
WIGHT COMMUNITY ENERGY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

WIGHT COMMUNITY ENERGY LIMITED

SOCIETY INFORMATION

| | |
|-----------------------------|--|
| Directors | Mr R Harrington- Vail Mr C Palmer Mr D Bunker Mr L Tennant Mr M Lilley Mr A Woolhouse (resigned 17 June 2020) |
| Company secretary | Community Owned Asset Management Limited |
| Registered number | RS007234 |
| Registered office | W106 Vox Studios 1-45 Durham Street Vauxhall London SE11 5JH |
| Independent auditors | The Alanbrookes Group Ltd 24 Glove Factory Studios Holt Wiltshire BA14 6RL |

WIGHT COMMUNITY ENERGY LIMITED

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WIGHT COMMUNITY ENERGY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

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 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 for the society'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 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The objects of the Society are to carry on any business that will maximise the community benefit generated from renewable energy projects developed on the Isle of Wight.

Directors

The directors who served during the year were:

Mr R Harrington- Vail
Mr C Palmer
Mr D Bunker
Mr L Tennant
Mr M Lilley
Mr A Woolhouse (resigned 17 June 2020)

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'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's auditors are aware of that information.

WIGHT COMMUNITY ENERGY LIMITED

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

Auditors

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

Small companies note

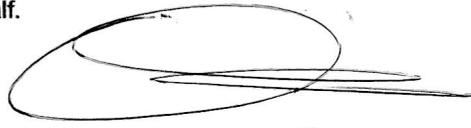
This report has been prepared in accordance with the special provisions relating to societies subject to the small companies regime under the Co-operative and Community Benefit Societies Act 2014.

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



Director Ray Harrington-Vail

Date: 22 October 2021



Director Laurence Tennant

Date: 22 October 2021



Community Owned Asset Management Limited
Company Secretary

Date: 22 October 2021

WIGHT COMMUNITY ENERGY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WIGHT COMMUNITY ENERGY LIMITED

Opinion

We have audited the financial statements of Wight Community Energy Limited (the 'society') for the year ended 31 December 2020, which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the 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 society's affairs as at 31 December 2020 and of its 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 society 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 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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WIGHT COMMUNITY ENERGY LIMITED (CONTINUED)

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 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 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, 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.

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 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 society or to cease operations, or have no realistic alternative but to do so.

WIGHT COMMUNITY ENERGY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WIGHT COMMUNITY ENERGY LIMITED (CONTINUED)

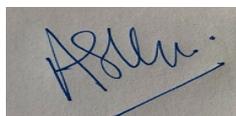
Auditors' responsibilities for the audit of the financial statements

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. This description forms part of our Auditors' Report.

Use of our report

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 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, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Fisher BA FCA (Senior Statutory Auditor)

for and on behalf of

The Alanbrookes Group Ltd

24 Glove Factory Studios

Holt

Wiltshire

BA14 6RL

22 October 2021

WIGHT COMMUNITY ENERGY LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Note | 2020 | <i>As restated</i> |
|---|-------------|--------------------|--------------------|
| | | £ | 2019 |
| | | | £ |
| Administrative expenses | | 19,754 | <i>(1,204,282)</i> |
| Operating profit/(loss) | | 19,754 | <i>(1,204,282)</i> |
| Interest payable | | (89,267) | <i>(71,868)</i> |
| Loss before tax | | (69,513) | <i>(1,276,150)</i> |
| Loss after tax | | (69,513) | <i>(1,276,150)</i> |
| | | | |
| Retained earnings at the beginning of the year | | (1,309,210) | <i>(33,060)</i> |
| | | (1,309,210) | <i>(33,060)</i> |
| Loss for the year | | (69,513) | <i>(1,276,150)</i> |
| Retained earnings at the end of the year | | (1,378,723) | <i>(1,309,210)</i> |

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of income and retained earnings.

The notes on pages 10 to 14 form part of these financial statements.

