

**CHELWOOD COMMUNITY ENERGY LTD**

**DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

## CHELWOOD COMMUNITY ENERGY LTD (CONSOLIDATED)

### SOCIETY INFORMATION

<b>Directors</b>	Mr D Bunker Mr B Godfrey Mr P Jones Mr E Maxwell Mr D Weston
<b>Society secretary</b>	Community Owned Asset Management Limited
<b>Registered number</b>	RS007080
<b>Registered office</b>	W106 Vox Studios 1-45 Durham Street Vauxhall London SE11 5JH

## CHELWOOD COMMUNITY ENERGY LTD (CONSOLIDATED)

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2020**

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

**Directors' responsibilities statement**

The directors are responsible for preparing the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the Society and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Directors**

The directors who served during the year were:

Mr D Bunker  
Mr B Godfrey  
Mr P Jones  
Mr E Maxwell  
Mr D Weston

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Society and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Society and the Group's auditors are aware of that information.

**Auditors**

The auditors, Alanbrookes Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**CHELWOOD COMMUNITY ENERGY LTD (CONSOLIDATED)**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 23 September 2020 and signed on its behalf.

On behalf of Community Owned Asset Management Limited  
Secretary

Director

## CHELWOOD COMMUNITY ENERGY LTD (CONSOLIDATED)

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHELWOOD COMMUNITY ENERGY LTD (CONSOLIDATED)

#### Opinion

We have audited the financial statements of Chelwood Community Energy Ltd (Consolidated) (the 'parent Society') and its subsidiary (the 'Group') for the year ended 31 March 2020, which comprise the Group Statement of Comprehensive Income, the Group and Society Balance Sheets, the Group and Society Statement of Changes in Equity and the related notes, 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 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Society's affairs as at 31 March 2020 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Auditors' 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.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHELWOOD COMMUNITY ENERGY LTD  
(CONSOLIDATED) (CONTINUED)**

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 matters 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 the 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 in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Group Strategic Report.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 1, 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.

## **CHELWOOD COMMUNITY ENERGY LTD (CONSOLIDATED)**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHELWOOD COMMUNITY ENERGY LTD (CONSOLIDATED) (CONTINUED)**

#### **Auditors' 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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

#### **Use of our report**

This report is made solely to the Society's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.

#### **Alanbrookes Limited**

PO Box 258  
Stroud  
Gloucestershire  
GL6 8WZ

23 September 2020



**CHELWOOD COMMUNITY ENERGY LTD (CONSOLIDATED)**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Turnover		625,162	633,919
Cost of sales		(5,082)	(5,598)
<b>Gross profit</b>		<u>620,080</u>	<u>628,321</u>
Administrative expenses		(399,179)	(396,325)
<b>Operating profit</b>		<u>220,901</u>	<u>231,996</u>
Interest receivable and similar income		2,009	1,311
Interest payable and expenses		(282,479)	(293,896)
<b>Loss before tax</b>		<u>(59,569)</u>	<u>(60,589)</u>
<b>Loss for the financial year</b>		<u><u>(59,569)</u></u>	<u><u>(60,589)</u></u>
<b>Total comprehensive income for the year</b>		<u><u>(59,569)</u></u>	<u><u>(60,589)</u></u>
<b>Loss for the year attributable to:</b>			
Owners of the parent company		(59,569)	(60,589)
		<u><u>(59,569)</u></u>	<u><u>(60,589)</u></u>

The notes on pages 12 to 20 form part of these financial statements.

**CHELWOOD COMMUNITY ENERGY LTD (CONSOLIDATED)**  
**REGISTERED NUMBER: RS007080**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets		235,206	441,091
Tangible assets		4,295,768	4,523,397
Investments	7	60,001	20,000
		<u>4,590,975</u>	<u>4,984,488</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	330,825	138,880
Cash at bank and in hand	9	375,155	396,028
		<u>705,980</u>	<u>534,908</u>
Creditors: amounts falling due within one year	10	(182,392)	(182,592)
<b>Net current assets</b>		<u>523,588</u>	<u>352,316</u>
<b>Total assets less current liabilities</b>		<u>5,114,563</u>	<u>5,336,804</u>
Creditors: amounts falling due after more than one year		(3,086,130)	(3,229,602)
<b>Net assets</b>		<u><u>2,028,433</u></u>	<u><u>2,107,202</u></u>
<b>Capital and reserves</b>			
Called up share capital		2,478,600	2,497,800
Profit and loss account		(450,167)	(390,598)
		<u><u>2,028,433</u></u>	<u><u>2,107,202</u></u>

**CHELWOOD COMMUNITY ENERGY LTD (CONSOLIDATED)**  
**REGISTERED NUMBER: RS007080**

**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2020**

The Society's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 September 2020.

