
HOMESTEAD COMMUNITY SOLAR C.I.C.

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 DECEMBER 2019

HOMESTEAD COMMUNITY SOLAR C.I.C.

COMPANY INFORMATION

Directors	Mr R J Speak (appointed 25 January 2019) Dr C Palmer (appointed 27 March 2017) Mr J L Mansfield (appointed 25 January 2019) Mr A P Woolhouse (appointed 25 January 2019, resigned 17 June 2020) Mr A Sarvarian (appointed 1 May 2019) Mr C A Humphrey (appointed 25 January 2019, resigned 1 July 2019)
Registered number	09615191
Registered office	Vox Studios W106 1-45 Durham Street Vauxhall London SE11 5JH
Independent auditors	Alanbrookes Limited Chartered Accountants 24 Glove Factory Studios 1 Brook Lane Holt Wiltshire BA14 6RL

HOMESTEAD COMMUNITY SOLAR C.I.C.

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditors' Report	3 - 5
Statement of Income and Retained Earnings	6
Balance Sheet	7
Notes to the Financial Statements	8 - 13
The following pages do not form part of the statutory financial statements:	
Detailed Profit and Loss Account and Summaries	14 - 16

HOMESTEAD COMMUNITY SOLAR C.I.C.

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 DECEMBER 2019

The directors present their report and the financial statements for the period ended 30 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 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 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 for the Company'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 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 to 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.

Directors

The directors who served during the period were:

Mr R J Speak (appointed 25 January 2019)
Dr C Palmer (appointed 27 March 2017)
Mr J L Mansfield (appointed 25 January 2019)
Mr A P Woolhouse (appointed 25 January 2019, resigned 17 June 2020)
Mr A Sarvarian (appointed 1 May 2019)
Mr C A Humphrey (appointed 25 January 2019, resigned 1 July 2019)

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 Company'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 Company's auditors are aware of that information.

Post balance sheet events

As explained more fully in note 12, the £1,700,000 loan with the Isle of Wight Council was repaid on 30th April 2020.

HOMESTEAD COMMUNITY SOLAR C.I.C.

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 DECEMBER 2019

Auditors

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

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 12 March 2021 and signed on its behalf.



Director

HOMESTEAD COMMUNITY SOLAR C.I.C.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOMESTEAD COMMUNITY SOLAR C.I.C.

Opinion

We have audited the financial statements of Homestead Community Solar C.I.C. (the 'Company') for the period ended 30 December 2019, which comprise the Statement of Income and Retained Earnings, the Balance Sheet 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 Company's affairs as at 30 December 2019 and of its 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.

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 Company 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 Company'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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOMESTEAD COMMUNITY SOLAR C.I.C. (CONTINUED)

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 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 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.

Matters on which we are required to report by exception

In the light of the 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.

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

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

HOMESTEAD COMMUNITY SOLAR C.I.C.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOMESTEAD COMMUNITY SOLAR C.I.C. (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out 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 Company'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 Company or to cease operations, or have no realistic alternative but to do so.

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. This description forms part of our Auditors' Report.

Use of our report

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 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



12th March 2021

Mr A S Fisher BA FCA (Senior Statutory Auditor)

for and on behalf of
Alanbrookes Limited

Chartered Accountants

24 Glove Factory Studios
1 Brook Lane
Holt
Wiltshire
BA14 6RL
Date:

HOMESTEAD COMMUNITY SOLAR C.I.C.

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIOD ENDED 30 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover		543,218	536,675
Cost of sales		(291,917)	(378,501)
Gross profit		<u>251,301</u>	<u>158,174</u>
Administrative expenses		(364,616)	(24,477)
Operating (loss)/profit		<u>(113,315)</u>	<u>133,697</u>
Interest receivable and similar income		51,503	286
Interest payable and expenses		(198,831)	(296,402)
Loss before tax		<u>(260,643)</u>	<u>(162,419)</u>
Loss after tax		<u>(260,643)</u>	<u>(162,419)</u>
Retained earnings at the beginning of the period		(372,657)	(210,238)
		<u>(372,657)</u>	<u>(210,238)</u>
Loss for the period		(260,643)	(162,419)
Retained earnings at the end of the period		<u>(633,300)</u>	<u>(372,657)</u>

The notes on pages 8 to 13 form part of these financial statements.

HOMESTEAD COMMUNITY SOLAR C.I.C.
REGISTERED NUMBER: 09615191

BALANCE SHEET
AS AT 30 DECEMBER 2019

	Note	30 December 2019 £	<i>As restated</i> 31 December 2018 £
Fixed assets			
Tangible assets	4	4,142,792	4,568,450
		4,142,792	4,568,450
Current assets			
Debtors: amounts falling due after more than one year	5	1,351,157	1,104,447
Debtors: amounts falling due within one year	5	373,672	69,433
Cash at bank and in hand	6	553,324	390,328
		2,278,153	1,564,208
Creditors: amounts falling due within one year	7	(173,244)	(289,756)
Net current assets		2,104,909	1,274,452
Total assets less current liabilities		6,247,701	5,842,902
Creditors: amounts falling due after more than one year	8	(4,642,229)	(4,427,913)
Net assets		1,605,472	1,414,989
Capital and reserves			
Called up share capital		10	1
Share premium account		451,117	-
Revaluation reserve		1,787,645	1,787,645
Profit and loss account		(633,300)	(372,657)
		1,605,472	1,414,989

The Company'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



Director

The notes on pages 8 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 DECEMBER 2019**

1. General information

The principal activity of the company is the operation of a community solar plant.

