
BATH AND WEST COMMUNITY ENERGY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

BATH AND WEST COMMUNITY ENERGY LIMITED

SOCIETY INFORMATION

Directors

P J Capener
J P Kenna
M Bess (resigned 14 September 2019)
P M R Penkman
J S Bateman
J Stephenson
J Orchard
S Bedford
P Harvey
B R Jones (appointed 14 September 2019)
R Atkinson (appointed 12 November 2019)

Company secretary

Community Owned Asset Management Ltd (trading as Bright Renewables)

Registered number

30960R

Registered office

The Guild
High Street
Bath
BA1 5EB

Independent auditors

Alanbrookes Limited
PO Box 258
Stroud
Gloucestershire
GL6 8WZ

BATH AND WEST COMMUNITY ENERGY LIMITED

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

DIRECTORS' REPORT

Directors' responsibilities statement

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

Company law 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Principal activity

The principal activities of Bath and West Community Energy (BWCE) Ltd include the development, financing and operation of community solar PV, wind and hydro projects and the delivery of low carbon services, working for the benefit of the community.

Directors of the group

The directors who held office during the year were as follows:

P J Capener
J P Kenna
M Bess (resigned 14 September 2019)
P M R Penkman
J S Bateman
J Stephenson
J Orchard
S Bedford
P Harvey
B R Jones (appointed 14 September 2019)
R Atkinson (appointed 12 November 2019)

BATH AND WEST COMMUNITY ENERGY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the society and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the society and the Group's auditors are aware of that information.

Auditors

The auditors, Alanbrookes Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

P J Capener
Director

Date: 12 September 2020

J Stephenson
Director

Date: 12 September 2020

Community Owned Asset Management Ltd
Secretary

Date: 12 September 2020

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

BWCE Board Report 2019-2020

Principal Activities

The principal activities of Bath & West Community Energy (BWCE) Ltd include the development, financing and operation of community solar PV, wind and hydro projects and the delivery of low carbon services, working for the benefit of the community.

Brief Overview of the Year

During the year we:

- Launched Flex Community, a second innovative pilot project following Solar Streets, that is this time testing how to support households shift electricity demand away from peak time using smart technology
- Installed 16 domestic batteries and 8 domestic solar systems as part of the Solar Streets project and ran various demand management activities with households in the target neighbourhood
- Developed a pipeline of new subsidy free solar PV that if delivered could double the capacity of our existing portfolio
- Started new lines of development around electric vehicle charging and car (and bike) clubs
- Raised £500,000 towards new projects through our open share offer
- Developed our Supporters Network further with active technology and communication & outreach groups, providing excellent insight, ideas and active support to BWCE's core team
- Launched a new outreach programme with a view to supporting town & parish councils to address the climate emergency
- Undertook a review of our Board and how it functions
- Strengthened board governance with an additional co-opted director with a financial background and fully implemented regular board sub committees on Finance and Project Development
- Engaged with national policy through government consultations and independent lobbying activities.

Renewable Energy Assets

The total capacity of our project portfolio is 12.35MW of solar PV, plus one small hydro scheme. During the year our projects generated nearly 12,600MWh, enough electricity to meet the equivalent annual electricity demand from over 4,000 typical UK homes (1) and reduce carbon dioxide emissions by the equivalent of the carbon footprint of nearly 1,000 B&NES residents.(2).

Sunshine levels during the year were above average with excellent summer months, offset by poor sunshine levels in April and August. Project performance was hampered by technical problems at some of the smaller sites.

Having expanded our development team, we have been able to create a substantial pipeline of new rooftop and ground mounted solar PV projects. We hope to see the first projects built before the end of next financial year.

(1) Assumes 3,100kWh per year consumed by a typical home without electric storage heaters. From Ofgem
<https://www.ofgem.gov.uk/gas/retail/retail-market/monitoring-data-an-staistics/typical-domestic-consumption-values>

(2) Assumes 3.8 tonnes CO2 emissions/capita for residents in Bath & North East Somerset. From DECC
<https://www.gov.uk/government/statistics/uk-local-authority-and-regional-carbon-dioxide-emissions-national-statistics-2005-to-2017>

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Low Carbon Services

In line with our business strategy we have been developing our knowledge, systems and team to deliver low carbon services, as well as renewable energy assets.

