Avalon Community Energy Limited

Company No. IP031969

Directors' Report and Unaudited Accounts

31 December 2023

Avalon Community Energy Limited
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Avalon Community Energy Limited
Company Information

Directors

S. Bedford
C. Borkett
J. Cousins
L. Harrison
A. Lambert (Appointed 7 June 2023)
W. Lee
T. Long (Co-opted 23 April 2024)
J. Merryfield (Appointed 7 June 2023)
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 2023.

Principal activities

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

Future developments

ACE has secured up-to £2.8 million investment from the government for the Glastonbury Clean Energy Project. Glastonbury was one of 101 towns chosen to receive a once-in-a-generation investment through the government's Towns Fund scheme as part of its Levelling Up agenda. This is being managed by Somerset Council. ACE's Clean Energy Project was one of the approved projects within the Glastonbury Town Deal. During 2023 ACE has been identifying suitable sites and projects to utilise this investment. We expect the first projects to be completed in 2024 and all grant funded projects must be completed by April 2026.

Directors

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

S. Bedford
C. Borkett
J. Cousins
L. Harrison
A. Lambert (Appointed 7 June 2023)
W. Lee
J. Merryfield (Appointed 7 June 2023)
C. Naden
J. Walton
K. Webster

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 on 20 May 2024

K. Webster	C. Naden	T. Long
Company Secretary	Director	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 2023

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 2023 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.

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. 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
20 May 2024

Avalon Community Energy Limited
Profit and Loss Account

for the year ended 31 December 2023

	2023 £	2022 £
Turnover	56,067	42,889
Cost of Sales	(35,200)	(25,521)
Gross profit	20,867	17,368
Distribution costs and selling expenses	-	(294)
Administrative expenses	(19,193)	(17,040)
Other operating income	250	1,418
Operating profit	1,924	1,452
Interest payable and similar charges	(6,410)	(6,615)
Loss on ordinary activities before taxation	(4,486)	(5,163)
Taxation	-	-
Loss for the financial year after taxation	(4,486)	(5,163)

Avalon Community Energy Limited
Balance Sheet

at 31 December 2023

Company No. IP031969	Notes	2023	2022
		£	£
Fixed assets			
Tangible assets	4	108,946	118,111
		108,946	118,111
Current assets			
Debtors	5	2,808	20,035
Cash at bank and in hand		317,011	22,893
		319,819	42,928
Creditors: Amount falling due within one year	6	(287,188)	(10,526)
Net current assets		32,631	32,402
Total assets less current liabilities		141,577	150,513
Net assets		141,577	150,513
Capital and reserves			
Called up share capital		141,141	145,591
Profit and loss account	8	436	4,922
Total equity		141,577	150,513

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 2023 the company was entitled to exemption from audit under section 84(1) of the 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 the accounts.

Approved by the board on 20 May 2024 and signed on its behalf by:

K. Webster	C. Naden	T. Long
Director	Director	Director

Avalon Community Energy Limited
Statement of Changes in Equity

for the year ended 31 December 2023

	Share Capital £	Retained earnings £	Total equity £
At 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 and 1 January 2023	145,591	4,922	150,513
Shares issued during the period	50		50
Shares redeemed during the period	(4,500)		(4,500)
Loss for the period		(4,486)	(4,486)
At 31 December 2023	141,141	436	141,577

1 General information

Avalon Community Energy Limited is a private company limited by shares and incorporated in England and Wales.
Its registered number is: IP031969
Its registered office is:
92 St Thomas Street
Wells
Somerset
BA5 2UZ

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

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	5-10% Straight line

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 and Somerset Council of £23,300 and £282,000 respectively, which were restricted to costs incurred on the Glastonbury Clean Energy Project as described on page 3. During the year the company spent £20,918 on this project and is represented in Other direct costs.

3 Employees

	2023 Number	2022 Number
The average monthly number of employees (including directors) during the year was:	8	8

4 Tangible fixed assets

	Plant and machinery £	Total £
Cost or revaluation		
At 1 January 2023	170,803	170,803
At 31 December 2023	170,803	170,803
Depreciation		
At 1 January 2023	52,692	52,692
Charge for the year	9,165	9,165
At 31 December 2023	61,857	61,857
Net book values		
At 31 December 2023	108,946	108,946
At 31 December 2022	118,111	118,111

5 Debtors

	2023 £	2022 £
Trade debtors	235	(39)
VAT recoverable	475	-
Prepayments and accrued income	2,098	20,074
	2,808	20,035

6 Creditors:

amounts falling due within one year

	2023	2022
	£	£
Trade creditors	7,424	2,765
Taxes and social security	-	574
Other creditors	1,003	1,003
Accruals and deferred income	278,761	6,184
	287,188	10,526

7 Share capital

	2023	2022
	£	£
Ordinary shares of £1.00 each	139,961	144,461
Member shares of £1.00 each	1,180	1,130
	141,141	145,591

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 2023

	2023	2022
	£	£
Turnover		
Feed in tariffs	14,367	12,008
Sale of electricity	9,368	8,374
Grants received	20,918	22,507
	56,067	42,889
Other direct costs		
Commission payable	587	498
Other direct costs	34,613	25,023
	35,200	25,521
Cost of sales	35,200	25,521
Gross profit	20,867	17,368
Selling and marketing expenses		
Other selling and marketing costs		
Advertising and PR	-	294
	-	294
Distribution costs and selling expenses	-	294
General administrative costs, including depreciation and amortisation		
Depreciation of plant and machinery	9,165	9,165
Bank charges	23	49
Software, IT support and related costs	318	384
Sundry expenses	286	634
	9,792	10,232
Legal and professional costs		
Accountancy and bookkeeping	4,989	4,398
Management charges	4,421	2,000
Other legal and professional costs	(9)	410
	9,401	6,808
Administrative expenses	19,193	17,040
Other operating income	250	1,418
Operating profit	1,924	1,452
Interest payable and similar charges		
Other interest payable	6,410	6,615
	6,410	6,615

Loss on ordinary activities before taxation	(4,486)	(5,163)