

BWCE 2016 AGM

Briefing: Background and Summary of BWCE Finances

Background to BWCE Finances

The following points provide background to how BWCE approaches its finances and are useful to consider when reviewing BWCE's accounts.

- BWCE is an asset owning community enterprise, generating secure long term, index linked income streams, subject to performance and market conditions
- BWCE is committed to paying interest on members' investment and repaying members' capital as finances allow, as well as recycling surplus cash back into local community action on fuel poverty and carbon reduction
- BWCE's assets are subject to depreciation at a rate that undervalues these assets substantially in the early years and that has a significant impact on the profit and loss account
- BWCE generates significantly more cash in a year than the profit shown in its consolidated accounts due to the impact of depreciation and consolidation
- BWCE adopts a recognised approach to re-valuing its assets in line with their market value, using independently verified discount rates
- BWCE's accounts show member interest and community fund payments made in that financial year, but generated as a result of the previous year's performance
- BWCE's board assesses its ability to pay interest to members and make contributions to its community fund based on its available cash reserves.
- BWCE generates significant cashflow headroom in the first 6 months of the financial year as this coincides with the most productive summer months for generating solar electricity.

Summary of BWCE Finances

The table below provides a summary of BWCE's finances, based on the consolidated accounts.

A commentary on these finances is provided in the board report contained within BWCE's consolidated accounts.

Bath & West Community Energy	2015-16	2014-15
Trading Performance		
Electricity Generation Income	£501,868	£180,219
Development Income	£617,739	£645,227
	<u>£1,119,607</u>	<u>£825,446</u>
Direct Costs	-£609,081	-£610,187
Other Operating Costs	-£215,138	-£147,968
	<u>£295,388</u>	<u>£67,291</u>
Surplus Before Members' Interest	£295,388	£67,291
Members' Interest	-£153,060	-£70,569
	<u>£142,328</u>	<u>-£3,278</u>
Revaluation of Assets less Depreciation	-£17,969	£13,678
	<u>-£17,969</u>	<u>£13,678</u>
Recognised Gains and Losses	<u>£124,359</u>	<u>£10,400</u>
BWCE Assets		
Project Fixed Assets	£9,751,019	£4,424,460
Net Current Assets		
<i>Debtors less Creditors</i>	£493,687	£185,056
<i>Cash at Bank</i>	£255,580	£396,154
	<u>£10,500,286</u>	<u>£5,005,670</u>
Less Long Term Liabilities	-£5,364,037	-£1,272,204
	<u>-£5,364,037</u>	<u>-£1,272,204</u>
Net Assets at Year End	<u>£5,136,249</u>	<u>£3,733,466</u>
BWCE Capital & Reserves		
Share Capital	£4,727,420	£3,448,770
Revaluation Reserve less P&L account	£408,829	£284,696
	<u>£408,829</u>	<u>£284,696</u>
Shareholder's Funds	<u>£5,136,249</u>	<u>£3,733,466</u>