Our first target has been to test what role we can play as a community enterprise in supporting 'Demand Side Response' or the ability of electricity consumers to shift electricity demand away from peak hours when supply is at its most carbon intensive and expensive. This is going to be increasingly important as electricity demand goes up with the rapid increase in electric vehicles and the electrification of space heating.

As well as making significant progress in the delivery of our first pilot in this area, Solar Streets, we have also established a new pilot integrating smart technology and a cloud based software platform in partnership with Stemy Energy. This second pilot project, Flex Community, allows us to apply learning from Solar Streets to enable us to help participants install and better control hot water heating, heat pumps, and EV chargepoints.

Community Engagement

During the year our Supporters Network has become well established with significant volunteer time being put in by enthusiastic supporters, with a particular focus around communications and community outreach as well as new technologies.

The network has helped organise a number of community events under the banner 'Living with Renewables' and with a focus on the impact of the energy transition as well as supporting a new focus on outreach to local town and parish councils.

As agreed at the 2019 AGM, £35,000 was allocated to the community fund and so far £33,370 has been paid out. For information on the excellent range of community projects supported through last year's community fund contribution, see <https://www.bwce.coop/communityfund/bwce-fund-2020-allocations/>

Background to BWCE Finances

The following principles underlie our finances:

- BWCE is an asset owning community enterprise, generating secure long-term income streams, subject to performance and market conditions;
- BWCE's assets are subject to depreciation at a rate that significantly undervalues these assets in the early years and that has a considerable 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;
- BWCE adopts a recognised approach to re-valuing its assets in line with their market value, based on an analysis of its discounted future cashflow using independently verified discount rates;
- BWCE commits to paying interest on members' investments and repaying members' capital over the life of its projects, as finances allow, as well as recycling surplus cash back into local community action on fuel poverty and carbon reduction;
- BWCE's accounts show member interest and community fund payments made in that financial year, but which relate to the previous year's performance, i.e. payments made in 2019/20 relate to generation in 2018/19; and
- BWCE's board assesses its ability to pay interest to members and make contributions to its community fund based on the gross profit/loss made by its projects compared to budget and the cash surplus generated by projects during the year, alongside consideration of investments required to continue developing the company to meet its strategic objectives.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Commentary on BWCE Accounts

We believe BWCE is in a strong financial position with a significant portfolio of renewables projects generating a healthy cash surplus. Across our portfolio, our renewable energy assets performed to target again this year.

BWCE now has fixed assets worth £16.25 million and annual income of £1.76 million, with an annual operating profit of nearly £650,000.

The balance sheet position shows a strong cash balance of over £1.1 million, of which £560,000 is held within debt service and maintenance reserve accounts. BWCE's capital reserve has increased to just under £400,000 during the year, following share investment of over £292,000 and share withdrawals of £28,000 in the year. The capital fund is reserved for investment in new projects.

Each year, BWCE's projects are revalued based on the net present value of future cashflows, before financing costs. As part of this analysis, we use independently verified market-based discount rates and industry standard forecasts of future wholesale electricity prices. These forecasts have reduced again this year.

The losses shown in the profit and loss account to date are offset by the revaluation reserve, generated as outlined above.

Post Year End Developments

Impact of COVID-19

Following the partial and full lockdowns implemented in March 2020, BWCE has shifted all operations online, with staff working virtually from home and all engagement with members, stakeholders and partners taking place online.

BWCE's board has put in place arrangements to monitor developments and has implemented risk management measures to mitigate the business impact. The Directors consider these measures appropriate and whilst some project delivery and development has been delayed, overall this shift has been successful and as a result of mitigation measures the impact on the business will be limited.

BATH AND WEST COMMUNITY ENERGY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BATH AND WEST COMMUNITY ENERGY LIMITED

Opinion

We have audited the financial statements of Bath and West Community Energy Limited (the 'parent society') and its subsidiaries (the 'Group') for the year ended 31 March 2020, which comprise the Group Statement of Comprehensive Income, the Group and society Balance Sheets, the Group and society Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent society's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or

BATH AND WEST COMMUNITY ENERGY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BATH AND WEST COMMUNITY ENERGY LIMITED (CONTINUED)

our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Co-operative and Community Benefit Societies Act 2014.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent society and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent society, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent society financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Group Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent society or to cease operations, or have no realistic alternative but to do so.