Director

On behalf of Community Owned Asset Management  
Limited  
Secretary

Director

The notes on pages 12 to 20 form part of these financial statements.

**CHELWOOD COMMUNITY ENERGY LTD (CONSOLIDATED)**  
**REGISTERED NUMBER: RS007080**

**SOCIETY BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	7	343,477	303,476
		343,477	303,476
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	1,415,310	1,649,568
Cash at bank and in hand	9	48,254	35,097
		1,463,564	1,684,665
Creditors: amounts falling due within one year	10	(12,603)	(1,481)
		1,450,961	1,683,184
<b>Net current assets</b>		1,450,961	1,683,184
<b>Total assets less current liabilities</b>		1,794,438	1,986,660
		1,794,438	1,986,660
<b>Net assets excluding pension asset</b>		1,794,438	1,986,660
<b>Net assets</b>		1,794,438	1,986,660
<b>Capital and reserves</b>			
Called up share capital		2,478,600	2,497,800
Profit and loss account brought forward		(511,140)	(333,008)
Loss for the year		(173,022)	(178,132)
Profit and loss account carried forward		(684,162)	(511,140)
		1,794,438	1,986,660

The Society's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 September 2020.

Director

Director

On behalf of Community Owned Asset Management Limited  
Company Secretary

The notes on pages 12 to 20 form part of these financial statements.

**CHELWOOD COMMUNITY ENERGY LTD (CONSOLIDATED)**

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

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Society £	Total equity £
At 1 April 2019	2,497,800	(390,598)	2,107,202	2,107,202
<b>Comprehensive income for the year</b>				
Loss for the year	-	(59,569)	(59,569)	(59,569)
<b>Total comprehensive income for the year</b>	-	(59,569)	(59,569)	(59,569)
Shares redeemed during the year	(19,200)	-	(19,200)	(19,200)
<b>Total transactions with owners</b>	(19,200)	-	(19,200)	(19,200)
<b>At 31 March 2020</b>	<b>2,478,600</b>	<b>(450,167)</b>	<b>2,028,433</b>	<b>2,028,433</b>

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

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Society £	Total equity £
At 1 April 2018	2,498,300	(330,009)	2,168,291	2,168,291
<b>Comprehensive income for the year</b>				
Loss for the year	-	(60,589)	(60,589)	(60,589)
<b>Total comprehensive income for the year</b>	-	(60,589)	(60,589)	(60,589)
Shares redeemed during the year	(500)	-	(500)	(500)
<b>Total transactions with owners</b>	(500)	-	(500)	(500)
<b>At 31 March 2019</b>	<b>2,497,800</b>	<b>(390,598)</b>	<b>2,107,202</b>	<b>2,107,202</b>

The notes on pages 12 to 20 form part of these financial statements.

**CHELWOOD COMMUNITY ENERGY LTD (CONSOLIDATED)**

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2019	2,497,800	(511,140)	1,986,660
<b>Comprehensive income for the year</b>			
Loss for the year	-	(173,022)	(173,022)
	<u>-</u>	<u>(173,022)</u>	<u>(173,022)</u>
<b>Total comprehensive income for the year</b>			
<b>Contributions by and distributions to owners</b>			
Shares redeemed during the year	(19,200)	-	(19,200)
<b>Total transactions with owners</b>	<u>(19,200)</u>	<u>-</u>	<u>(19,200)</u>
<b>At 31 March 2020</b>	<u><u>2,478,600</u></u>	<u><u>(684,162)</u></u>	<u><u>1,794,438</u></u>

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2018	2,498,300	(333,008)	2,165,292
<b>Comprehensive income for the year</b>			
Loss for the year	-	(178,132)	(178,132)
	<u>-</u>	<u>(178,132)</u>	<u>(178,132)</u>
<b>Total comprehensive income for the year</b>			
<b>Contributions by and distributions to owners</b>			
Shares redeemed during the year	(500)	-	(500)
<b>Total transactions with owners</b>	<u>(500)</u>	<u>-</u>	<u>(500)</u>
<b>At 31 March 2019</b>	<u><u>2,497,800</u></u>	<u><u>(511,140)</u></u>	<u><u>1,986,660</u></u>

The notes on pages 12 to 20 form part of these financial statements.

