REGISTERED NUMBER: 09644245 (England and Wales)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2019

FOR

COMMUNITY ENERGY LOWER BASSET DOWN C.I.C.

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COMMUNITY ENERGY LOWER BASSET DOWN
C.I.C. (REGISTERED NUMBER: 09644245)

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

COMMUNITY ENERGY LOWER BASSET DOWN C.I.C.

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019

DIRECTOR:	T Krupke
REGISTERED OFFICE:	Abbey House 51 High Street Saffron Walden Essex CB10 1AF
REGISTERED NUMBER:	09644245 (England and Wales)
AUDITORS:	RSM UK Audit LLP Chartered Accountants 14th Floor 20 Chapel Street Liverpool L3 9AG

COMMUNITY ENERGY LOWER BASSET DOWN
C.I.C. (REGISTERED NUMBER: 09644245)

BALANCE SHEET
31 DECEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
FIXED ASSETS					
Tangible assets	4		4,724,212		5,014,353
CURRENT ASSETS					
Debtors	5	265,060		376,454	
Cash at bank		448,388		365,253	
		713,448		741,707	
CREDITORS					
Amounts falling due within one year	6	2,063,819		2,052,251	
NET CURRENT LIABILITIES			(1,350,371)		(1,310,544)
TOTAL ASSETS LESS CURRENT LIABILITIES			3,373,841		3,703,809
CREDITORS					
Amounts falling due after more than one year	7		(3,705,051)		(3,886,871)
PROVISIONS FOR LIABILITIES	12		(94,142)		(92,740)
NET LIABILITIES			(425,352)		(275,802)
CAPITAL AND RESERVES					
Called up share capital			2		2
Retained earnings			(425,354)		(275,804)
			(425,352)		(275,802)

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the director and authorised for issue on 5 August 2020 and were signed by:

T Krupke - Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. STATUTORY INFORMATION

Community Energy Lower Basset Down C.I.C. is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The company's Solar Farm and principal place of business is located at Cancourt Farm, Hay Lane, Lower Basset Down, Wroughton, Swindon, SN4 9QP.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern
The company has net liabilities at the balance sheet date. The directors have separately reviewed integrated forecasts for the company, for the foreseeable future, which indicate that the company will be able to meet its cash flow demands and liabilities as they fall due from cash flows from operations and existing working capital.

The directors have considered the impact of the current COVID-19 crisis on the company's ability to trade and are confident that operations can continue relatively uninterrupted during this period.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

continued...

2. ACCOUNTING POLICIES - continued

Turnover
Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Generation and embedded benefits turnover
Turnover from the sale of electricity represents the invoice value, excluding VAT, of electricity provided to third parties and is recognised when electricity is generated. Embedded benefits are paid to generating plant located on the distribution network to reflect the lower cost of transporting electricity to the end user and are recorded at the invoice value.

Feed-in tariff (FIT) turnover
The company is eligible to receive FITs in respect of the electricity it produces. FIT income is recorded as accrued income at invoice value and recognised in turnover when the electricity is produced.

Grid sharing agreement
The company shares the infrastructure required to export electricity to the National Grid with Lower Basset Down PV Ltd, a fellow group company.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.
Solar Park - 4% on cost

At each reporting date, the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is compared to its carrying amount. An impairment loss is recognised to the extent that the carrying amount exceeds the recoverable amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. The value in use is the present value of the future cash flows expected to be derived from the asset.

continued...

2. ACCOUNTING POLICIES - continued

Financial instruments
The entity has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment, with any impairment loss recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If an asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis ot to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the contract is entered into and subsequently re-measured at fair value. Changes in fair value are recognised in profit and loss.

The company's financing arrangement with Bayerishe Landesbank includes a financial instrument in the form of an interest rate swap agreement. This has the effect of converting a variable rate loan into a fixed rate loan. Bayerishe Landesbank provide an estimate of the value of the swap agreement at each period end. Changes in the fair value of the instrument are recognised in other financial income or expenses.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

continued...

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Operating lease commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Finance costs

Finance costs are charged to the profit and loss account 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.

Borrowing costs

Upfront financing costs such as arrangement fees are initially capitalised and offset against the outstanding loan facility. These fees are then released to profit and loss over the life of the loan.

