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**AVALON COMMUNITY ENERGY LIMITED**

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**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**AVALON COMMUNITY ENERGY LIMITED**

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**SOCIETY INFORMATION**

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**Directors**

S Bedford  
S Crocker  
M Milnes  
R Morgan (resigned 25 September 2020)  
C Naden  
G O'Sullivan (appointed 1 January 2021)  
M Penn FCA (resigned 3 June 2020)  
N Pillinger  
J Walton  
J Yelverton

**Company secretary**

S Crocker

**Registered number**

31969R

**Registered office**

Millstream House  
3 Keward Mill Way  
Wells  
Somerset  
BA5 1PZ

**Accountants**

The Alanbrookes Group Limited  
24 Glove Factory Studios  
Holt  
Wiltshire  
BA14 6RL

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## AVALON COMMUNITY ENERGY LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present their report and the financial statements for the year ended 31 December 2020.

#### Principal activity

The society's principal trading activity during the year was to install and manage solar installations funded through members' share investment and to offer an energy advice service in order to save energy.

#### Directors

The directors who served during the year were:

S Bedford  
S Crocker  
M Milnes  
R Morgan (resigned 25 September 2020)  
C Naden  
M Penn FCA (resigned 3 June 2020)  
N Pillinger  
J Walton  
J Yelverton

#### Small companies note

This report has been prepared in accordance with the special provisions relating to societies subject to the small companies regime under the Co-operative and Community Benefit Societies Act 2014.

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

G O'Sullivan  
Director

Date: 2 June 2021

M Milnes  
Director

Date: 2 June 2021

S Crocker  
Secretary

Date: 2 June 2021

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF  
THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF AVALON COMMUNITY ENERGY LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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In order to assist you to fulfil your duties under the Co-operative and Community Benefit Societies Act 2014, we have prepared for your approval the financial statements of Avalon Community Energy Limited for the year ended 31 December 2020 which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Changes in Equity and the related notes from the Society's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Avalon Community Energy Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Avalon Community Energy Limited and state those matters that we have agreed to state to the Board of Directors of Avalon Community Energy Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Avalon Community Energy Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Avalon Community Energy Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Avalon Community Energy Limited. You consider that Avalon Community Energy Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Avalon Community Energy Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

**The Alanbrookes Group Limited**

24 Glove Factory Studios  
Holt  
Wiltshire  
BA14 6RL  
3 June 2021

# AVALON COMMUNITY ENERGY LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover		21,050	23,428
Direct costs		(565)	(2,723)
<b>Gross profit</b>		<b>20,485</b>	<b>20,705</b>
Operating overheads		(4,626)	(1,207)
Depreciation		(15,122)	(6,832)
<b>Operating profit</b>		<b>737</b>	<b>12,666</b>
Interest to members		(5,428)	(2,157)
<b>(Loss)/profit before tax</b>		<b>(4,691)</b>	<b>10,509</b>
<b>(Loss)/profit after tax</b>		<b>(4,691)</b>	<b>10,509</b>
Retained earnings at the beginning of the year		12,666	2,157
		12,666	2,157
(Loss)/profit for the year		(4,691)	10,509
<b>Retained earnings at the end of the year</b>		<b>7,975</b>	<b>12,666</b>

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

The notes on pages 8 to 11 form part of these financial statements.

**AVALON COMMUNITY ENERGY LIMITED**  
**REGISTERED NUMBER: 31969R**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Fixed assets</b>			
Tangible assets	3	<b>136,441</b>	<b>151,563</b>
		<b>136,441</b>	<b>151,563</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	4	<b>6,887</b>	<b>5,869</b>
Cash at bank and in hand	5	<b>36,897</b>	<b>39,942</b>
		<b>43,784</b>	<b>45,811</b>
Creditors: amounts falling due within one year	6	<b>(6,305)</b>	<b>(3,000)</b>
<b>Net current assets</b>		<b>37,479</b>	<b>42,811</b>
<b>Total assets less current liabilities</b>		<b>173,920</b>	<b>194,374</b>
<b>Net assets</b>		<b>173,920</b>	<b>194,374</b>
<b>Capital and reserves</b>			
Called up share capital	7	<b>165,945</b>	<b>181,708</b>
Profit and loss account		<b>7,975</b>	<b>12,666</b>
		<b>173,920</b>	<b>194,374</b>

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**AVALON COMMUNITY ENERGY LIMITED**  
**REGISTERED NUMBER: 31969R**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2020**

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The directors consider that the Society is entitled to exemption from audit under the Co-operative and Community Benefit Societies Act 2014 and members have not required the Society to obtain an audit for the year in question in accordance with the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within the Co-operative and Community Benefit Societies Act 2014.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 June 2021.

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G O'Sullivan  
Director

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M Milnes  
Director

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S Crocker  
Secretary

The notes on pages 8 to 11 form part of these financial statements.