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

**1. General information**

The company is a private company limited by share capital, incorporated in England and 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:

W106 Vox Studios  
1-45 Durham Street  
Vauxhall  
London  
SE11 5JH

These financial statements were authorised for issue by the Board on 23 September 2020.

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies.

The Society has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the Society and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2016.

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

2. Accounting policies (continued)

2.3 Revenue

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

2.4 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 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.



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

2. Accounting policies (continued)

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 Intangible assets

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	25	years
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2.9 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, using the straight-line method.

Depreciation is provided on the following basis:

Solar installations	-	25 years straight line, with 10 years for certain components
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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.

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

**2. Accounting policies (continued)**

**2.10 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**2.11 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.

**2.12 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.

**2.13 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.

**2.14 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each

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

**2. Accounting policies (continued)**

**2.14 Financial instruments (continued)**

reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**3. Auditors' remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<b>3,150</b>	<b>3,000</b>

**4. Employees**

The Group and Company have no employees other than the directors, who did not receive any remuneration (2019 - £NIL).

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

**5. Intangible assets**

**Group and Society**

	<b>Capitalised finance costs £</b>	<b>Goodwill £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2019	204,528	283,376	487,904
Transferred to prepayments	(204,528)	-	(204,528)
At 31 March 2020	-	283,376	283,376
<b>Amortisation</b>			
At 1 April 2019	9,978	36,835	46,813
Charge for the year on owned assets	-	11,335	11,335
Transferred to prepayments	(9,978)	-	(9,978)
At 31 March 2020	-	48,170	48,170
<b>Net book value</b>			
At 31 March 2020	-	235,206	235,206
<i>At 31 March 2019</i>	<i>194,550</i>	<i>246,541</i>	<i>441,091</i>

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

**6. Tangible fixed assets**

**Group**

	<b>Plant and machinery £</b>
<b>Cost or valuation</b>	
At 1 April 2019	5,241,927
At 31 March 2020	5,241,927
<b>Depreciation</b>	
At 1 April 2019	718,530
Charge for the year	227,629
At 31 March 2020	946,159
<b>Net book value</b>	
At 31 March 2020	4,295,768
<i>At 31 March 2019</i>	4,523,397

**7. Fixed asset investments**

**Group**

	<b>Other financial assets £</b>
<b>Cost or valuation</b>	
At 1 April 2019	20,000
Additions	40,001
At 31 March 2020	60,001

**CHELWOOD COMMUNITY ENERGY LTD (CONSOLIDATED)**

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

**7. Fixed asset investments (continued)**

**Society**

	Investments in subsidiary companies £	Other financial assets £	Total £
<b>Cost or valuation</b>			
At 1 April 2019	283,476	20,000	303,476
Additions	-	40,001	40,001
At 31 March 2020	<u>283,476</u>	<u>60,001</u>	<u>343,477</u>

**8. Debtors**

	Group 2020 £	Group 2019 £	Society 2020 £	Society 2019 £
Trade debtors	-	69,971	-	-
Amounts owed by group undertakings	-	-	1,413,360	1,637,416
Other debtors	8,114	22,202	1,025	9,956
Prepayments and accrued income	322,711	46,707	925	2,196
	<u>330,825</u>	<u>138,880</u>	<u>1,415,310</u>	<u>1,649,568</u>

Prepayments include £181,295 in respect of prepaid finance and refinance fees (2019- £nil).

**9. Cash and cash equivalents**

	Group 2020 £	Group 2019 £	Society 2020 £	Society 2019 £
Cash at bank and in hand	375,155	396,028	48,254	35,097
	<u>375,155</u>	<u>396,028</u>	<u>48,254</u>	<u>35,097</u>

**CHELWOOD COMMUNITY ENERGY LTD (CONSOLIDATED)**

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

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

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Society 2020 £</b>	<i>Society 2019 £</i>
Bank loans	<b>142,416</b>	<i>136,000</i>	-	-
Trade creditors	<b>12,921</b>	<i>29,026</i>	<b>1,040</b>	-
Other creditors	<b>700</b>	<i>-</i>	<b>700</b>	-
Accruals and deferred income	<b>26,355</b>	<i>17,566</i>	<b>10,863</b>	<i>1,481</i>
	<b><u>182,392</u></b>	<i><u>182,592</u></i>	<b><u>12,603</u></b>	<i><u>1,481</u></i>