BATH AND WEST COMMUNITY ENERGY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BATH AND WEST COMMUNITY ENERGY LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the society's members in accordance with 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 an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members for our audit work, for this report, or for the opinions we have formed.

Andrew Fisher BA FCA (Senior Statutory Auditor)

for and on behalf of
Alanbrookes Limited

PO Box 258
Stroud
Gloucestershire
GL6 8WZ

14 September 2020

BATH AND WEST COMMUNITY ENERGY LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Turnover		1,760,318	1,781,756
Cost of sales		(291,625)	(382,266)
Gross profit		1,468,693	1,399,490
Depreciation costs		(593,473)	(585,380)
Administrative expenses		(225,478)	(174,807)
Other operating income		233	-
Operating profit		649,975	639,303
Interest receivable and similar income		4,422	2,799
Interest payable and similar expenses		(826,327)	(831,230)
Loss before taxation		(171,930)	(189,128)
Loss for the financial year		(171,930)	(189,128)
Unrealised surplus on revaluation of tangible fixed assets		341,448	455,781
Minority interest		(4,665)	(2,708)
Other comprehensive income for the year		336,783	453,073
Total comprehensive income for the year		164,853	263,945
(Loss) for the year attributable to:			
Minority interests		(4,665)	(2,708)
The group		(167,265)	(186,420)
		(171,930)	(189,128)
Total comprehensive income for the year attributable to:			
Minority interests		(4,665)	(2,708)
The group		169,518	266,653
		164,853	263,945

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of comprehensive income.

The notes on pages 18 to 30 form part of these financial statements.

BATH AND WEST COMMUNITY ENERGY LIMITED
REGISTERED NUMBER: 30960R

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	5	16,260,971	16,333,536
Investments	6	10,001	-
		<u>16,270,972</u>	<u>16,333,536</u>
Current assets			
Stocks	7	-	54,298
Debtors: amounts falling due within one year	8	1,119,217	1,031,182
Cash at bank and in hand	9	1,106,371	1,153,636
		<u>2,225,588</u>	<u>2,239,116</u>
Creditors: amounts falling due within one year	10	(666,410)	(786,484)
Net current assets		<u>1,559,178</u>	<u>1,452,632</u>
Total assets less current liabilities		<u>17,830,150</u>	<u>17,786,168</u>
Creditors: amounts falling due after more than one year	11	(10,679,151)	(11,088,472)
Provisions for liabilities			
Net assets excluding pension asset		<u>7,150,999</u>	<u>6,697,696</u>
Net assets		<u>7,150,999</u>	<u>6,697,696</u>
Capital and reserves			
Called up share capital		5,814,200	5,549,950
Revaluation reserve		2,627,770	2,286,322
Capital reserve on consolidation		100,836	81,301
Profit and loss account		(1,403,206)	(1,235,941)
Equity attributable to owners of the parent society		<u>7,139,600</u>	<u>6,681,632</u>
Minority interests		11,399	16,064
		<u>7,150,999</u>	<u>6,697,696</u>

BATH AND WEST COMMUNITY ENERGY LIMITED
REGISTERED NUMBER: 30960R

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

The society's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
P J Capener
Director

.....
J Stephenson
Director

.....
Community Owned Asset Management Ltd
Secretary

Date: 12 September 2020

The notes on pages 18 to 30 form part of these financial statements.