WIGHT COMMUNITY ENERGY LIMITED
REGISTERED NUMBER: RS007234

BALANCE SHEET
AS AT 31 DECEMBER 2020

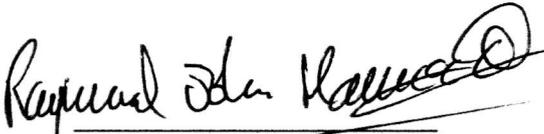
| | Note | 2020 £ | <i>As restated</i> 2019 £ |
|---|------|------------------|---------------------------------|
| Fixed assets | | | |
| Investments | 4 | 835,214 | 801,131 |
| | | <u>835,214</u> | <u>801,131</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 5 | 2,789 | 769 |
| Cash at bank and in hand | 6 | 53,922 | 4,800 |
| | | <u>56,711</u> | <u>5,569</u> |
| Creditors: amounts falling due within one year | 7 | (59,410) | (1,772) |
| Net current (liabilities)/assets | | <u>(2,699)</u> | <u>3,797</u> |
| Total assets less current liabilities | | <u>832,515</u> | <u>804,928</u> |
| Creditors: amounts falling due after more than one year | 8 | (1,510,238) | (1,413,638) |
| Net liabilities | | <u>(677,723)</u> | <u>(608,710)</u> |
| Capital and reserves | | | |
| Called up share capital | 9 | 701,000 | 700,500 |
| Profit and loss account | | (1,378,723) | (1,309,210) |
| | | <u>(677,723)</u> | <u>(608,710)</u> |

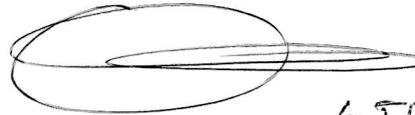
WIGHT COMMUNITY ENERGY LIMITED
REGISTERED NUMBER: RS007234

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


Director Ray Harrington-Vail


Director Laurence Tennant


Community Owned Asset Management Limited
Company Secretary

Date: 22 October 2021

The notes on pages 10 to 14 form part of these financial statements.

WIGHT COMMUNITY ENERGY LIMITED

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

| | Called up share capital £ | Profit and loss account £ | Total equity £ |
|--|---------------------------------|---------------------------------|-------------------|
| At 1 January 2019 | 700,500 | (33,060) | 667,440 |
| Comprehensive income for the year | | | |
| Loss for the year | - | (1,276,150) | (1,276,150) |
| | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the year | - | (1,276,150) | (1,276,150) |
| | <hr/> | <hr/> | <hr/> |
| At 1 January 2020 | 700,500 | (1,309,210) | (608,710) |
| Comprehensive income for the year | | | |
| Loss for the year | - | (69,513) | (69,513) |
| | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the year | - | (69,513) | (69,513) |
| Shares issued during the year | 500 | - | 500 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2020 | 701,000 | (1,378,723) | (677,723) |

The notes on pages 10 to 14 form part of these financial statements.

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

1. General information

The company is incorporated in England and Wales.

The address of its registered office is: Vox Studios W106, 1-45 Durham Street, Vauxhall, London SE11 5JH.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings 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.

2.3 Borrowing costs

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

2.4 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted society 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 Statement of Income and Retained Earnings 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.

WIGHT COMMUNITY ENERGY LIMITED

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

2. Accounting policies (continued)

2.6 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.7 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.

2.8 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.

2.9 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. Auditors' remuneration

| | 2020 £ | 2019 £ |
|---|--------------|--------------|
| Fees payable to the society's auditor and its associates for the audit of the society's annual financial statements | <u>1,208</u> | <u>1,150</u> |

WIGHT COMMUNITY ENERGY LIMITED

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

4. Fixed asset investments

| | Investments in associates £ |
|-------------------------------|--|
| Cost or valuation | |
| At 1 January 2020 | 801,131 |
| Additions | 1 |
| At 31 December 2020 | <u>801,132</u> |
| Impairment | |
| Reversal of impairment losses | (34,082) |
| At 31 December 2020 | <u>(34,082)</u> |
| Net book value | |
| At 31 December 2020 | <u><u>835,214</u></u> |
| <i>At 31 December 2019</i> | <u><u>801,131</u></u> |

The investment comprises a 49.9% interest in the share capital of Homestead Community Solar C.I.C., formerly a subsidiary of the society, as described in more detail in note 8. The carrying value of the investment is calculated at 49.9% of the net asset value of the associate. This led to an impairment on initial recognition following the deconsolidation of the subsidiary. The impairment is increased or reversed each year depending on the change in net assets of the subsidiary.

