

# **AVALON COMMUNITY ENERGY LIMITED**

**AVALON COMMUNITY ENERGY LIMITED**

**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**31 DECEMBER 2021**

**UNAUDITED**

# AVALON COMMUNITY ENERGY LIMITED

## AVALON COMMUNITY ENERGY LIMITED

### CONTENTS

<b>Description</b>	<b>Page No</b>
Society Information	1
Directors' report	2
Statement of Income and Retained Earnings	3
Balance Sheet	4
Statement of Changes in Equity	5
Notes to the Financial Statements	6 - 9
The following page does not form part of the statutory financial statements: Detailed Profit and Loss Account	10

# AVALON COMMUNITY ENERGY LIMITED

## SOCIETY INFORMATION

Directors	S Bedford J Cousins S Crocker M Milnes C Naden N Pillinger J Walton K Webster
Company Secretary	K Webster
Registered number	31969R
Registered Office	Millstream House 3 Keward Mill Way Wells Somerset BA5 1PZ

# AVALON COMMUNITY ENERGY LIMITED

**The Director's present their report together with financial statements for the year ended 31st December 2021.**

## **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  
J Cousins (Appointed 2nd June 2021)  
S Crocker  
M Milnes  
C Naden  
G O'Sullivan (Resigned 18 February 2022)  
N Pillinger  
A Poole (Co-opted 24 November 2021, resigned 12 January 2022)  
J Walton  
K Webster (co-opted 12 January 2022)  
J Yelverton (resigned 2nd June 2021)

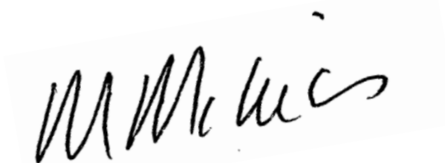
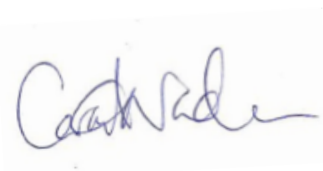
## **Small companies note**

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

This report was approved by the board and signed on its behalf on 11th May 2022.

C Naden  
Director

M Milnes  
Director



S Crocker  
Secretary



# AVALON COMMUNITY ENERGY LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
<b>Turnover</b>		25,617	21,050
Direct costs		(3,486)	(565)
Gross profit		<u>22,131</u>	<u>20,485</u>
Operating overheads		(4,802)	(4,626)
Depreciation		(9,165)	(15,122)
Operating profit		<u>8,164</u>	<u>737</u>
Interest to members		(6,054)	(5,428)
<b>Profit/(Loss) before tax</b>		<u>2,110</u>	<u>(4,691)</u>
Tax		0	0
<b>Profit/(Loss) after tax</b>		<u><u>2,110</u></u>	<u><u>(4,691)</u></u>
Retained earnings at the beginning of the year		7,975	12,666
Profit/(Loss) for the year		2,110	(4,691)
Retained earnings at the end of the year		<u><u>10,085</u></u>	<u><u>7,975</u></u>

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of income and retained earnings.

The notes on pages 6 to 9 form part of these financial statements.

# AVALON COMMUNITY ENERGY LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	3	127,276	136,441
<b>Current assets</b>			
Debtors : amounts falling due within one year	4	20,279	6,887
Cash at Bank and in hand	5	33,909	36,897
		<u>54,188</u>	<u>43,784</u>
Creditors			
Amount falling due within one year	6	<u>(15,546)</u>	<u>(6,305)</u>
<b>Net current assets</b>		<u>38,642</u>	<u>37,479</u>
<b>Total assets less current liabilities</b>		<u>165,918</u>	<u>173,920</u>
<b>Net assets</b>		<u>165,918</u>	<u>173,920</u>
<b>Capital and Reserves</b>			
Called up share capital	7	155,834	165,945
Profit and loss account		10,085	7,975
Total reserves		<u>165,919</u>	<u>173,920</u>

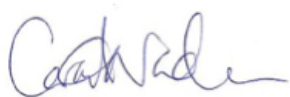
The directors consider that the Society is entitled to exemption from audit under the Co-operative and Community Benefit Societies Act 2014 and members have not required the Society to obtain an audit for the year in question in accordance with the Act.

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 11th May 2022.

C Naden  
Director



M Milnes  
Director



S Crocker  
Secretary



# AVALON COMMUNITY ENERGY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Total equity
At 1st January 2021	165,945	7,975	173,920
Comprehensive income for the year			
Profit for the year		2,110	2,110
Shares issued during the year	70		70
Shares redeemed during the year	(10,181)		(10,181)
Total transactions with owners	(10,111)	-	(10,111)
At 31st December 2021	155,834	10,085	165,919

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

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

# AVALON COMMUNITY ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 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.



# AVALON COMMUNITY ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 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

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

#### 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 2021

### 3. Tangible fixed assets

	Solar installations £
<b>Cost or valuation</b>	
At 1st January 2021	170,803
At 31st December 2021	<u>170,803</u>
<b>Depreciation</b>	
At 1st January 2021	34,362
Charge for the year	9,165
At 31st December 2021	<u>43,527</u>
<b>Net book values</b>	
At 31st December 2021	<b>127,276</b>
At 31st December 2020	<b>136,441</b>

4. Debtors	2021 £	2020 £
Trade debtors	2,042	1,255
Other debtors	-	54
Prepayments and accrued income	18,237	5,578
	<u><b>20,279</b></u>	<u><b>6,887</b></u>

5. Cash and cash equivalents	2021 £	2020 £
Cash at bank and in hand	33,909	36,897
	<u><b>33,909</b></u>	<u><b>36,897</b></u>

# AVALON COMMUNITY ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

6. Creditors ; Amounts falling due within one year	2021	2020
	£	£
Trade creditors	9,305	63
Taxation and social security	82	-
Other creditors	4,064	4,397
Accruals and deferred income	2,095	1,845
	<u>15,546</u>	<u>6,305</u>
	<u><u>15,546</u></u>	<u><u>6,305</u></u>
7. Share capital	2021	2020
	£	£
Ordinary shares of £1.00 each	154,974	165,155
Member shares of £1.00 each	860	790
	<u>155,834</u>	<u>165,945</u>
	<u><u>155,834</u></u>	<u><u>165,945</u></u>

**DETAILED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Profit and loss	2021	2020
	£	£
<b>Turnover</b>		
Feed in tariffs	17,003	16,115
Sale of electricity	7,380	4,935
Other income	1,234	-
	<u>25,617</u>	<u>21,050</u>
<b>Direct costs</b>		
Repairs, renewals and maintenance	1,360	614
Insurance	614	158
Landlords commission	529	(208)
Other direct costs	984	-
	<u>3,486</u>	<u>565</u>
<b>Gross Profit</b>	<u>22,131</u>	<u>20,485</u>
<b>Operating overheads</b>		
Printing, postage and stationery	-	13
Computer software and maintenance	246	150
Advertising and promotion	726	214
Accountancy fees	90	695
Bank charges	31	29
Management fees	2,300	2,474
Legal fees	746	-
Administration fees	660	605
Non-executive Directors' costs	-	445
Other charges	3	2
	<u>4,802</u>	<u>4,626</u>
<b>Depreciation - solar installations</b>	<b>9,165</b>	<b>15,122</b>
<b>Interest paid to members</b>		
Interest on shares	6,054	5,428
<b>Profit / (loss) for the year</b>	<u><u>2,110</u></u>	<u><u>(4,691)</u></u>