

Registration number: RS007234

# Wight Community Energy Ltd

Annual Report and Consolidated Financial Statements

for the Period from 29 October 2015 to 31 December 2016

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

# Wight Community Energy Ltd

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# Wight Community Energy Ltd

## Company Information

<b>Directors</b>	Mr D Bunker Dr C Palmer Mr R Harrington-Vail Mr J P Kenna
<b>Company secretary</b>	Mr D Bunker
<b>Registered office</b>	Overmoor Farm Neston Corsham Wiltshire SN13 9TZ
<b>Auditors</b>	Alanbrookes Limited Chartered Accountants PO Box 258 Stroud Gloucestershire GL6 8WZ

## **Wight Community Energy Ltd**

### **Directors' Report for the Period from 29 October 2015 to 31 December 2016**

The directors present their report and the for the period from 29 October 2015 to 31 December 2016.

#### **Directors of the group**

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

Dr C Palmer (appointed 2 December 2015)

Mr S L Webb (appointed 29 October 2015 and resigned 27 March 2017)

Mr R Harrington-Vail (appointed 2 December 2015)

Mr J P Kenna (appointed 29 October 2015)

The following director was appointed after the period end:

Mr D Bunker - Company secretary and director (appointed 20 April 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 company'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 9 June 2017 and signed on its behalf by:

.....  
Mr J P Kenna  
Director

## **Wight Community Energy Ltd**

### **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 company and of the profit or loss of the company 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Wight Community Energy Ltd

## Independent Auditor's Report to the Members of Wight Community Energy Ltd

We have audited the financial statements of Wight Community Energy Ltd for the period from 29 October 2015 to 31 December 2016, set out on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the company's affairs as at 31 December 2016 and of the group's loss for the period 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 Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period 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.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

## **Wight Community Energy Ltd**

### **Independent Auditor's Report to the Members of Wight Community Energy Ltd**

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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.

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

PO Box 258  
Stroud  
Gloucestershire  
GL6 8WZ

9 June 2017

## Wight Community Energy Ltd

### Consolidated Profit and Loss Account for the Period from 29 October 2015 to 31 December 2016

	Note	Total 31 December 2016 £
Turnover	3	234,866
Cost of sales		<u>(42,387)</u>
Gross profit		192,479
Administrative expenses		<u>(108,836)</u>
Operating profit	4	<u>83,643</u>
Other interest receivable and similar income	5	80
Interest payable and similar expenses	6	<u>(158,994)</u>
		<u>(158,914)</u>
Loss before tax		<u>(75,271)</u>
Loss for the financial period		<u><u>(75,271)</u></u>
<b>Profit/(loss) attributable to:</b>		
Owners of the company		<u><u>(75,271)</u></u>

The above results were derived from continuing operations.

## Wight Community Energy Ltd

### Consolidated Statement of Comprehensive Income for the Period from 29 October 2015 to 31 December 2016

	Note	2016 £
Loss for the period		<u>(75,271)</u>
Total comprehensive income for the period		<u><u>(75,271)</u></u>
<b>Total comprehensive income attributable to:</b>		
Owners of the company		<u><u>(75,271)</u></u>

**Wight Community Energy Ltd**  
**(Registration number: RS007234)**  
**Consolidated Balance Sheet as at 31 December 2016**

	Note	2016 £
<b>Fixed assets</b>		
Intangible assets	8	43,428
Tangible assets	9	<u>5,116,315</u>
		<u>5,159,743</u>
<b>Current assets</b>		
Debtors	11	128,317
Cash at bank and in hand		<u>449,205</u>
		577,522
<b>Creditors: Amounts falling due within one year</b>	13	<u>(322,886)</u>
<b>Net current assets</b>		<u>254,636</u>
<b>Total assets less current liabilities</b>		5,414,379
<b>Creditors: Amounts falling due after more than one year</b>	13	<u>(4,780,000)</u>
<b>Net assets</b>		<u>634,379</u>
<b>Capital and reserves</b>		
Called up share capital	14	700,500
Profit and loss account		<u>(66,121)</u>
Equity attributable to owners of the company		<u>634,379</u>
Total equity		<u>634,379</u>

Approved and authorised by the Board on 9 June 2017 and signed on its behalf by:

.....

