

Registration number: R7232

Heart of England Community Energy Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2017

Alanbrookes Limited
Chartered Accountants
PO Box 258
Stroud
Gloucestershire
GL6 8WZ

Heart of England Community Energy Limited

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Heart of England Community Energy Limited

Society Information

Directors	Mr M Kenber Mr R Rabinowitz Mr J D Stott Mr D G Passingham Mr M J Bullock Mr S F Potter Mr G A Guy Mr M A McNally Mr J Jones
Registered office	Overmoor Farm Neston Corsham Wiltshire SN13 9TZ
Auditors	Alanbrookes Limited Chartered Accountants PO Box 258 Stroud Gloucestershire GL6 8WZ

Heart of England Community Energy Limited

Directors' Report for the Year Ended 31 December 2017

The directors present their report and the for the year ended 31 December 2017.

Directors of the group

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

Mr J-W Bode (resigned 10 June 2017)

Dr J P Kenna (resigned 4 November 2017)

Mr D A L Bunker - Company secretary and director (resigned 10 June 2017)

Mr M Kenber (appointed 9 June 2017)

Mr R Rabinowitz (appointed 9 June 2017)

Mr J D Stott (appointed 3 November 2017)

Mr D G Passingham (appointed 3 November 2017)

Mr M J Bullock (appointed 3 November 2017)

Mr S F Potter (appointed 3 November 2017)

Mr G A Guy (appointed 3 November 2017)

Mr M A McNally (appointed 3 November 2017)

Mr J Jones (appointed 3 November 2017)

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the society's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 19 June 2018 and signed on its behalf by:

.....
Mr R Rabinowitz
Director

.....
Mr M J Bullock
Director

Heart of England Community Energy Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the society for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Heart of England Community Energy Limited

Independent Auditor's Report to the Members of Heart of England Community Energy Limited

Opinion

We have audited the financial statements of Heart of England Community Energy Limited (the 'parent society') and its subsidiaries (the 'group') for the year ended 31 December 2017, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, and Notes to the Financial Statements, 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 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the society's members, as a body, 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 auditor's 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 as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent society's affairs as at 31 December 2017 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 Co-operative and Community Benefit Societies Act 2014.

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 Auditor's 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 UK, including the FRC'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 auditor's 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.

Heart of England Community Energy Limited

Independent Auditor's Report to the Members of Heart of England Community Energy Limited

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 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 matter 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 our 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 where 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 3], 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.

Auditor's 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 auditor's 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Heart of England Community Energy Limited

Independent Auditor's Report to the Members of Heart of England Community Energy Limited

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

.....
Mr A S Fisher (Senior Statutory Auditor)
For and on behalf of Alanbrookes Limited, Statutory Auditor

PO Box 258
Stroud
Gloucestershire
GL6 8WZ

19 June 2018

Heart of England Community Energy Limited

Consolidated Profit and Loss Account for the Year Ended 31 December 2017

	Note	Total 31 December 2017 £	Total 31 December 2016 £
Turnover		615,642	-
Administrative expenses		<u>(567,164)</u>	<u>-</u>
Operating profit	3	<u>48,478</u>	<u>-</u>
Interest payable and similar expenses	4	<u>(495,503)</u>	<u>-</u>
		<u>(495,503)</u>	<u>-</u>
Loss before tax		<u>(447,025)</u>	<u>-</u>
Loss for the financial year		<u>(447,025)</u>	<u>-</u>
Profit/(loss) attributable to:			
Owners of the society		<u>(447,025)</u>	<u>-</u>

The above results were derived from continuing operations.

The group has no recognised gains or losses for the year other than the results above.

Heart of England Community Energy Limited
(Registration number: R7232)
Consolidated Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	6	496,219	-
Tangible assets	7	<u>14,645,803</u>	<u>-</u>
		<u>15,142,022</u>	<u>-</u>
Current assets			
Debtors	9	384,938	-
Cash at bank and in hand		<u>1,285,106</u>	<u>1</u>
		1,670,044	1
Creditors: Amounts falling due within one year	11	<u>(771,388)</u>	<u>-</u>
Net current assets		<u>898,656</u>	<u>1</u>
Total assets less current liabilities		16,040,678	1
Creditors: Amounts falling due after more than one year	11	<u>(16,487,702)</u>	<u>-</u>
Net (liabilities)/assets		<u>(447,024)</u>	<u>1</u>
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account		<u>(447,025)</u>	<u>-</u>
Equity attributable to owners of the society		<u>(447,024)</u>	<u>1</u>
Total equity		<u>(447,024)</u>	<u>1</u>

Approved and authorised by the Board on 19 June 2018 and signed on its behalf by:

.....

Mr R Rabinowitz

Director

.....

Mr M J Bullock

Director

The notes on pages 12 to 18 form an integral part of these financial statements.

