

Registration number: 7082

Resilient Energy Alvington Court Renewables Limited

A Registered Society under the Co-operative and Community Benefit Societies Act 2014

Directors' report and unaudited financial statements

31 January 2017

Resilient Energy Alvington Court Renewables Limited

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Resilient Energy Alvington Court Renewables Limited

Directors and other information

Directors	Mr Andrew Clarke Mrs Susan Clarke Mr John Rogers Mrs Heather Rogers SC Mr Alastair Jack Mrs Janine Michael
Secretary	Susan Carol Clarke
Society number	7082
Registered office	The Woodlands Woodside, Woolaston Lydney Gloucestershire GL15 6PS
Business address	The Woodlands Woodside, Woolaston Lydney Gloucestershire GL15 6PS
Accountants	Walters Hawson Limited Norham House Mountenoy Road Rotherham S60 2AJ

Resilient Energy Alvington Court Renewables Limited

Directors report Year ended 31 January 2017

The directors present their report and the unaudited financial statements of the company for the year ended 31 January 2017.

Principle Activity

The principle activity of the society is the construction and operation of a 500KW wind turbine.

Audit

The members have passed the necessary resolution required to disapply the audit requirement.

Business Review

This year is the first in which the turbine has been in operation for the whole period.

In total, the turbine had generated 871,124 KWh of energy, with a total sales value of £138,358. This is significantly below the target generation of 1,550,520 KWh. The difference is largely down to unusually low average wind speeds, as the turbine operates far more efficiently at higher wind speeds.

Operating costs are broadly in line with expectations, though there are one off costs of £4,475 in repairs and maintenance which should not be repeated in subsequent years.

Similarly, loan interest charged during the year is as expected, and so, taking aside the reduction in turnover due to low wind speeds, the society has performed to expectations.

Financial Review

Lower than projected wind speeds have caused an operating loss for the year to £17,298. After deducting interest paid, the pre tax loss for the period stands at £72,535. After accounting for future tax relief on net tax losses carried forwards, the post tax loss is £52,535.

Wind speeds in the months following the year end have improved and there has been improved generation. Whilst there may be significant fluctuations in wind speed from the norm in any one year, over the longer term average wind speeds will be experienced and the directors are confident that the society will achieve profitability in the future.

Community Fund

The society has made a commitment to donate a portion of its gross income to community projects in the Alvington/Aylburton area, subject to adequate cash reserves. No donations have been made to date, due to inadequate cash reserves, however the planned donations have been included in costs, and the directors intend to meet this commitment later in the calendar year when funds are available.

Interest Payable to Shareholders

No interest has been paid to shareholders in the period, in line with expectations set out in the share offer document

Resilient Energy Alvington Court Renewables Limited

**Directors report (continued)
Year ended 31 January 2017**

Directors

The directors who served the company during the year were as follows:

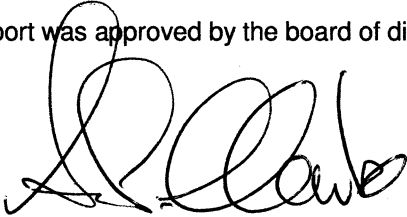
Mr Andrew Clarke
Mrs Susan Clarke
Mr John Rogers
Mrs Heather Rogers
Mr Alastair Jack
Mrs Janine Michael

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Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 1 July 2017 and signed on behalf of the board by:



Mr Andrew Clarke
Director

Resilient Energy Alvington Court Renewables Limited

**Chartered accountants report to the board of directors on the preparation of the
unaudited statutory financial statements of Resilient Energy Alvington Court Renewables Limited
Year ended 31 January 2017**

Basis of opinion

Our procedures consisted of comparing the accounts with the books of account kept by the society and making such limited enquiries of the officers of the society as we considered necessary for the purpose of this report. These procedures provide the only assurance expressed in our opinion.

Opinion

In our opinion:

- the revenue account and balance sheet for the period ended 31 January 2017 are in agreement with the books of account kept by the society under section 75 of the Co-operative and Community Benefit Societies Act 2014;
- having regard only to, and on the basis of the information contained in the books of account, the revenue account and balance sheet for the period ended 31 January 2017 comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- the society met the financial criteria enabling it to disapply the requirement to have an audit of the accounts for the year specified in section 84 of the Co-operative and Community Benefit Societies Act 2014.