**AVALON COMMUNITY ENERGY LIMITED**

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	181,708	12,666	194,374
<b>Comprehensive income for the year</b>			
Loss for the year	-	(4,691)	(4,691)
	<hr/>	<hr/>	<hr/>
<b>Other comprehensive income for the year</b>			
	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	-	(4,691)	(4,691)
Shares issued during the year	30	-	30
Shares redeemed during the year	(15,793)	-	(15,793)
	<hr/>	<hr/>	<hr/>
<b>Total transactions with owners</b>	(15,763)	-	(15,763)
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2020</b>	<b>165,945</b>	<b>7,975</b>	<b>173,920</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 8 to 11 form part of these financial statements.

**AVALON COMMUNITY ENERGY LIMITED**

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	181,708	2,157	183,865
<b>Comprehensive income for the year</b>			
Profit for the year	-	10,509	10,509
	<hr/>	<hr/>	<hr/>
<b>Other comprehensive income for the year</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	-	10,509	10,509
	<hr/>	<hr/>	<hr/>
<b>Total transactions with owners</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2019</b>	<b>181,708</b>	<b>12,666</b>	<b>194,374</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 8 to 11 form part of these financial statements.

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

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**1. General information**

The company is incorporated in England and Wales. It is constituted as a Registered Society under the Co-operative and Community Benefit Societies Act 2014.

The address of its registered office is:

Millstream House,  
3 Keward Mill Way,  
Wells,  
Somerset,  
BA5 1PZ

**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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

**2.2 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Society 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 Society has transferred the significant risks and rewards of ownership to the buyer;
- the Society 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 Society 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 Society 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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**2. Accounting policies (continued)**

**2.3 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.

**2.4 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 installations	- 20 years straight line
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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.

**2.5 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.

**2.6 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.

**2.7 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.

# AVALON COMMUNITY ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 3. Tangible fixed assets

	Solar installations £
<b>Cost or valuation</b>	
At 1 January 2020	170,803
At 31 December 2020	<u>170,803</u>
<b>Depreciation</b>	
At 1 January 2020	19,240
Charge for the year on owned assets	15,122
At 31 December 2020	<u>34,362</u>
<b>Net book value</b>	
At 31 December 2020	<u>136,441</u>
<i>At 31 December 2019</i>	<u>151,563</u>

### 4. Debtors

	2020 £	2019 £
Trade debtors	1,255	1,782
Other debtors	54	-
Prepayments and accrued income	5,578	4,087
	<u>6,887</u>	<u>5,869</u>

### 5. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	36,897	39,942
	<u>36,897</u>	<u>39,942</u>

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**AVALON COMMUNITY ENERGY LIMITED**

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

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**6. Creditors: Amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>63</b>	799
Other taxation and social security	-	176
Other creditors	<b>4,397</b>	866
Accruals and deferred income	<b>1,845</b>	1,159
	<b>6,305</b>	<b>3,000</b>

**7. Share capital**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
165,155 (2019 - 180,948) Ordinary shares of £1.00 each	<b>165,155</b>	180,948
790 (2019 - 760) Member shares of £1.00 each	<b>790</b>	760
	<b>165,945</b>	<b>181,708</b>

# AVALON COMMUNITY ENERGY LIMITED

## DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover		21,050	23,428
Direct costs		(564)	(2,723)
<b>Gross profit</b>		<b>20,486</b>	<b>20,705</b>
<b>Gross profit %</b>		<b>97.3 %</b>	<b>88.4 %</b>
<b>Less: overheads</b>			
Operating overheads		(4,627)	(1,207)
Depreciation		(15,122)	(6,832)
<b>Operating profit</b>		<b>737</b>	<b>12,666</b>
Interest to members		(5,428)	(2,157)
<b>(Loss)/Profit for the year</b>		<b>(4,691)</b>	<b>10,509</b>

**AVALON COMMUNITY ENERGY LIMITED**

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

	2020 £	2019 £
<b>Turnover</b>		
Feed in tariffs	16,115	16,070
On site	4,935	7,358
	<u>21,050</u>	<u>23,428</u>
	<u><u>21,050</u></u>	<u><u>23,428</u></u>
	2020 £	2019 £
<b>Direct costs</b>		
Repairs, renewals and maintenance	614	1,025
Insurance	158	540
Landlords commission	(208)	1,158
	<u>564</u>	<u>2,723</u>
	<u><u>564</u></u>	<u><u>2,723</u></u>
	2020 £	2019 £
<b>Operating overheads</b>		
Printing, postage and stationery	13	57
Computer software and maintenance	257	259
Advertising and promotion	214	50
Accountancy fees	695	-
Bank charges	29	6
Management fees	2,474	-
Administration fees	605	833
NED/ meeting costs	338	-
Other charges	2	2
	<u>4,627</u>	<u>1,207</u>
	<u><u>4,627</u></u>	<u><u>1,207</u></u>
	2020 £	2019 £
<b>Depreciation</b>		
Depreciation - solar installations	15,122	6,832
	<u>15,122</u>	<u>6,832</u>
	<u><u>15,122</u></u>	<u><u>6,832</u></u>



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**AVALON COMMUNITY ENERGY LIMITED**

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

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	<b>2020</b> £	<i>2019</i> £
<b>Interest to members</b>		
Interest on shares	<b>5,428</b>	<i>2,157</i>
	<u><b>5,428</b></u>	<u><i>2,157</i></u>
	<u><b>5,428</b></u>	<u><i>2,157</i></u>