Heart of England Community Energy Limited

(Registration number: R7232)

Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	8	226,125	-
Current assets			
Debtors	9	42,719	-
Cash at bank and in hand		-	1
		<u>42,719</u>	<u>1</u>
Creditors: Amounts falling due within one year	11	<u>(42,963)</u>	<u>-</u>
Net current (liabilities)/assets		<u>(244)</u>	<u>1</u>
Total assets less current liabilities		225,881	1
Creditors: Amounts falling due after more than one year	11	<u>(233,026)</u>	<u>-</u>
Net (liabilities)/assets		<u><u>(7,145)</u></u>	<u><u>1</u></u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		<u>(7,146)</u>	<u>-</u>
Total equity		<u><u>(7,145)</u></u>	<u><u>1</u></u>

The society made a loss after tax for the financial year of £7,146 (2016 - loss of £-).

Approved and authorised by the Board on 19 June 2018 and signed on its behalf by:

.....

Mr R Rabinowitz

Director

.....

Mr M J Bullock

Director

The notes on pages 12 to 18 form an integral part of these financial statements.

Heart of England Community Energy Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2017 Equity attributable to the parent society

	Share capital £	Profit and loss account £	Total £	Total equity £
At 1 January 2017	1	-	1	1
Loss for the year	-	(447,025)	(447,025)	(447,025)
Total comprehensive income	-	(447,025)	(447,025)	(447,025)
At 31 December 2017	1	(447,025)	(447,024)	(447,024)
		Share capital £	Total £	Total equity £
New share capital subscribed	1	1	1	1
At 31 December 2016	1	1	1	1

The notes on pages 12 to 18 form an integral part of these financial statements.

Heart of England Community Energy Limited

Statement of Changes in Equity for the Year Ended 31 December 2017

	Share capital £	Profit and loss account £	Total £
At 1 January 2017	<u>1</u>	<u>-</u>	<u>1</u>
Loss for the year	<u>-</u>	<u>(7,146)</u>	<u>(7,146)</u>
Total comprehensive income	<u>-</u>	<u>(7,146)</u>	<u>(7,146)</u>
At 31 December 2017	<u><u>1</u></u>	<u><u>(7,146)</u></u>	<u><u>(7,145)</u></u>

	Share capital £	Total £
New share capital subscribed	<u>1</u>	<u>1</u>
At 31 December 2016	<u><u>1</u></u>	<u><u>1</u></u>

The notes on pages 12 to 18 form an integral part of these financial statements.

Heart of England Community Energy Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

1 General information

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

The address of its registered office is:

Overmoor Farm

Neston

Corsham

Wiltshire

SN13 9TZ

These financial statements were authorised for issue by the Board on 19 June 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the society and its subsidiary undertakings drawn up to 31 December 2017.

Heart of England Community Energy Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

A subsidiary is an entity controlled by the society. Control is achieved where the society has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the society and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the group's activities.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class

Solar installations

Depreciation method and rate

25 years straight line with 10 years for certain components

Heart of England Community Energy Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

The useful life of the goodwill is estimated at 25 years, being the estimated useful life of the income producing assets in the subsidiaries acquired.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Heart of England Community Energy Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Operating profit

Arrived at after charging/(crediting)

	2017	2016
	£	£
Depreciation expense	340,690	-
Amortisation expense (note 13)	119,457	-
	<u>460,147</u>	<u>-</u>

4 Interest payable and similar expenses

	2017	2016
	£	£
Interest on bank overdrafts and borrowings	495,503	-
	<u>495,503</u>	<u>-</u>

5 Auditors' remuneration

	2017	2016
	£	£
Audit of these financial statements	7,000	-
	<u>7,000</u>	<u>-</u>

Heart of England Community Energy Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

6 Intangible assets

Group

	Goodwill £	Total £
Cost or valuation		
Goodwill arising on consolidation	504,629	504,629
At 31 December 2017	504,629	504,629
Amortisation		
Amortisation charge	8,410	8,410
At 31 December 2017	8,410	8,410
Carrying amount		
At 31 December 2017	496,219	496,219

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2016 - £Nil).

7 Tangible assets

Group

	Solar installations £	Total £
Cost or valuation		
At 1 January 2017	6,346,683	6,346,683
Additions	10,022,979	10,022,979
Disposals	(775,000)	(775,000)
At 31 December 2017	15,594,662	15,594,662
Depreciation		
At 1 January 2017	59,725	59,725
Charge for the period	929,734	929,734
Eliminated on disposal	(40,600)	(40,600)
At 31 December 2017	948,859	948,859
Carrying amount		
At 31 December 2017	14,645,803	14,645,803

Heart of England Community Energy Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

8 Investments

Company

	2017 £	2016 £
Investments in subsidiaries	<u>226,125</u>	<u>-</u>
Subsidiaries		£
Cost or valuation		
Additions		<u>226,125</u>
Provision		
Carrying amount		
At 31 December 2017		<u>226,125</u>