Walters Hawson Limited

Chartered Accountants and Statutory Auditors

Norham House
Mountenoy Road
Rotherham
S60 2AJ

1 July 2017

Resilient Energy Alvington Court Renewables Limited

**Statement of comprehensive income
Year ended 31 January 2017**

	Note	Year ended 31/01/17 £	Period ended 31/01/16 £
Turnover		138,358	46,804
Administrative expenses		(155,656)	(44,800)
Operating (loss)/profit		(17,298)	2,004
Gain/(loss) on exchange rate		-	(15,193)
Interest payable and similar expenses		(55,237)	(21,378)
Loss before taxation	4	(72,535)	(34,567)
Tax on loss		20,000	-
Loss for the financial year and total comprehensive income		<u>(52,535)</u>	<u>(34,567)</u>

All the activities of the company are from continuing operations.

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

Resilient Energy Alvington Court Renewables Limited

**Statement of financial position
31 January 2017**

	Note	31/01/17	31/01/16
		£	£
Fixed assets			
Tangible assets	5	1,822,283	1,829,173
		<u>1,822,283</u>	<u>1,829,173</u>
Current assets			
Debtors	6	99,291	92,225
Cash at bank and in hand		1	1
		<u>99,292</u>	<u>92,226</u>
Creditors: amounts falling due within one year	7	<u>(151,948)</u>	<u>(64,081)</u>
Net current (liabilities)/assets		<u>(52,656)</u>	<u>28,145</u>
Total assets less current liabilities		<u>1,769,627</u>	<u>1,857,318</u>
Creditors: amounts falling due after more than one year	8	(606,222)	(621,378)
Provisions for liabilities		20,000	-
Net assets		<u><u>1,183,405</u></u>	<u><u>1,235,940</u></u>
Capital and reserves			
Called up share capital		1,270,507	1,270,507
Profit and loss account		<u>(87,102)</u>	<u>(34,567)</u>
Shareholders funds		<u><u>1,183,405</u></u>	<u><u>1,235,940</u></u>

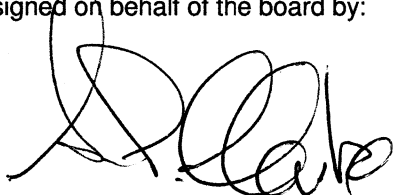
The notes on pages 10 to 14 form part of these financial statements.

Resilient Energy Alvington Court Renewables Limited

**Statement of financial position (continued)
31 January 2017**

For the year ended 31 January 2017 the society was entitled to exemption from an audit conferred by section 84 of the Co-operative and Community Benefit Societies Act 2014. The members have not required the officers to obtain an audit of the accounts for the year in question, in accordance with the Act.

These financial statements were approved by the board of directors and authorised for issue on 1 July 2017, and are signed on behalf of the board by:



Mr Andrew Clarke
Director
Registration number: 7082



Mr John Rogers
Director

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

Resilient Energy Alvington Court Renewables Limited

**Statement of changes in equity
Year ended 31 January 2017**

	Called up share capital £	Profit and loss account £	Total £
At 1 February 2015	-	-	-
Loss for the year	<u> </u>	<u>(34,567)</u>	<u>(34,567)</u>
Total comprehensive income for the year	-	<u>(34,567)</u>	<u>(34,567)</u>
Issue of shares	<u>1,270,507</u>	<u> </u>	<u>1,270,507</u>
Total investments by and distributions to owners	<u>1,270,507</u>	<u>-</u>	<u>1,270,507</u>
At 31 January 2016 and 1 February 2016	<u>1,270,507</u>	<u>(34,567)</u>	<u>1,235,940</u>
Loss for the year	<u> </u>	<u>(52,535)</u>	<u>(52,535)</u>
Total comprehensive income for the year	-	<u>(52,535)</u>	<u>(52,535)</u>
At 31 January 2017	<u><u>1,270,507</u></u>	<u><u>(87,102)</u></u>	<u><u>1,183,405</u></u>

Resilient Energy Alvington Court Renewables Limited

Notes to the financial statements Year ended 31 January 2017

1. General information

The Society is a Community Benefit Society registered with the Financial Conduct Authority under the Cooperatives and Community Benefit Societies Act 2014, registered number 7082. The address of the registered office is The Woodlands, Woodside, Woolaston, Lydney, Gloucestershire, GL15 6PS.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 February 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 10.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Resilient Energy Alvington Court Renewables Limited

