<u><u>10,000</u></u>	<u><u>1,746,064</u></u>
At 31 March 2015	<u><u>553,064</u></u>	<u><u>-</u></u>	<u><u>553,064</u></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

BWCE Development Limited

Nature of business: Renewable energy projects

	%
Class of shares:	holding
Ordinary	100.00

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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

9. **FIXED ASSET INVESTMENTS - continued**

Wilmington Community Solar Limited

Nature of business: Solar electricity generation

Class of shares:	%
Ordinary	holding 100.00

Old Mill Hydro Limited

Nature of business: Hydro electricity generation

Class of shares:	%
Ordinary	holding 100.00

Portworthy Community Solar CIC

Nature of business: Solar electricity generation

Class of shares:	%
Ordinary	holding 100.00

Unlisted investments comprises shares purchased in Mongoose Energy Limited, a related party.

10. **DEBTORS**

	Group		Society	
	2016	2015	2016	2015
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	69,703	16,827	39,000	6,285
Amounts owed by group undertakings	-	-	4,078,129	2,484,079
Other debtors	490,164	94,344	404,000	66,000
VAT	740,457	89,965	-	119,644
Prepayments and accrued income	410,628	256,834	31,000	24,462
	<u>1,710,952</u>	<u>457,970</u>	<u>4,552,129</u>	<u>2,700,470</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	<u>-</u>	<u>-</u>	<u>260,222</u>	<u>251,817</u>
Aggregate amounts	<u>1,710,952</u>	<u>457,970</u>	<u>4,812,351</u>	<u>2,952,287</u>

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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

11. **CURRENT ASSET INVESTMENTS**

	Group		Society	
	2016	2015	2016	2015
	£	£	£	£
Shares in group undertakings	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

The group and the society own the entire share capital of Braydon Manor Renewable Energy Limited, a company registered in England and Wales. The investment is held with the intention of selling the company in the foreseeable future, so has been included within the group and company's investments as a current asset.

The trading results and balance sheet position of Braydon Manor Renewable Energy Limited have therefore not been included in the consolidated financial statements of Bath & West Community Energy Limited.

At 31 March 2016, Braydon Manor Renewable Energy Limited had negative aggregate capital and reserves of £26,316. During the year to 31 March 2016 it made a loss of £26,317.

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

	Group		Society	
	2016	2015	2016	2015
	£	£	£	£
Bank loans and overdrafts	729,021	-	-	-
Other loans	199,685	212,989	-	-
Trade creditors	79,782	5,178	67,070	3,759
Amounts owed to group undertakings	-	-	182,143	94,175
VAT	-	-	10,775	-
Other creditors	-	50,000	-	50,000
Accrued expenses	<u>220,376</u>	<u>101,755</u>	<u>34,508</u>	<u>22,335</u>
	<u>1,228,864</u>	<u>369,922</u>	<u>294,496</u>	<u>170,269</u>

Included in other loans is an advance of £121,755 (2015: £157,920) 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.

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

	Group		Society	
	2016	2015	2016	2015
	£	£	£	£
Bank loans - 1-2 years	95,022	-	-	-
Bank loans - 2-5 years	354,006	-	-	-
Bank loans more than 5 years	2,022,141	-	-	-
Other loans - 1-2 years	72,189	64,220	-	-
Other loans - 2-5 years	295,321	266,257	-	-
Other loans more than 5 years	783,357	879,355	-	-
Bonds	<u>1,682,000</u>	<u>-</u>	<u>1,682,000</u>	<u>-</u>
	<u>5,304,036</u>	<u>1,209,832</u>	<u>1,682,000</u>	<u>-</u>

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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

13. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued**

Amounts falling due in more than five years:

	Group	
	2016	2015
	£	£
Repayable by instalments		
Bank loans more than 5 years	2,022,141	-
Other loans more than 5 years	<u>783,357</u>	<u>879,355</u>
	<u>2,805,498</u>	<u>879,355</u>

14. **OPERATING LEASE COMMITMENTS**

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

	Group	
	2016	2015
	£	£
Expiring:		
In more than five years	<u>45,882</u>	<u>7,832</u>

15. **SECURED DEBTS**

The following secured debts are included within creditors:

	Group	
	2016	2015
	£	£
Other loans	<u>1,350,552</u>	<u>1,422,821</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 held, by way of a fixed and floating charge, over the assets of Wilmington Community Solar Limited and the bank loans in Portworthy Community Solar CIC are secured by a fixed and floating charge over the leasehold held by that company and the assets of that company built thereon.

16. **PROVISIONS FOR LIABILITIES**

	Group	
	2016	2015
	£	£
Deferred tax		
Accelerated capital allowances	61,355	28,974
Tax losses carried forward	<u>(49,564)</u>	<u>(18,202)</u>
	<u>11,791</u>	<u>10,772</u>

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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

16. **PROVISIONS FOR LIABILITIES - continued**

Group

	Deferred tax £
Balance at 1 April 2015	10,772
Provided during year	<u>1,019</u>
Balance at 31 March 2016	<u><u>11,791</u></u>

17. **ACCRUALS AND DEFERRED INCOME**

	Group	
	2016	2015
	£	£
Deferred grants	<u>23,500</u>	<u>24,500</u>

18. **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 2015	(27,100)
Share of loss	2,616
Share of revaluation	<u>(226)</u>
As at 31 March 2016	<u><u>(24,710)</u></u>

19. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2016	2015
			£	£
4,727,420	Ordinary	£1	<u>4,727,420</u>	<u>3,448,770</u>

1,278,650 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, subject to project performance.