9 Debtors

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	61,362	-	-	-
Other debtors	75,611	-	5,804	-
Prepayments	41,293	-	1,500	-
Accrued income	<u>206,672</u>	<u>-</u>	<u>35,415</u>	<u>-</u>
Total current trade and other debtors	<u>384,938</u>	<u>-</u>	<u>42,719</u>	<u>-</u>

10 Cash and cash equivalents

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Cash at bank	858,748	1	-	1
Short-term deposits	<u>426,358</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,285,106</u>	<u>1</u>	<u>-</u>	<u>1</u>

Heart of England Community Energy Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

11 Creditors

	Note	Group		Company	
		2017 £	2016 £	2017 £	2016 £
Due within one year					
Loans and borrowings	13	295,828	-	-	-
Trade creditors		107,187	-	1,536	-
Social security and other taxes		24,932	-	-	-
Other payables		15,000	-	-	-
Accrued expenses		328,441	-	41,427	-
		<u>771,388</u>	<u>-</u>	<u>42,963</u>	<u>-</u>
Due after one year					
Loans and borrowings	13	<u>16,487,702</u>	<u>-</u>	<u>233,026</u>	<u>-</u>

12 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

13 Loans and borrowings

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Non-current loans and borrowings				
Bank borrowings	10,372,893	-	-	-
Other borrowings	6,114,809	-	233,026	-
	<u>16,487,702</u>	<u>-</u>	<u>233,026</u>	<u>-</u>

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Current loans and borrowings				
Bank borrowings	<u>295,828</u>	<u>-</u>	<u>-</u>	<u>-</u>

Group loans and borrowings include capitalised arrangement fees of £374,365. Company loans and borrowings include capitalised arrangement fees of £3,099. The arrangement fees are amortised over the period of the loan.

Heart of England Community Energy Limited

Detailed Consolidated Profit and Loss Account for the Year Ended 31 December 2017

	2017 £	2016 £
Turnover (analysed below)	615,642	-
Gross profit (%)	100%	0%
Administrative expenses		
Establishment costs (analysed below)	72,065	-
General administrative expenses (analysed below)	33,264	-
Finance charges (analysed below)	1,688	-
Depreciation costs (analysed below)	460,147	-
	567,164	-
Operating profit	48,478	-
Interest payable and similar expenses (analysed below)	(495,503)	-
Loss before tax	(447,025)	-

This page does not form part of the statutory financial statements.

Heart of England Community Energy Limited

Detailed Consolidated Profit and Loss Account for the Year Ended 31 December 2017

	2017 £	2016 £
Turnover		
Feed in tariff	207,761	-
Energy export income	210,471	-
ROC income	130,136	-
Battery income	67,274	-
	615,642	-
	615,642	-
Establishment costs		
Rent	19,984	-
Rates	25,068	-
Light, heat and power	(38,476)	-
Insurance	9,274	-
Repairs and maintenance	56,215	-
	72,065	-
	72,065	-
General administrative expenses		
Sundry expenses	69	-
Management charges payable	31,195	-
Accountancy fees	(5,000)	-
Auditor's remuneration - The audit of the company's annual accounts	7,000	-
	33,264	-
	33,264	-
Finance charges		
Bank charges	1,688	-
	1,688	-
	1,688	-
Depreciation costs		
Amortisation of goodwill	8,410	-
Amortisation of capitalised loan arrangement fees	111,047	-
Depreciation of plant and machinery (owned)	340,690	-
	460,147	-
	460,147	-
Interest payable and similar expenses		
Bank loan interest payable	495,503	-
	495,503	-
	495,503	-

Heart of England Community Energy Limited

Detailed Company Profit and Loss Account for the Year Ended 31 December 2017

	2017 £	2016 £
Turnover (analysed below)	35,415	-
Gross profit (%)	100%	0%
Administrative expenses		
Establishment costs (analysed below)	52	-
General administrative expenses (analysed below)	33,299	-
Depreciation costs (analysed below)	1,033	-
	<u>34,384</u>	<u>-</u>
Operating profit	1,031	-
Interest payable and similar expenses (analysed below)	<u>(8,177)</u>	<u>-</u>
Loss before tax	<u><u>(7,146)</u></u>	<u><u>-</u></u>

Heart of England Community Energy Limited

Detailed Company Profit and Loss Account for the Year Ended 31 December 2017

	2017 £	2016 £
Turnover		
Consultancy and similar income	<u>35,415</u>	<u>-</u>
Establishment costs		
Insurance	<u>52</u>	<u>-</u>
General administrative expenses		
Sundry expenses	49	-
Management charges payable	31,250	-
Auditor's remuneration - The audit of the company's annual accounts	<u>2,000</u>	<u>-</u>
	<u>33,299</u>	<u>-</u>
Depreciation costs		
Amortisation of capitalised loan arrangement fees	<u>1,033</u>	<u>-</u>
Interest payable and similar expenses		
Bank loan interest payable	<u>8,177</u>	<u>-</u>