Notes to the financial statements (continued) Year ended 31 January 2017

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 4%	straight line
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If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Resilient Energy Alvington Court Renewables Limited

Notes to the financial statements (continued) Year ended 31 January 2017

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Loss before taxation

Loss before taxation is stated after charging/(crediting):

	Year ended 31/01/17 £	Period ended 31/01/16 £
Depreciation of tangible assets	<u>64,071</u>	<u>23,154</u>

Resilient Energy Alvington Court Renewables Limited

**Notes to the financial statements (continued)
Year ended 31 January 2017**

5. Tangible assets

	Plant and machinery	Total
	£	£
Cost		
At 1 February 2016	1,852,327	1,852,327
Additions	57,181	57,181
At 31 January 2017	<u>1,909,508</u>	<u>1,909,508</u>
Depreciation		
At 1 February 2016	23,154	23,154
Charge for the year	64,071	64,071
At 31 January 2017	<u>87,225</u>	<u>87,225</u>
Carrying amount		
At 31 January 2017	<u>1,822,283</u>	<u>1,822,283</u>
At 31 January 2016	<u>1,829,173</u>	<u>1,829,173</u>

6. Debtors

	31/01/17	31/01/16
	£	£
Prepayments and accrued income	99,291	86,495
Other debtors	-	5,730
	<u>99,291</u>	<u>92,225</u>

The accounts include £64,029 in accrued income, in respect, of unpaid Feed in Tariff income prior to 22 April 2016. The Society had applied to renew the preliminary accreditation for Feed in Tariff well ahead of the end of September 2015 deadline, having previously received preliminary accreditation the re-application approval was considered a formality. Due to UK Government ceasing to allow pre-accreditation OfGem received over 6 months of applications over the last 2 weeks of September 2015, soon after we applied. This resulted in a delay by OfGem of 7 months in re-issuing our pre-accreditation paperwork. During this delay period, we had successfully completed the project and commissioned the turbine on 25th November 2015, but were unable to file final documents for formal full accreditation as OfGem had not issued us the first stage of paperwork relating to the pre-accreditation. At the same time, we were waiting for delayed OfGem paperwork, in February 2016 UK Government instructed OfGem to change the point at which projects became eligible for Feed in Tariff payments, changing eligibility from the commissioning date to when an application to full accreditation was received and accepted by OfGem. Given we were unable to submit a full accreditation as OfGem had not issued our pre-accreditation we feel there is a strong case to be made for having the FiT accreditation date back dated to the commissioning date of 25th November 2015 as the only reason preventing us doing this were delays by OfGem. We are aware of another community project that has successfully had this undertaken and have confidence that this sets a precedent with OfGem for successful appeal of our case. As such we have included in these accounts the potential earnings due from the Feed in Tariff covering this period.

Resilient Energy Alvington Court Renewables Limited

Notes to the financial statements (continued)

Year ended 31 January 2017

7. Creditors: amounts falling due within one year

	31/01/17	31/01/16
	£	£
Bank loans and overdrafts	33,409	29,897
Trade creditors	64,479	20,460
Amounts owed to connected companies	11,503	503
Accruals and deferred income	38,076	13,221
Social security and other taxes	4,481	-
	<u>151,948</u>	<u>64,081</u>

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

	31/01/17	31/01/16
	£	£
Trade creditors	6,222	-
Other loans	600,000	621,378
	<u>606,222</u>	<u>621,378</u>

The loan is interest only, with the balance being repayable in full on 11 January 2019. The loan is secured via a debenture over the assets of the society and a chattel mortgage over the 500KW turbine.

9. Related party transactions

At the year end, the society was in receipt of interest free loans from The Resilience Centre Ltd totalling £4,603 (2016: £503), and Resilient Energy Great Dunkilns Plc totalling £6,900 (2016: £nil). Both of these companies have some common directors and shareholders with Resilient Energy Alvington Court Renewables Ltd.

Additionally, the society owed The Resilience Centre £47,030 at year end, relating to management charges for the previous 13 months: a level of credit which would not be extended to a non-connected company.

10. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 February 2015.

Reconciliation of equity

No transitional adjustments were required.

Reconciliation of profit or loss for the year

No transitional adjustments were required.