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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

20. **RESERVES**

Group

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 April 2015	(145,459)	430,155	284,696
Deficit for the year	(113,496)		(113,496)
Revaluation	-	237,855	237,855
Minority interest	-	(226)	(226)
Transfer	<u>16,525</u>	<u>(16,525)</u>	<u>-</u>
At 31 March 2016	<u>(242,430)</u>	<u>651,259</u>	<u>408,829</u>

Society

	Profit and loss account £
At 1 April 2015	(93,211)
Profit for the year	<u>11,311</u>
At 31 March 2016	<u>(81,900)</u>

21. **CAPITAL COMMITMENTS**

	2016 £	2015 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>107,503</u>

22. **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 £Nil (2015: £21,340) of consultancy services to the group.

D A L Bunker also received a salary of £Nil (2015: £4,000).

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

	2016 £	2015 £
Amount due to related party at the balance sheet date	<u>-</u>	<u>5,000</u>

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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

22. **RELATED PARTY DISCLOSURES - continued**

Windcluster Limited

A company of which D A L Bunker is a director

Windcluster Limited subscribed for shares in Bath & West Community Energy Limited in the prior years. The details of the share subscription are described in the prior year share capital note.

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

	2016	2015
	£	£
Amount due to related party at the balance sheet date	<u>-</u>	<u>50,000</u>

Overmoor Limited

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

During the year Overmoor Limited invoiced £7,540 (2015: £59,340) of consultancy services to the group.

J P Kenna also received a salary of £Nil (2015: £4,000) in the year.

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

	2016	2015
	£	£
Amount due to related party at the balance sheet date	<u>-</u>	<u>17,401</u>

P J Capener

During the year P J Capener invoiced £30,003 (2015: £26,363) of consultancy services to the group. He also received a salary of £12,000 in the year.

	2016	2015
	£	£
Amount due to related party at the balance sheet date	<u>34,200</u>	<u>3,000</u>

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

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

22. **RELATED PARTY DISCLOSURES - continued**

Wiltshire Wildlife Community Energy Limited and its subsidiaries "WWCE"

A community benefit society with directors in common

During the year Bath & West Community Energy Limited lent £30,000 to WWCE to assist with cash flow. Since the year end an agreement has been signed agreeing the terms of the loan. At the year end Bath & West Community Energy Limited was owed £50,000 (2015: £20,000) by WWCE. Management services amounting to £Nil (2015: £11,284) were also provided by Bath & West Community Energy Limited. These services are now provided by Mongoose Energy Limited.

During the year the group provided goods and services in respect of solar panel development amounting to £59,153 (2015: £327,581) to Braydon Manor Community Solar Limited, a subsidiary of WWCE.

The group also purchased rights in respect of the Braydon Manor site for £242,708 from Braydon Manor Community Solar Limited, a subsidiary of WWCE. At the year end £57,764 was due from Braydon Manor Community Solar Limited. This arose as a result of a set off between balances due from Braydon Manor Renewable Energy Limited.

	2016	2015
	£	£
Amount due from related party at the balance sheet date	<u>107,764</u>	<u>143,000</u>

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 £50,000 (2015: £25,000) to the charity.

Hartham Park Community Energy Limited ("HPCE")

Subsidiary

During the current year the company:

- levied management charges to HPCE of £2,389 (2015: £4,504)
- charged interest to HPCE of £13,272 (2015: £17,056)

At the balance sheet date HPCE owed the company £272,912 (2015: £251,817), £12,690 (2015: £30,333) of which is due in less than one year. An additional intercompany balance of £34,911 (2015: £36,949) 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.

	2016	2015
J P Kenna	£1,400	£1,400
P J Capener	£1,400	£1,400
D A L Bunker	£525	£467
C J Crookall-Fallon	£105	£105
J Stephenson	£389	£350
M Bess	£179	£112
J S Laurie	£35	
J S Bateman	£985	£123
P Penkman	£556	-

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2016

22. **RELATED PARTY DISCLOSURES - continued**

Mongoose Energy Limited "MEL"

Directors in common and minority shareholding

Mongoose Energy Limited is majority owned by ten community enterprises, including Bath & West Community Energy and during the year the development activities and site management activities of Bath & West Community Energy Limited were transferred into this entity. Bath & West Community Energy Limited lent MEL £300,500 on which interest is charged at 12% per annum. At the year end the full balance was outstanding and accrued interest on the outstanding loan of £300,500 was £31,000.

MEL also entered into the following transactions:

- charged £47,746 for management of the solar panel arrays held
- charged £165,000 for development fees to BWCE Development Limited
- charged £197,476 for development fees to Portworthy Community Solar CIC
- were charged by the group £32,250 for consultancy and £45,000 for development fees respectively.

At the year end £6,636 was due to MEL in respect of management fees and £39,000 (inc VAT) due from MEL in respect of consultancy fees.

Hartham Park plc "HPplc"

A company with directors in common

The group invoiced HPplc £15,879 during the course of the year in respect of electricity generated. This amount is included in debtors at the balance sheet date and interest of £691 has been accrued in respect of this balance.

The group owes HPplc £31,969 as at the balance sheet date, of which £3,370 is due within one year and on which interest of £1,568 has been accrued in the year.

Braydon Manor Renewable Energy Limited "BMRE"

A non-consolidated subsidiary of the group

During the year, the group invoiced BMRE £469,628 for the development and rights in respect of the solar panel array at Braydon Manor Farm.

Low Carbon Gordano Limited "LCG"

A community benefit society with directors in common

The group provided goods and services to LCG in respect of solar panel developments amounting to £7,785. This amount remains outstanding at the balance sheet date, and is included in accrued income.

Frome Renewable Energy Community "FRECO"

A community benefit society with directors in common

The group provided goods and services to FRECO in respect of solar panel developments amounting to £31,920.

23. **ULTIMATE CONTROLLING PARTY**

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