BATH AND WEST COMMUNITY ENERGY LIMITED
REGISTERED NUMBER: 30960R

SOCIETY BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	5	75,713	-
Investments	6	2,372,951	2,362,950
		<u>2,448,664</u>	<u>2,362,950</u>
Current assets			
Stocks	7	-	54,298
Debtors: amounts falling due within one year	8	5,181,431	4,900,988
Cash at bank and in hand	9	68,423	180,740
		<u>5,249,854</u>	<u>5,136,026</u>
Creditors: amounts falling due within one year	10	(162,787)	(128,348)
Net current assets		<u>5,087,067</u>	<u>5,007,678</u>
Total assets less current liabilities		<u>7,535,731</u>	<u>7,370,628</u>
Creditors: amounts falling due after more than one year	11	(1,797,319)	(1,809,319)
Net assets excluding pension asset		<u>5,738,412</u>	<u>5,561,309</u>
Net assets		<u><u>5,738,412</u></u>	<u><u>5,561,309</u></u>
Capital and reserves			
Called up share capital		5,814,200	5,549,950
Profit and loss account brought forward		11,359	26,154
Loss for the year		(87,147)	(14,795)
Profit and loss account carried forward		(75,788)	11,359
		<u>5,738,412</u>	<u>5,561,309</u>

BATH AND WEST COMMUNITY ENERGY LIMITED
REGISTERED NUMBER: 30960R

SOCIETY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

The society's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
P J Capener
Director

.....
J Stephenson
Director

.....
Community Owned Asset Management Ltd
Secretary

Date: 12 September 2020

The notes on pages 18 to 30 form part of these financial statements.

BATH AND WEST COMMUNITY ENERGY LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £	Revaluation reserve £	Capital reserve on consolidation £	Profit and loss account £	Equity attributable to owners of parent society £	Non- controlling interests £	Total equity £
At 1 April 2018	5,674,600	1,830,541	81,301	(1,049,521)	6,536,921	18,772	6,555,693
Comprehensive income for the year							
Loss for the year	-	-	-	(186,420)	(186,420)	-	(186,420)
Surplus on revaluation of other fixed assets	-	455,781	-	-	455,781	-	455,781
Other movement type 1	-	-	-	-	-	(2,708)	(2,708)
Other comprehensive income for the year	-	455,781	-	-	455,781	(2,708)	453,073
Total comprehensive income for the year	-	455,781	-	(186,420)	269,361	(2,708)	266,653
Shares issued during the year	122,850	-	-	-	122,850	-	122,850
Shares redeemed during the year	(247,500)	-	-	-	(247,500)	-	(247,500)
Total transactions with owners	(124,650)	-	-	-	(124,650)	-	(124,650)
At 1 April 2019	5,549,950	2,286,322	81,301	(1,235,941)	6,681,632	16,064	6,697,696
Comprehensive income for the year							
Loss for the year	-	-	-	(167,265)	(167,265)	-	(167,265)
Surplus on revaluation of other fixed assets	-	341,448	-	-	341,448	-	341,448
Loss for the year	-	-	-	-	-	(4,665)	(4,665)

BATH AND WEST COMMUNITY ENERGY LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Other comprehensive income for the year	-	341,448	-	-	341,448	(4,665)	336,783
Total comprehensive income for the year	-	341,448	-	(167,265)	174,183	(4,665)	169,518
Shares issued during the year	292,250	-	-	-	292,250	-	292,250
Shares redeemed during the year	(28,000)	-	-	-	(28,000)	-	(28,000)
Transfer to/from revaluation reserve	-	-	19,535	-	19,535	-	19,535
Total transactions with owners	264,250	-	19,535	-	283,785	-	283,785
At 31 March 2020	5,814,200	2,627,770	100,836	(1,403,206)	7,139,600	11,399	7,150,999

The notes on pages 18 to 30 form part of these financial statements.

During the course of the audit, the opportunity was taken to review the treatment adopted by the previous auditors with regard to certain transactions from the commencement of the group's business to 31st March 2016 relating to non-revenue consolidated reserves. As a result, £19,535 was transferred from revaluation reserve to capital reserve on consolidation. This affects the consolidated accounts only. The Group's profit, net assets and revenue reserves are not affected by this transfer.

BATH AND WEST COMMUNITY ENERGY LIMITED

**SOCIETY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2019	5,549,950	11,359	5,561,309
Comprehensive income for the year			
Loss for the year	-	(87,147)	(87,147)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(87,147)	(87,147)
Contributions by and distributions to owners			
New share capital subscribed	292,250	-	292,250
Purchase of own share capital	(28,000)	-	(28,000)
Total transactions with owners	264,250	-	264,250
At 31 March 2020	5,814,200	(75,788)	5,738,412

The notes on pages 18 to 30 form part of these financial statements.