WIGHT COMMUNITY ENERGY LIMITED

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

5. Debtors

| | 2020 | <i>2019</i> |
|--------------------------------|---------------------|-------------|
| | £ | £ |
| Other debtors | 1,196 | 45 |
| Prepayments and accrued income | 1,593 | 724 |
| | <u>2,789</u> | <u>769</u> |

6. Cash and cash equivalents

| | 2020 | <i>2019</i> |
|--------------------------|----------------------|--------------|
| | £ | £ |
| Cash at bank and in hand | 53,922 | 4,800 |
| | <u>53,922</u> | <u>4,800</u> |

7. Creditors: Amounts falling due within one year

| | 2020 | <i>As restated</i> <i>2019</i> |
|------------------------------|----------------------|-----------------------------------|
| | £ | £ |
| Other loans | 20,500 | - |
| Trade creditors | 2,606 | 270 |
| Accruals and deferred income | 36,304 | 1,502 |
| | <u>59,410</u> | <u>1,772</u> |

WIGHT COMMUNITY ENERGY LIMITED

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

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

| | 2020 | <i>As restated</i> |
|----------------------------|-------------------------|-------------------------|
| | £ | <i>2019</i> |
| | | £ |
| Amounts owed to associates | 1,510,238 | <i>1,413,638</i> |
| | <u>1,510,238</u> | <i><u>1,413,638</u></i> |

Following an investment into Homestead Community Solar C.I.C. by CORE Gemini Limited (a wholly owned subsidiary of Community Owned Renewable Energy LLP (CORE Partners)) on 25/1/2019, the interest of the company in Homestead Community Solar C.I.C. reduced to 49.9%. Consequently, Homestead Community Solar C.I.C. was deconsolidated for the first time, requiring certain intercompany balances between the company and Homestead Community Solar C.I.C. that had previously netted out on consolidation to be recognised in the balance sheet of the company.

It is the intention of the current shareholders that the company acquires the interests of CORE Partners in the share capital of Homestead Community Solar C.I.C., in one or more future steps to be determined. Upon the ownership interest of the company in Homestead Community Solar C.I.C. rising above 50%, Homestead Community Solar C.I.C. will again be fully consolidated and the liability of the company to Homestead Community Solar C.I.C. (the source of the creditor balance due after more than one year) will again net off in consolidation.

Although interest accrues under the intercompany loan arrangement, there are no stipulated payments of interest or repayments of principal to Homestead Community Solar C.I.C.

9. Share capital

| | 2020 | <i>2019</i> |
|---|-----------------------|-----------------------|
| | £ | <i>£</i> |
| Allotted, called up and fully paid | | |
| 701,000 (2019 - 700,500) Ordinary Shares shares of £1.00 each | <u>701,000</u> | <i><u>700,500</u></i> |

WIGHT COMMUNITY ENERGY LIMITED

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Note | 2020 £ | <i>As restated</i> 2019 £ |
|--|------|-----------|---------------------------------|
| Gross profit | | - | - |
| Gross profit % | | 0.0 % | 0.0 % |
| Less: overheads | | | |
| Administration expenses | | 19,754 | (1,204,282) |
| Operating profit/(loss) | | 19,754 | (1,204,282) |
| Interest payable | | (89,267) | (71,868) |
| Loss for the year | | (69,513) | (1,276,150) |
| | | 2020 £ | 2019 £ |
| Administration expenses | | | |
| Trade subscriptions | | 686 | - |
| Legal and professional | | 1,050 | - |
| Auditors' remuneration | | 1,208 | 1,150 |
| Bank charges | | 14 | 3 |
| Sundry expenses | | 4,285 | 1,264 |
| Insurances | | 2,856 | 2,849 |
| Impairment/(reversal) of fixed asset investments | | (34,082) | 1,202,329 |
| Management charges payable | | 2,122 | (3,313) |
| Registrar fees | | 2,107 | - |
| | | (19,754) | 1,204,282 |
| | | 2020 £ | 2019 £ |
| Interest payable | | | |
| Associates interest payable | | 68,244 | 50,973 |
| Other loan interest payable | | 8 | - |
| Interest due on shares | | 21,015 | 20,895 |
| | | 89,267 | 71,868 |