

Registration number: 29283R

Bro Dyfi Community Renewables Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2018

Bro Dyfi Community Renewables Limited

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Bro Dyfi Community Renewables Limited

Society Information

Directors

R C Edwards
M J Phillips
J MacDermot
S T Kuznetsov
R A Kennedy
J E Howarth
D Kerridge
J D Williams

Registered office

Unit 1
Dyfi Eco Park
Machynlleth
Powys
SY20 8AX

Accountants

PJE Chartered Accountants
23 College Street
Lampeter
Ceredigion
SA48 7DY

Bro Dyfi Community Renewables Limited

Directors' Report for the Year Ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors of the society

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

R C Edwards

M J Phillips

J MacDermot

S T Kuznetsov

R A Kennedy

J E Howarth

D Kerridge

J D Williams

Principal activity

The principal activity of the society is the generation and supply of electricity from renewable sources. Bro Dyfi Community Renewables Ltd is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014.

Summary of the Year

Bro Dyfi Community Renewables Ltd (BDCR) currently owns and operates two wind turbines. In 2018 BDCR's Nordtank 500kW wind turbine generated a total of 766,220kWh of electricity, while the V17 generated 27,969kWh. The total generation of 788,189kWh is equivalent to the annual electricity consumption of approximately 200 households and represents a carbon emissions saving of around 370 tonnes of CO₂.

In August 2018 there was a share interest payment to BDCR's members totalling £8,590. In addition, a donation of £1,720 was made to Ecodefy - a local regeneration organisation.

5 people ceased to be members during 2018, while 4 joined, resulting in a membership of 202 on 31/12/2018.

Approved by the Board on 31 March 2019 and signed on its behalf by:

.....

J MacDermot
Director

**Independent Accountants' Report to the Board of Directors on the Preparation of the
Unaudited Accounts of
Bro Dyfi Community Renewables Limited
for the Year Ended 31 December 2018**

We report to the members on the unaudited accounts for the year ended 31 December 2017.

The society's officers are responsible for the preparation of the accounts and they consider the society is entitled to opt out of an audit. It is our responsibility to carry out procedures to enable us to report our opinion.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Bro Dyfi Community Renewables Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Bro Dyfi Community Renewables Limited and state those matters that we have agreed to state to the Board of Directors of Bro Dyfi Community Renewables Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bro Dyfi Community Renewables Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Bro Dyfi Community Renewables Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Bro Dyfi Community Renewables Limited. You consider that Bro Dyfi Community Renewables Limited is exempt from the statutory audit requirement for the year.

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and our procedures consisted of comparing the accounts with the accounting records kept by the society and making such limited enquiries of officers of the society as we considered necessary for the purposes of this report. These procedures provide the only assurance expressed in our opinion.

In our opinion:

- the accounts, including the revenue account and the balance sheet, are in agreement with the accounting records kept by the society under s75 of the Co-operative and Community Benefit Societies Act 2014.
- Having regard only to, and on the basis of, the information contained in those accounting records the revenue account and balance sheet comply with the requirements of the Co-operative and Community Benefit Societies Act 2014 and
- For the preceding year of account, the financial criteria for the exercise of power conferred by section 84 were met in relation to the year.

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PJE Chartered Accountants
23 College Street
Lampeter
Ceredigion
SA48 7DY

Date:.....

Bro Dyfi Community Renewables Limited

Profit and Loss Account and Statement of Retained Earnings for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover		89,785	76,007
Cost of sales		<u>(43,219)</u>	<u>(50,360)</u>
Gross profit		46,566	25,647
Administrative expenses		<u>(7,426)</u>	<u>(6,510)</u>
Operating profit		<u>39,140</u>	<u>19,137</u>
Other interest receivable and similar income		213	15
Interest payable and similar charges		<u>(8,461)</u>	<u>(5,369)</u>
		<u>(8,248)</u>	<u>(5,354)</u>
Profit before tax	3	30,892	13,783
Taxation		<u>(40)</u>	<u>(3)</u>
Profit for the financial year		30,852	13,780
Retained earnings brought forward		<u>7,960</u>	<u>(5,820)</u>
Retained earnings carried forward		<u><u>38,812</u></u>	<u><u>7,960</u></u>

The notes on pages 8 to 12 form an integral part of these financial statements.

Bro Dyfi Community Renewables Limited

Statement of Comprehensive Income for the Year Ended 31 December 2018

	2018	2017
	£	£
Profit for the year	<u>30,852</u>	<u>13,780</u>
Total comprehensive income for the year	<u><u>30,852</u></u>	<u><u>13,780</u></u>

The notes on pages 8 to 12 form an integral part of these financial statements.