BATH AND WEST COMMUNITY ENERGY LIMITED

**SOCIETY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2018	5,674,600	26,154	5,700,754
Comprehensive income for the year			
Loss for the year	-	(14,795)	(14,795)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(14,795)	(14,795)
Contributions by and distributions to owners			
New share capital subscribed	122,850	-	122,850
Purchase of own share capital	(247,500)	-	(247,500)
Total transactions with owners	(124,650)	-	(124,650)
At 31 March 2019	5,549,950	11,359	5,561,309

The notes on pages 18 to 30 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. General information

The company is a private company limited by share capital, incorporated in England and Wales, and is constituted as a Registered Society under the Co-operative and Community Benefit Societies Act 2014.

The address of its registered office is:

The Guild
High Street
Bath
BA1 5ET

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies.

The society has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the society and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 31 March 2016.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as follows.

Depreciation is provided on the following basis:

Solar and hydro installations	- 5 to 30 years straight line to residual value
Battery installations	- 5 years straight line to residual value

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Revaluation

A full independent valuation of the solar installation is carried out every five years and interim valuations are carried out as required by the directors. In either case, revaluations are prepared on a discounted cash flow basis using discount rates agreed with the independent valuer. Surpluses or deficits 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. Deferred tax is provided on revaluation surpluses except where offsetting tax losses are available.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. Auditors' remuneration

	2020	<i>2019</i>
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	8,800	<i>10,400</i>
	<u><u>8,800</u></u>	<u><u>10,400</u></u>

4. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	Group	<i>Group</i>	Society	<i>Society</i>
	2020	<i>2019</i>	2020	<i>2019</i>
	No.	<i>No.</i>	No.	<i>No.</i>
Staff	15	<i>12</i>	15	<i>12</i>
	<u><u>15</u></u>	<u><u>12</u></u>	<u><u>15</u></u>	<u><u>12</u></u>

BATH AND WEST COMMUNITY ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

5. Tangible fixed assets

Group

	Solar and hydro installations £	Battery installations £	Total £
Cost or valuation			
At 1 April 2019	18,194,426	-	18,194,426
Additions	84,883	46,300	131,183
Revaluations	389,725	-	389,725
At 31 March 2020	18,669,034	46,300	18,715,334
Depreciation			
At 1 April 2019	1,860,890	-	1,860,890
Charge for the year on owned assets	586,021	7,452	593,473
At 31 March 2020	2,446,911	7,452	2,454,363
Net book value			
At 31 March 2020	16,222,123	38,848	16,260,971
<i>At 31 March 2019</i>	<i>16,333,536</i>	<i>-</i>	<i>16,333,536</i>

BATH AND WEST COMMUNITY ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

5. Tangible fixed assets (continued)

Society

	Solar installations £	Battery installations £	Total £
Cost or valuation			
Additions	43,207	46,300	89,507
At 31 March 2020	<u>43,207</u>	<u>46,300</u>	<u>89,507</u>
Depreciation			
Charge for the year on owned assets	6,342	7,452	13,794
At 31 March 2020	<u>6,342</u>	<u>7,452</u>	<u>13,794</u>
Net book value			
At 31 March 2020	<u>36,865</u>	<u>38,848</u>	<u>75,713</u>
At 31 March 2019	<u>-</u>	<u>-</u>	<u>-</u>

BATH AND WEST COMMUNITY ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

6. Fixed asset investments

Group

	Unlisted investments £
Cost or valuation	
Additions	10,001
At 31 March 2020	10,001
Net book value	
At 31 March 2020	10,001
<i>At 31 March 2019</i>	-

Society

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2019	2,362,950	-	2,362,950
Additions	-	10,001	10,001
At 31 March 2020	2,362,950	10,001	2,372,951
Net book value			
At 31 March 2020	2,362,950	10,001	2,372,951
<i>At 31 March 2019</i>	2,362,950	-	2,362,950

BATH AND WEST COMMUNITY ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

6. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the society:

Name	Registered office	Class of shares	Holding
Bath and West Community Solar Limited	W106 Vox Studios,1-45 Durham Street, Vauxhall, London SE11 5JH	Ordinary	100%
Bath & West Community Solar 2 Limited	W106 Vox Studios,1-45 Durham Street, Vauxhall, London SE11 5JH	Ordinary	100%
Hartham Park Community Energy Limited	W106 Vox Studios,1-45 Durham Street, Vauxhall, London SE11 5JH	Ordinary	90%
Portworthy Solar CIC	W106 Vox Studios,1-45 Durham Street, Vauxhall, London SE11 5JH	Ordinary	100%
Wilmington Community Solar Limited	W106 Vox Studios,1-45 Durham Street, Vauxhall, London SE11 5JH	Ordinary	100%
Crewkerne Community Solar CIC	W106 Vox Studios,1-45 Durham Street, Vauxhall, London SE11 5JH	Ordinary	100%
Old Mill Community Hydro Limited	W106 Vox Studios,1-45 Durham Street, Vauxhall, London SE11 5JH	Ordinary	100%

BATH AND WEST COMMUNITY ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

6. Fixed asset investments (continued)**Subsidiary undertakings (continued)**

The aggregate of the share capital and reserves as at 31 March 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Bath and West Community Solar Limited	405,211	2,302
Bath & West Community Solar 2 Limited	206,945	3,791
Hartham Park Community Energy Limited	191,796	(68,522)
Portworthy Solar CIC	(7,172)	(61,927)
Wilmington Community Solar Limited	308,193	(17,466)
Crewkerne Community Solar CIC	2,926,456	69,171
Old Mill Community Hydro Limited	(171,104)	(12,132)

BATH AND WEST COMMUNITY ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

7. Stocks

	Group 2020 £	<i>Group 2019 £</i>	Society 2020 £	<i>Society 2019 £</i>
Work in progress	-	54,298	-	54,298
	<hr/>	<hr/>	<hr/>	<hr/>
	-	54,298	-	54,298
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

BATH AND WEST COMMUNITY ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

8. Debtors

	Group 2020 £	<i>Group 2019 £</i>	Society 2020 £	<i>Society 2019 £</i>
Trade debtors	130,379	236,384	27,950	22,089
Amounts owed by group undertakings	-	-	5,019,177	4,840,230
Other debtors	109,316	24,101	93,156	13,838
Prepayments and accrued income	879,522	770,697	41,148	24,831
	<u>1,119,217</u>	<u>1,031,182</u>	<u>5,181,431</u>	<u>4,900,988</u>

Group prepayments include £472,125 in respect of prepaid finance and refinance fees (2019 - £532,683).

Company prepayments include £17,058 in respect of prepaid finance and refinance fees (2019 - £24,368).

9. Cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>	Society 2020 £	<i>Society 2019 £</i>
Cash at bank and in hand	1,106,371	1,153,636	68,423	180,740
	<u>1,106,371</u>	<u>1,153,636</u>	<u>68,423</u>	<u>180,740</u>

10. Creditors: Amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>	Society 2020 £	<i>Society 2019 £</i>
Bank loans	390,391	376,435	-	-
Other loans	8,982	8,658	-	-
Trade creditors	30,434	96,140	258	(2,111)
Bond interest	58,288	46,895	58,288	46,895
Other taxation and social security	2,035	9,599	-	-
Other creditors	2,686	23,464	1,170	1,660
Accruals and deferred income	173,594	225,293	103,071	81,904
	<u>666,410</u>	<u>786,484</u>	<u>162,787</u>	<u>128,348</u>

BATH AND WEST COMMUNITY ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. Creditors: Amounts falling due after more than one year

	Group 2020 £	<i>Group 2019 £</i>	Society 2020 £	<i>Society 2019 £</i>
Bank loans	8,750,480	9,140,871	-	-
Other loans	131,352	138,282	-	-
Other creditors	1,797,319	1,809,319	1,797,319	1,809,319
	<u>10,679,151</u>	<u>11,088,472</u>	<u>1,797,319</u>	<u>1,809,319</u>

12. Loans

The bank borrowings and majority of the other borrowings are secured by fixed and floating charges over the groups' assets.