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 management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company 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 Company 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.

2.3 Interest income

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 DECEMBER 2019

2. Accounting policies (continued)

2.4 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.

2.5 Borrowing costs

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

2.6 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
---------------------	---

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.

2.7 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.8 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 DECEMBER 2019

2. Accounting policies (continued)

2.9 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.

2.10 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.

3. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £NIL).

4. Tangible fixed assets

	Solar installations £
Cost or valuation	
At 1 January 2019	5,249,544
Disposals	(240,243)
At 30 December 2019	<u>5,009,301</u>
Depreciation	
At 1 January 2019	681,094
Charge for the period on owned assets	215,238
Disposals	(29,823)
At 30 December 2019	<u>866,509</u>
Net book value	
At 30 December 2019	<u><u>4,142,792</u></u>
At 31 December 2018	<u><u>4,568,450</u></u>

HOMESTEAD COMMUNITY SOLAR C.I.C.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 DECEMBER 2019

5. Debtors

	30 December 2019 £	31 December 2018 £
Due after more than one year		
Amounts owed by group undertakings	1,351,157	1,104,447
	<u>1,351,157</u>	<u>1,104,447</u>

	30 December 2019 £	31 December 2018 £
Due within one year		
Trade debtors	17,132	47,914
Other debtors	200,000	11,507
Prepayments and accrued income	156,540	10,012
	<u>373,672</u>	<u>69,433</u>

6. Cash and cash equivalents

	30 December 2019 £	31 December 2018 £
Cash at bank and in hand	553,325	390,328
	<u>553,325</u>	<u>390,328</u>

HOMESTEAD COMMUNITY SOLAR C.I.C.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 DECEMBER 2019**

7. Creditors: Amounts falling due within one year

	30 December 2019 £	<i>31 December 2018 £</i>
Bank loans	-	128,210
Trade creditors	103,983	29,990
Other taxation and social security	7,489	4,139
Accruals and deferred income	61,772	127,417
	<hr/> 173,244 <hr/>	<hr/> 289,756 <hr/>

8. Creditors: Amounts falling due after more than one year

	30 December 2019 £	<i>31 December 2018 £</i>
Bank loans	-	2,727,913
Other loans	1,700,000	1,700,000
Amounts owed to group undertakings	2,942,229	-
	<hr/> 4,642,229 <hr/>	<hr/> 4,427,913 <hr/>

HOMESTEAD COMMUNITY SOLAR C.I.C.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 DECEMBER 2019**

9. Loans

Analysis of the maturity of loans is given below:

	30 December 2019 £	<i>31 December 2018 £</i>
Amounts falling due within one year		
Bank loans	-	128,210
	<hr/>	<hr/>
	-	128,210
	<hr/>	<hr/>
Amounts falling due after more than 5 years		
Bank loans	-	2,727,913
Other loans	1,700,000	1,700,000
	<hr/>	<hr/>
	1,700,000	4,427,913
	<hr/>	<hr/>
	1,700,000	4,556,123
	<hr/> <hr/>	<hr/> <hr/>

10. Prior year adjustment

During the year ended 31st December 2016 the company was purchased by Wight Community Energy Limited for a consideration of £1,787,645. As the underlying solar assets were considered to be an undervalue equivalent to that sum, the value of the assets was increased by £1,787,145 and this was credited to the intercompany account in the light of then prevailing circumstances which have since been superceded. The board, their advisors and the auditors consider that the position is better reflected by a credit to revaluation reserve. The effect of the adjustment is to increase net assets and capital and reserves by £1,787,645. The balance on profit and loss account in prior years is unchanged.

11. Controlling party

The company's immediate parent is CORE Gemini Limited, incorporated in the UK..

12. Post balance sheet events

On 30th April 2020, the company repaid in full a loan with the Isle of Wight Council in the amount of £1,700,000 and in addition paid £154,476 in full and final settlement of accrued and outstanding interest on the loan. Repayment of the loan was funded from a combination of cash, existing financial resources, and a new loan facility from CORE Gemini Limited, resulting in a reduction in net borrowings of the company of £543,524 and a reduction in the weighted average interest rate on borrowings from 4.42% to 3.89%.

HOMESTEAD COMMUNITY SOLAR C.I.C.

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 DECEMBER 2019

	30 December 2019 £	31 <i>December</i> 2018 £
Turnover	543,218	536,675
Cost Of Sales	(291,917)	(378,501)
Gross profit	<u>251,301</u>	<u>158,174</u>
Gross profit %	46.3 %	29.5 %
Less: overheads		
Administration expenses	(364,616)	(24,477)
Operating (loss)/profit	<u>(113,315)</u>	<u>133,697</u>
Interest receivable	51,503	286
Interest payable	(198,831)	(296,402)
Loss for the period/year	<u>(260,643)</u>	<u>(162,419)</u>

HOMESTEAD COMMUNITY SOLAR C.I.C.

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE PERIOD ENDED 30 DECEMBER 2019**

	30 December 2019 £	<i>31 December 2018 £</i>
Interest receivable		
Bank interest receivable	530	286
Associates interest receivable	50,973	-
	<hr/> 51,503 <hr/>	<hr/> 286 <hr/>
	30 December 2019 £	<i>31 December 2018 £</i>
Interest payable		
Bank interest payable	-	160,154
Group interest payable	96,528	34,248
Other interest	102,303	102,000
	<hr/> 198,831 <hr/>	<hr/> 296,402 <hr/>