Bro Dyfi Community Renewables Limited

(Registration number: 29283R)

Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	111,318	128,232
Current assets			
Debtors	5	16,047	14,015
Cash at bank and in hand		<u>151,290</u>	<u>107,994</u>
		167,337	122,009
Creditors: Amounts falling due within one year	6	<u>(13,582)</u>	<u>(11,450)</u>
Net current assets		<u>153,755</u>	<u>110,559</u>
Total assets less current liabilities		265,073	238,791
Creditors: Amounts falling due after more than one year	6	<u>(11,511)</u>	<u>(16,081)</u>
Net assets		<u>253,562</u>	<u>222,710</u>
Capital and reserves			
Called up share capital		214,750	214,750
Profit and loss account		<u>38,812</u>	<u>7,960</u>
Total equity		<u>253,562</u>	<u>222,710</u>

Statement of Directors' Responsibilities

The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the society. In preparing those financial statements the directors are required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reliable and prudent
- prepare the financial statements on a going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the society to enable it 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.

The notes on pages 8 to 12 form an integral part of these financial statements.

Bro Dyfi Community Renewables Limited
(Registration number: 29283R)
Balance Sheet as at 31 December 2018 (continued)

Approved and authorised by the Board on 31 March 2019 and signed on its behalf by:

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R C Edwards
Director

.....

M J Phillips
Director

The notes on pages 8 to 12 form an integral part of these financial statements.

Bro Dyfi Community Renewables Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 General information

The society is a registered society under the Co-operative and Community Benefit Societies Act 2014.

The address of its registered office is:

Unit 1

Dyfi Eco Park

Machynlleth

Powys

SY20 8AX

United Kingdom

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.

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.

The financial statements are presented in sterling which is the functional currency of the society and rounded to the nearest £.

Going concern

The financial statements have been prepared on a going concern basis.

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 society's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The society 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 society's activities.

Bro Dyfi Community Renewables Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the society operates and generates taxable income.

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
V17 windturbine	15 years straight line
Nordtank windturbine	15 years straight line

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.

Trade 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 society will not be able to collect all amounts due according to the original terms of the receivables.

Bro Dyfi Community Renewables Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

Trade 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 society 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.

Share capital

Membership 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 Profit before tax

Arrived at after charging/(crediting)

	2018	2017
	£	£
Depreciation expense	<u>16,914</u>	<u>20,711</u>

Bro Dyfi Community Renewables Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

4 Tangible assets

	Furniture, fittings and equipment £	Other tangible assets £	Total £
Cost or valuation			
At 1 January 2018	236,539	75,866	312,405
At 31 December 2018	<u>236,539</u>	<u>75,866</u>	<u>312,405</u>
Depreciation			
At 1 January 2018	109,568	74,604	184,172
Charge for the year	15,653	1,262	16,915
At 31 December 2018	<u>125,221</u>	<u>75,866</u>	<u>201,087</u>
Carrying amount			
At 31 December 2018	<u>111,318</u>	<u>-</u>	<u>111,318</u>
At 31 December 2017	<u>126,971</u>	<u>1,261</u>	<u>128,232</u>

5 Debtors

	2018 £	2017 £
Trade debtors	12,772	10,667
Other debtors	3,275	3,348
	<u>16,047</u>	<u>14,015</u>

Bro Dyfi Community Renewables Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

6 Creditors

Creditors: amounts falling due within one year

	2018	2017
	£	£
Due within one year		
Trade creditors	3,781	5,255
Taxation and social security	4,257	4,356
Accruals and deferred income	5,501	1,836
Other creditors	43	3
	<u>13,582</u>	<u>11,450</u>

Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Due after one year		
Deferred income	<u>11,511</u>	<u>16,081</u>

Bro Dyfi Community Renewables Limited

Detailed Profit and Loss Account for the Year Ended 31 December 2018

	2018 £	2017 £
Turnover		
Sale of goods, UK	87,132	71,163
Grants and subsidies receivable	2,653	4,844
	89,785	76,007
Cost of sales		
Commissions payable	3,000	2,400
Rent and rates	3,448	2,796
Subscriptions	615	545
Light, heat and power	6,892	5,399
Telephone	589	373
Repairs and maintenance	7,883	6,320
Replacement Gearbox	-	8,364
Depreciation of plant and machinery	1,262	5,058
Depreciation of fixtures and fittings	15,652	15,653
	39,341	46,908
General administrative expenses		
Charitable donations	1,720	1,075
Administrative expenses	2,949	2,088
Travel and subsistence	100	26
Committee expenses	440	634
Advertising	65	65
Bookkeeping	1,347	1,541
Accountancy fees	400	275
Legal and professional fees	405	790
	7,426	6,494
Finance charges		
Bank charges	-	16
	-	16
Other interest receivable and similar income		
Bank interest receivable	213	15
	213	15

This page does not form part of the statutory financial statements.

Bro Dyfi Community Renewables Limited

Detailed Profit and Loss Account for the Year Ended 31 December 2018 (continued)

	2018 £	2017 £
Interest payable and similar expenses		
Share-based payment expense - equity settled	<u>(8,461)</u>	<u>(5,369)</u>

This page does not form part of the statutory financial statements.