Mr J P Kenna  
Director

**Wight Community Energy Ltd**  
**(Registration number: RS007234)**  
**Balance Sheet as at 31 December 2016**

	Note	2016 £
<b>Fixed assets</b>		
Investments	10	1
<b>Current assets</b>		
Debtors	11	693,387
Cash at bank and in hand		4,937
		<u>698,324</u>
<b>Creditors:</b> Amounts falling due within one year	13	<u>(83,377)</u>
<b>Net current assets</b>		<u>614,947</u>
<b>Net assets</b>		<u><u>614,948</u></u>
<b>Capital and reserves</b>		
Called up share capital		700,500
Profit and loss account		<u>(85,552)</u>
Total equity		<u><u>614,948</u></u>

The company made a loss after tax for the financial period of £85,552

Approved and authorised by the Board on 9 June 2017 and signed on its behalf by:

.....

Mr J P Kenna  
Director

## Wight Community Energy Ltd

### Consolidated Statement of Changes in Equity for the Period from 29 October 2015 to 31 December 2016 Equity attributable to the parent company

	Share capital £	Profit and loss account £	Total £	Total equity £
At 29 October 2015	-	9,150	9,150	9,150
Loss for the period	-	(75,271)	(75,271)	(75,271)
Total comprehensive income	-	(75,271)	(75,271)	(75,271)
New share capital subscribed	700,500	-	700,500	700,500
At 31 December 2016	700,500	(66,121)	634,379	634,379

The notes on pages 12 to 19 form an integral part of these financial statements.

## Wight Community Energy Ltd

### Statement of Changes in Equity for the Period from 29 October 2015 to 31 December 2016

	Share capital £	Profit and loss account £	Total £
Loss for the period	-	(85,552)	(85,552)
Total comprehensive income	-	(85,552)	(85,552)
New share capital subscribed	700,500	-	700,500
At 31 December 2016	700,500	(85,552)	614,948

The notes on pages 12 to 19 form an integral part of these financial statements.

# Wight Community Energy Ltd

## Notes to the Financial Statements for the Period from 29 October 2015 to 31 December 2016

### 1 General information

The company is a private company limited by share capital incorporated in England and Wales.

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 9 June 2017.

### 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 company and its subsidiary undertakings drawn up to 31 December 2016.

## Wight Community Energy Ltd

### Notes to the Financial Statements for the Period from 29 October 2015 to 31 December 2016

A subsidiary is an entity controlled by the company. Control is achieved where the company 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 company 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	Depreciation method and rate
Solar installations	25 year straight line to residual value

# Wight Community Energy Ltd

## Notes to the Financial Statements for the Period from 29 October 2015 to 31 December 2016

### 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.

### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill arising on consolidation	Amortisation not applicable

### 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.

## Wight Community Energy Ltd

### Notes to the Financial Statements for the Period from 29 October 2015 to 31 December 2016

#### 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 Revenue

The analysis of the group's revenue for the period from continuing operations is as follows:

	<b>2016</b>
	<b>£</b>
Sale of goods	139,749
Rendering of services	95,117
	<u>234,866</u>

#### 4 Operating profit

Arrived at after charging/(crediting)

	<b>2016</b>
	<b>£</b>
Depreciation expense	<u>81,187</u>

#### 5 Other interest receivable and similar income

	<b>2016</b>
	<b>£</b>
Interest income on bank deposits	<u>80</u>

## Wight Community Energy Ltd

### Notes to the Financial Statements for the Period from 29 October 2015 to 31 December 2016

#### 6 Interest payable and similar expenses

	2016 £
Interest on bank overdrafts and borrowings	97,549
Interest expense on other finance liabilities	61,445
	<u>158,994</u>

#### 7 Auditors' remuneration

	2016 £
Audit of these financial statements	<u>3,300</u>

#### 8 Intangible assets

##### Group

	Goodwill £	Total £
<b>Cost or valuation</b>		
Acquired through business combinations	<u>43,428</u>	<u>43,428</u>
At 31 December 2016	<u>43,428</u>	<u>43,428</u>
<b>Amortisation</b>		
<b>Carrying amount</b>		
At 31 December 2016	<u>43,428</u>	<u>43,428</u>

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

#### 9 Tangible assets

##### Group

## Wight Community Energy Ltd

### Notes to the Financial Statements for the Period from 29 October 2015 to 31 December 2016

	<b>Other property, plant and equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>		
At 29 October 2015	3,394,021	3,394,021
Additions	1,873,070	1,873,070
At 31 December 2016	5,267,091	5,267,091
<b>Depreciation</b>		
At 29 October 2015	69,589	69,589
Charge for the	81,187	81,187
At 31 December 2016	150,776	150,776
<b>Carrying amount</b>		
At 31 December 2016	5,116,315	5,116,315

#### 10 Investments

##### Company

	<b>2016 £</b>	
Investments in subsidiaries		1

##### Subsidiaries

##### Cost or valuation

Additions		1
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##### Provision

##### Carrying amount

At 31 December 2016		1
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## Wight Community Energy Ltd