	Group 2020 £	<i>Group 2019 £</i>
Amounts falling due within one year		
Bank loans	390,391	376,435
Other loans	8,982	8,658
	<u>399,373</u>	<u>385,093</u>
Amounts falling due 2-5 years		
Other loans	29,775	29,917
	<u>29,775</u>	<u>29,917</u>
Amounts falling due after more than 5 years		
Bank loans	8,750,480	9,140,871
Other loans	101,577	108,365
	<u>8,852,057</u>	<u>9,249,236</u>
	<u>9,281,205</u>	<u>9,664,246</u>

BATH AND WEST COMMUNITY ENERGY LIMITED

**CONSOLIDATED DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020**

	2020	2019
	£	£
Turnover	1,760,318	1,781,756
Cost Of Sales	(291,626)	(382,267)
Gross profit	1,468,692	1,399,489
Gross profit %	83.4 %	78.5 %
Other operating income	233	-
Less: overheads		
Depreciation costs	(593,474)	(585,380)
Administration expenses	(171,714)	(117,059)
Establishment expenses	(53,762)	(57,748)
Operating profit	649,975	639,302
Interest receivable	4,422	2,799
Interest payable	(826,327)	(831,229)
Loss for the year	(171,930)	(189,128)

BATH AND WEST COMMUNITY ENERGY LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
Turnover		
Feed in tariff	999,498	1,007,232
Energy export income	659,922	661,720
On site usage	24,783	33,447
REGO's	230	-
Consultancy and similar income	16,417	-
Management charges receivable	-	3,884
Grant income	59,468	75,473
	<u>1,760,318</u>	<u>1,781,756</u>
	2020 £	2019 £
Cost of sales		
Solar streets	14,844	22,261
Flex community	12,838	-
Direct costs	1,538	2,649
Light, heat and power	11,516	15,598
Repairs and maintenance	102,024	116,043
Insurance	21,926	22,390
Asset management and similar fees	94,374	96,680
Legal and professional	474	4,334
Rent	74,187	78,073
Rates	(42,095)	24,239
	<u>291,626</u>	<u>382,267</u>
	2020 £	2019 £
Other operating income		
Other operating income	233	-
	<u>233</u>	<u>-</u>

BATH AND WEST COMMUNITY ENERGY LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
Depreciation costs		
Depreciation of solar and hydro installations	587,340	585,380
Depreciation of battery installations	6,134	-
	<u>593,474</u>	<u>585,380</u>
	2020 £	2019 £
Administration expenses		
Directors salaries	54,634	45,508
Staff salaries	29,372	17,568
Hotels, travel and subsistence	10,292	6,615
Research and development	17,614	-
Computer costs	-	356
Advertising and promotion	792	968
Trade subscriptions	1,847	1,432
Charity donations	35,000	30,000
Legal and professional	1,050	1,981
Auditors' remuneration	(470)	1,400
Bank charges	64	65
Bond costs - annual amortisation	7,311	7,311
Bad debts	12,377	-
Sundry expenses	-	2,902
NED/ meeting costs	1,831	953
	<u>171,714</u>	<u>117,059</u>

BATH AND WEST COMMUNITY ENERGY LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
Establishment		
Insurances	2,964	2,711
Sundry expenses	409	3,951
Impairment loss (reversal) on solar installations	(28,742)	(5,713)
Impairment loss (reversal) on intangible assets	-	10,000
Telephone and fax	951	1,562
Audit of subsidiaries financial statements	9,270	9,000
Bank charges	8,185	10,197
Finance and refinance fees - charge for the year	54,400	26,040
Bad and doubtful debts	6,325	-
	53,762	57,748
	53,762	57,748
	2020 £	2019 £
Interest receivable		
Bank interest receivable	4,422	2,799
	4,422	2,799
	4,422	2,799
	2020 £	2019 £
Interest payable		
Bank loan interest payable	370,670	388,653
Other loan interest payable	8,885	11,489
Interest on members' shares	349,006	342,067
Bond interest payable	97,766	89,020
	826,327	831,229
	826,327	831,229