

Avalon Community Energy Limited

Company No. IP031969

Directors' Report and Unaudited Accounts

31 December 2022

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Avalon Community Energy Limited  
Company Information

Directors

S. Bedford  
C. Borkett  
J. Cousins  
L. Harrison  
W. Lee  
C. Naden  
J. Walton  
K. Webster

Secretary

K. Webster

Registered Office

92 St Thomas Street  
Wells  
Somerset  
BA5 2UZ

Accountants

External Accounts Limited  
Central House  
20 Central Avenue  
St Andrews Business Park  
Norwich  
NR7 0HR

The Directors present their report and the accounts for the year ended 31 December 2022.

### Principal activities

The principal activity of the company during the year under review was the generation of electricity.

### Future developments

£23.6million Towns Fund investment for Glastonbury has been confirmed by the government, approving the eleven Town Deal projects and securing this once-in-a-generation funding that is set to revitalise the town.

Glastonbury was one of 101 towns chosen to receive investment through the government's Towns Fund scheme as part of its Levelling Up agenda. This being managed by Somerset Council (previously Mendip District Council). Comprehensive Business Cases for each project were submitted earlier this year to the Department for Levelling Up, Housing and Communities (DLUHC). Following their review, formal confirmation of the funding has now been received by the Glastonbury Town Deal team.

As part of this Avalon Community Energy has secured up to £2.8m in funding. The combined funding will allow ACE to install and operate transformative renewable energy capabilities that will provide energy to the town and local area for the long term. The exact type, size and location of the operations are currently being researched and developed in collaboration with consultants and local partners. The funding and projects are expected to commence in 2023 and be completed in 2026.

### Directors

The Directors who served at any time during the year were as follows:

S. Bedford	
C. Borkett	(Appointed 1 June 2022)
J. Cousins	
S. Crocker	(Resigned 9 November 2022)
L. Harrison	(Appointed 1 June 2022)
W. Lee	(Appointed 1 June 2022)
M. Milnes	(Resigned 1 June 2022)
C. Naden	(Re-appointed 1 June 2022)
G. O'Sullivan	(Resigned 18 February 2022)
N. Pillinger	(Resigned 1 June 2022)
A. Poole	(Resigned 12 January 2022)
J. Walton	(Re-appointed 1 June 2022)
K. Webster	(Appointed 12 January 2022)

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime as set out in the Co-operative and Community Benefit Societies Act 2014.

Signed on behalf of the board

K. Webster  
Company Secretary

C. Naden  
Director

W. Lee  
Director

Chartered Accountant's Report to the Board of Directors of Avalon Community Energy Limited on the preparation of the unaudited statutory accounts for the year ended 31 December 2022

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 accounts of Avalon Community Energy Limited for the year ended 31 December 2022 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the Notes to the Accounts from the company'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 [www.icaew.com/en/members/regulations-standards-and-guidance](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 dated 28 February 2023. Our work has been undertaken solely to prepare for your approval the accounts 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 AAF 07/16 AAF as detailed at [www.icaew.com/compilation](http://www.icaew.com/compilation). 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 accounts 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 a review of the accounts 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 accounts.

External Accounts Limited  
Chartered Accountants  
Central House  
20 Central Avenue  
St Andrews Business Park  
Norwich  
NR7 0HR

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Avalon Community Energy Limited  
Profit and Loss Account  
for the year ended 31 December 2022

	2022	2021
	£	£
Turnover	42,889	24,383
Cost of Sales	<u>(25,521)</u>	<u>(3,486)</u>
Gross profit	17,368	20,897
Distribution costs and selling expenses	(294)	(726)
Administrative expenses	(17,040)	(13,241)
Other operating income	1,418	1,234
Operating profit	<u>1,452</u>	<u>8,164</u>
Interest payable and similar charges	(6,615)	(6,054)
(Loss)/Profit on ordinary activities before taxation	<u>(5,163)</u>	<u>2,110</u>
Taxation	-	-
(Loss)/Profit for the financial year after taxation	<u><u>(5,163)</u></u>	<u><u>2,110</u></u>

Avalon Community Energy Limited  
Balance Sheet

at 31 December 2022

Company No. IP031969

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	4	118,111	127,276
		<u>118,111</u>	<u>127,276</u>
Current assets			
Debtors	5	20,035	20,279
Cash at bank and in hand		22,893	33,909
		<u>42,928</u>	<u>54,188</u>
Creditors: Amount falling due within one year	6	(10,526)	(15,545)
Net current assets		<u>32,402</u>	<u>38,643</u>
Total assets less current liabilities		<u>150,513</u>	<u>165,919</u>
Net assets		<u>150,513</u>	<u>165,919</u>
Capital and reserves			
Called up share capital		145,591	155,834
Profit and loss account	8	4,922	10,085
Total equity		<u>150,513</u>	<u>165,919</u>

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime of the Co-operative and Community Benefit Societies Act 2014.

For the year ended 31 December 2022 the company was entitled to exemption from audit under section 84(1) Co-operative and Community Benefit Societies Act 2014. relating to small companies.

The members have not required the company to obtain an audit in accordance with section 84(2) of the Co-operative and Community Benefit Societies Act 2014.