Provisions

Provisions are recognised where the company has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

3. EMPLOYEES

The average number of employees during the year was NIL (2018 - NIL).

continued...

4. TANGIBLE FIXED ASSETS

	Solar Park £
COST	
At 1 January 2019	5,583,997
Disposals	(77,835)
At 31 December 2019	5,506,162
DEPRECIATION	
At 1 January 2019	569,644
Charge for year	223,360
Eliminated on disposal	(11,054)
At 31 December 2019	781,950
NET BOOK VALUE	
At 31 December 2019	4,724,212
At 31 December 2018	5,014,353

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	8,795	56,274
Amounts owed by group undertakings	25,645	-
Other debtors	168,746	166,418
Financial instruments	-	45,891
Prepayments and accrued income	61,874	107,871
	265,060	376,454

Other debtors includes £168,746 (2018 £166,418) held on deposit over which the company's bankers have placed restrictions.

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Bank loans and overdrafts (see note 8)	181,820	169,730
Trade creditors	38,179	132,792
Amounts owed to group undertakings	1,698,681	1,579,062
VAT	18,097	38,191
Financial instruments	91,658	-
Accruals and deferred income	35,384	132,476
	2,063,819	2,052,251

continued...

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Bank loans (see note 8)	3,705,051	3,886,871

Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more than 5 years by instalments	2,888,350	3,114,371
	2,888,350	3,114,371

8. LOANS

An analysis of the maturity of loans is given below:

	2019	2018
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	180
Bank loans	181,820	169,550
	181,820	169,730
Amounts falling due between one and two years:		
Bank loans - 1-2 years	187,187	181,820
Amounts falling due between two and five years:		
Bank loans - 2-5 years	629,514	590,680
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more than 5 years by instalments	2,888,350	3,114,371
	2,888,350	3,114,371

continued...

9. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018
	£	£
Within one year	29,076	28,444
Between one and five years	122,238	119,580
In more than five years	861,822	905,861
	1,013,136	1,053,885

The company purchased a lease over the land on which it has constructed a solar park. The lease includes a mechanism to uplift the minimum rent to reflect increases in the retail prices index (RPI). The operating lease commitment above assumes that the RPI will increase at 2% per annum over the remaining lease term.

10. SECURED DEBTS

The bank loans are secured by way of fixed and floating charges over the company's assets. Secured liabilities total £4,039,014 (2018 £4,215,200).

11. FINANCIAL INSTRUMENTS

The carrying amount of each category of the company's financial instruments held at fair value through profit or loss at the balance sheet date were:

	2019	2018
	£	£
Financial instruments - (creditor) debtor	(91,658)	45,891

Interest rate swaps
The company uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings.They are valued at a market to market basis at the period end, with changes in fair value recognised through the profit and loss account. Fair value movements in this period resulted in an unrealised loss of £137,549 (2018 unrealised gain £48,788).

Subsequent events
Following changes in market conditions arising from the COVID-19 pandemic, the value of financial instruments as at 30 June 2020 was £(294,726).

12. PROVISIONS FOR LIABILITIES

	2019	2018
	£	£
Other provisions	94,142	92,740

continued...

12. PROVISIONS FOR LIABILITIES - continued

	Deconstruction provision £
Balance at 1 January 2019	92,740
Charge to Income Statement during year	1,402
Balance at 31 December 2019	94,142

The company's lease over the land, on which it has constructed a solar park, requires it to return the land to its original condition at the expiry of the lease. This provision comprises the present value of the estimated cost of complying with the terms of the lease and has been capitalised in line with the requirements of FRS 102.

13. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Ian Taylor (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP

14. ULTIMATE CONTROLLING PARTY

The immediate parent company is LBD Holdco Limited, a company incorporated in England and Wales, which prepares consolidated accounts. Its registered office is Abbey House, 51 High Street, Saffron Walden, Essex, CB10 1AF.

The company's ultimate parent is Clere AG, a company incorporated in the Federal Republic of Germany under company number HRB 182215 and with registered office of 45 Schluterstrasse, 10707 Berlin, Federal Republic of Germany.