### Notes to the Financial Statements for the Period from 29 October 2015 to 31 December 2016

#### 11 Debtors

	Note	Group 2016 £	Company 2016 £
Trade debtors		44,566	-
Amounts owed by related parties		-	692,747
Prepayments		1,719	640
Accrued income		82,032	-
Total current trade and other debtors		128,317	693,387

#### 12 Cash and cash equivalents

		Group 2016 £	Company 2016 £
Cash at bank		449,205	4,937

#### 13 Creditors

	Note	Group 2016 £	Company 2016 £
<b>Due within one year</b>			
Trade creditors		114,357	85
Social security and other taxes		2,526	-
Accrued expenses		206,003	83,292
		322,886	83,377
<b>Due after one year</b>			
Loans and borrowings	15	4,780,000	-

#### 14 Share capital

##### Allotted, called up and fully paid shares

	2016	
	No.	£
£1 ordinary of £1 each	700,500	700,500

## Wight Community Energy Ltd

### Notes to the Financial Statements for the Period from 29 October 2015 to 31 December 2016

#### 15 Loans and borrowings

	<b>Group 2016 £</b>	<b>Company 2016 £</b>
<b>Non-current loans and borrowings</b>		
Bank borrowings	3,080,000	-
Other borrowings	<u>1,700,000</u>	<u>-</u>
	<u><u>4,780,000</u></u>	<u><u>-</u></u>

The borrowings are secured by fixed and floating charges over the group's assets.

## Wight Community Energy Ltd

### Detailed Consolidated Profit and Loss Account for the Period from 29 October 2015 to 31 December 2016

	2016 £
Turnover (analysed below)	234,866
Cost of sales (analysed below)	<u>(42,387)</u>
Gross profit	<u>192,479</u>
Gross profit (%)	81.95%
<b>Administrative expenses</b>	
Establishment costs (analysed below)	(6,783)
General administrative expenses (analysed below)	(20,828)
Finance charges (analysed below)	(38)
Depreciation costs (analysed below)	<u>(81,187)</u>
	<u>(108,836)</u>
Operating profit	<u>83,643</u>
Other interest receivable and similar income (analysed below)	80
Interest payable and similar expenses (analysed below)	<u>(158,994)</u>
	<u>(158,914)</u>
Loss before tax	<u><u>(75,271)</u></u>

## Wight Community Energy Ltd

### Detailed Consolidated Profit and Loss Account for the Period from 29 October 2015 to 31 December 2016

	2016 £
<b>Turnover</b>	
Sale of goods, UK	139,749
Rendering of services, UK	95,117
	<u>234,866</u>
<b>Cost of sales</b>	
Purchases	1,090
Rent	13,708
Rates	9,133
Repairs and maintenance	18,456
	<u>42,387</u>
<b>Establishment costs</b>	
Insurance	<u>(6,783)</u>
<b>General administrative expenses</b>	
Sundry expenses	(85)
Management charges payable	(17,443)
Auditor's remuneration - The audit of the company's annual accounts	(3,300)
	<u>(20,828)</u>
<b>Finance charges</b>	
Bank charges	<u>(38)</u>
<b>Depreciation costs</b>	
Depreciation of plant and machinery (owned)	<u>(81,187)</u>
<b>Other interest receivable and similar income</b>	
Bank interest receivable	<u>80</u>
<b>Interest payable and similar expenses</b>	
Bank interest payable	97,549
Other interest payable	61,445
	<u>158,994</u>

## Wight Community Energy Ltd

### Detailed Company Profit and Loss Account for the Period from 29 October 2015 to 31 December 2016

	2016 £
Turnover (analysed below)	<u>-</u>
<b>Administrative expenses</b>	
Establishment costs (analysed below)	(2,137)
General administrative expenses (analysed below)	(3,385)
Finance charges (analysed below)	<u>(38)</u>
	<u>(5,560)</u>
Operating loss	(5,560)
Interest payable and similar expenses (analysed below)	<u>(79,992)</u>
Loss before tax	<u><u>(85,552)</u></u>

## Wight Community Energy Ltd

### Detailed Company Profit and Loss Account for the Period from 29 October 2015 to 31 December 2016

	2016 £
<b>Establishment costs</b>	
Insurance	<u>(2,137)</u>
<b>General administrative expenses</b>	
Sundry expenses	(85)
Auditor's remuneration - The audit of the company's annual accounts	<u>(3,300)</u>
	<u>(3,385)</u>
<b>Finance charges</b>	
Bank charges	<u>(38)</u>
<b>Interest payable and similar expenses</b>	
Interest payable to group undertakings	<u>79,992</u>