The directors acknowledge their responsibilities for complying with the requirements of the Co-operative and Community Benefit Societies Act 2014 with respect to accounting records and the preparation of accounts.

Approved by the board on \_\_\_\_\_

And signed on its behalf by:

K. Webster  
Company Secretary

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C. Naden  
Director

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W. Lee  
Director

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Avalon Community Energy Limited  
Statement of Changes in Equity  
for the year ended 31 December 2022

	Share Capital £	Retained earnings £	Total equity £
At 1 January 2021	165,945	7,975	173,920
Shares redeemed during the period	(10,111)		(10,111)
Profit for the period		2,110	2,110
At 31 December 2021 and 1 January 2022	155,834	10,085	165,919
Shares issued during the period	100		100
Shares redeemed during the period	(10,343)		(10,343)
Loss for the period		(5,163)	(5,163)
At 31 December 2022	<u>145,591</u>	<u>4,922</u>	<u>150,513</u>



for the year ended 31 December 2022

## 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.

Its registered number is: IP031969

Its registered office is:

92 St Thomas Street

Wells

Somerset

BA5 2UZ

The functional and presentational currency of the company is Sterling. The accounts are rounded to the nearest pound.

The accounts have been prepared in accordance with FRS 102 Section 1A-The Financial Reporting Standard applicable in the UK and Republic of Ireland(March 2018)and the Co-operative and Community Benefit Societies Act 2014.

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## 2 Accounting policies

### Turnover

Turnover is measured at the fair value of the consideration received or receivable. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

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

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company 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 economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Specifically, revenue from the sale of goods is recognised when goods are delivered and legal title is passed.

### Tangible fixed assets and depreciation

Tangible fixed assets held for the company's own use are stated at cost less accumulated depreciation and accumulated impairment losses.

At each balance sheet date, the company reviews the carrying amount of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss.

Depreciation is provided at the following annual rates in order to write off the cost or valuation less the estimated residual value of each asset over its estimated useful life:

Plant and machinery	5% Straight line
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Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts.

Trade and other 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.

Restricted grants

The company received grants from Mendip District Council during the year of £23,000 which were restricted to costs incurred on the Glastonbury Clean Energy Project as described on page 3. During the year the company spent £22,507 on this project and is represented in Other direct costs. Excess grants received of £478 is currently deemed repayable and is shown in Other creditors.

3 Employees

	2022 Number	2021 Number
The average monthly number of employees (including directors) during the year was:	8	9

4 Tangible fixed assets

	Plant and machinery £	Total £
Cost or revaluation		
At 1 January 2022	170,803	170,803
At 31 December 2022	<u>170,803</u>	<u>170,803</u>
Depreciation		
At 1 January 2022	43,527	43,527
Charge for the year	9,165	9,165
At 31 December 2022	<u>52,692</u>	<u>52,692</u>
Net book values		
At 31 December 2022	<u>118,111</u>	<u>118,111</u>
At 31 December 2021	<u>127,276</u>	<u>127,276</u>

5 Debtors

	2022 £	2021 £
Trade debtors	(39)	2,042
Prepayments and accrued income	20,074	18,237
	<u>20,035</u>	<u>20,279</u>

Avalon Community Energy Limited  
Notes to the Accounts

6 Creditors:

amounts falling due within one year

	2022	2021
	£	£
Trade creditors	2,765	9,305
Other taxes and social security	574	82
Other creditors	1,003	4,063
Accruals and deferred income	6,184	2,095
	<u>10,526</u>	<u>15,545</u>

7 Share capital

	2022	2021
	£	£
Ordinary shares of £1.00 each	144,461	154,974
Member shares of £1.00 each	1,130	860
	<u>145,591</u>	<u>155,834</u>

8 Reserves

Profit and loss account - includes all current and prior period retained profits and losses.

Avalon Community Energy Limited  
Detailed Profit and Loss Account  
for the year ended 31 December 2022

	2022 £	2021 £
Turnover		
Feed in tariffs	12,008	17,003
Sale of electricity	8,374	7,380
Grants received	22,507	-
	<u>42,889</u>	<u>24,383</u>
Other direct costs		
Commission payable	498	529
Other direct costs	25,023	2,957
	<u>25,521</u>	<u>3,486</u>
Cost of sales	25,521	3,486
Gross profit	17,368	20,897
Selling and marketing expenses		
Other selling and marketing costs		
Advertising and PR	294	726
	<u>294</u>	<u>726</u>
Distribution costs and selling expenses	<u>294</u>	<u>726</u>
General administrative costs, including depreciation and amortisation		
Depreciation of plant and machinery	9,165	9,165
Bank charges	49	31
Software, IT support and related costs	384	246
Sundry expenses	634	663
	<u>10,232</u>	<u>10,105</u>
Legal and professional costs		
Accountancy and bookkeeping	4,398	90
Management charges	2,000	2,300
Other legal and professional costs	410	746
	<u>6,808</u>	<u>3,136</u>
Administrative expenses	17,040	13,241
Other operating income	1,418	1,234
Operating profit	<u>1,452</u>	<u>8,164</u>
Interest payable and similar charges		
Other interest payable	6,615	6,054
	<u>6,615</u>	<u>6,054</u>
(Loss)/Profit on ordinary activities before taxation	<u>(5,163)</u>	<u>2,110</u>