**11. Creditors: Amounts falling due after more than one year**

	<b>Group 2020 £</b>	<i>Group 2019 £</i>
Bank loans	<b>3,086,130</b>	<i>3,229,602</i>
	<b><u>3,086,130</u></b>	<i><u>3,229,602</u></i>

**12. Loans**

	<b>Group 2020 £</b>	<i>Group 2019 £</i>
<b>Amounts falling due within one year</b>		
Bank loans	<b>142,416</b>	<i>136,000</i>
	<b><u>142,416</u></b>	<i><u>136,000</u></i>
<b>Amounts falling due after more than 5 years</b>		
Bank loans	<b>3,086,129</b>	<i>3,229,602</i>
	<b><u>3,086,129</u></b>	<i><u>3,229,602</u></i>
	<b><u>3,228,545</u></b>	<i><u>3,365,602</u></i>

**CHELWOOD COMMUNITY ENERGY LTD (CONSOLIDATED)**

**CONSOLIDATED DETAILED INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Turnover		625,160	633,919
Cost Of Sales		(5,082)	(5,598)
<b>Gross profit</b>		<u>620,078</u>	<u>628,321</u>
<b>Gross profit %</b>		99.2 %	99.1 %
<b>Less: overheads</b>			
Administration expenses		(310,837)	(310,013)
Establishment expenses		(88,340)	(86,312)
<b>Operating profit</b>		<u>220,901</u>	<u>231,996</u>
Interest receivable		2,009	1,311
Interest payable		(282,479)	(293,896)
<b>Loss for the year</b>		<u>(59,569)</u>	<u>(60,589)</u>



**CHELWOOD COMMUNITY ENERGY LTD (CONSOLIDATED)**

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

	2020 £	2019 £
<b>Turnover</b>		
Feed in tariff	351,726	346,381
Energy export income	273,307	270,010
Claims	-	17,528
REGO	127	-
	<b>625,160</b>	<b>633,919</b>
	<b>625,160</b>	<b>633,919</b>
	2020 £	2019 £
<b>Cost of sales</b>		
Direct costs	1,825	1,400
Light, heat and power	3,257	4,198
	<b>5,082</b>	<b>5,598</b>
	<b>5,082</b>	<b>5,598</b>
	2020 £	2019 £
<b>Administration expenses</b>		
Hotels, travel and subsistence	-	207
Consultancy	5,080	625
Computer costs	5	1
Trade subscriptions	272	995
Community fund	10,000	20,000
Auditors' remuneration	3,150	3,000
Finance and re-finance fees	17,394	11,175
Sundry expenses	4,498	2,282
Management fees	31,474	30,019
Depreciation - plant and machinery	227,629	230,374
Amortisation - goodwill	11,335	11,335
	<b>310,837</b>	<b>310,013</b>
	<b>310,837</b>	<b>310,013</b>
	2020 £	2019 £
<b>Establishment</b>		
Rent	28,179	28,155
Rates	12,734	15,560
Insurance	8,494	9,123
Repairs and maintenance	38,933	33,474
	<b>88,340</b>	<b>86,312</b>
	<b>88,340</b>	<b>86,312</b>

**CHELWOOD COMMUNITY ENERGY LTD (CONSOLIDATED)**

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

	<b>2020</b>	<i>2019</i>
	£	£
<b>Interest receivable</b>		
Bank interest receivable	<b>2,009</b>	<i>1,311</i>
	<u><b>2,009</b></u>	<u><i>1,311</i></u>
	<u><u><b>2,009</b></u></u>	<u><u><i>1,311</i></u></u>
	<b>2020</b>	<i>2019</i>
	£	£
<b>Interest payable</b>		
Bank loan interest payable	<b>133,257</b>	<i>142,637</i>
Other loan interest payable	-	<i>4,859</i>
Interest payable on shares	<b>149,222</b>	<i>146,400</i>
	<u><b>282,479</b></u>	<u><i>293,896</i></u>
	<u><u><b>282,479</b></u></u>	<u><u><i>293,896</i></u></u>