

Report of the Directors and
Consolidated Financial Statements for the Year Ended 30 June 2019
for
Meadow Blue Community Energy Ltd

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for the Year Ended 30 June 2019

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Meadow Blue Community Energy Ltd

Company Information
for the Year Ended 30 June 2019

DIRECTORS:

Christopher Charles Rowland
Julia Chantal Waterlow
David Barton
Nicholas Rouse
Roger Marshall
Jonathan Parkinson

REGISTERED OFFICE:

2 Station Street
Lewes
Sussex
BN7 2DA

REGISTERED NUMBER:

R7099 (England and Wales)

AUDITORS:

Griffin
Statutory Auditors
165 High Street
Honiton
Devon
EX14 1LQ

Meadow Blue Community Energy Ltd

Report of the Directors for the Year Ended 30 June 2019

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2018 to the date of this report.

Christopher Charles Rowland
Julia Chantal Waterlow
David Barton
Nicholas Rouse
Roger Marshall
Jonathan Parkinson

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Griffin, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Meadow Blue Community Energy Ltd

Report of the Directors
for the Year Ended 30 June 2019

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

.....
Roger Marshall - Director

Date:

Report of the Independent Auditors to the Members of
Meadow Blue Community Energy Ltd

Opinion

We have audited the financial statements of Meadow Blue Community Energy Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2019 which comprise the Consolidated Income Statement, Consolidated Balance Sheet, Company Balance Sheet and Notes to the Financial Statements, 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 group's and of the parent company affairs as at 30 June 2019 and of the group's 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 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 group'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 in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

Opinions 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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' exemption from the requirement to prepare a Group Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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 group's and the parent 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 group or the parent 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 a Report of the Auditors 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 Report of the Auditors.

Report of the Independent Auditors to the Members of
Meadow Blue Community Energy Ltd

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 a Report of the Auditors 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.

Misty Nickells FCA (Senior Statutory Auditor)
for and on behalf of Griffin
Statutory Auditors
165 High Street
Honiton
Devon
EX14 1LQ

Date:

Meadow Blue Community Energy Ltd

Consolidated Income Statement
for the Year Ended 30 June 2019

	Notes	30.6.19 £	30.6.18 £
TURNOVER		711,450	643,763
Cost of sales		<u>99,304</u>	<u>100,893</u>
GROSS PROFIT		612,146	542,870
Administrative expenses		<u>361,411</u>	<u>323,807</u>
OPERATING PROFIT	4	250,735	219,063
Interest receivable and similar income		<u>1,817</u>	<u>138</u>
		252,552	219,201
Interest payable and similar expenses	5	<u>282,136</u>	<u>335,426</u>
LOSS BEFORE TAXATION		(29,584)	(116,225)
Tax on loss		<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(29,584)</u>	<u>(116,225)</u>
Loss attributable to: Owners of the parent		<u>(29,584)</u>	<u>(116,225)</u>

The notes form part of these financial statements

Consolidated Balance Sheet
30 June 2019

	Notes	30.6.19		30.6.18	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		5,578,869		5,848,128
Investments	8		-		-
			<u>5,578,869</u>		<u>5,848,128</u>
CURRENT ASSETS					
Debtors	9	191,947		293,941	
Cash in hand		416,422		316,517	
		<u>608,369</u>		<u>610,458</u>	
CREDITORS					
Amounts falling due within one year	10	670,534		344,608	
		<u>670,534</u>		<u>344,608</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(62,165)</u>		<u>265,850</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			5,516,704		6,113,978
CREDITORS					
Amounts falling due after more than one year	11		4,343,638		4,911,328
			<u>4,343,638</u>		<u>4,911,328</u>
NET ASSETS			<u>1,173,066</u>		<u>1,202,650</u>
CAPITAL AND RESERVES					
Called up share capital	13		1,343,086		1,343,086
Retained earnings			(170,020)		(140,436)
			<u>1,173,066</u>		<u>1,202,650</u>
SHAREHOLDERS' FUNDS			<u>1,173,066</u>		<u>1,202,650</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on and were signed on its behalf by:

.....
 Roger Marshall - Director

Company Balance Sheet
30 June 2019

	Notes	30.6.19		30.6.18	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		-		-
Investments	8		1,732,088		1,732,088
			<u>1,732,088</u>		<u>1,732,088</u>
CURRENT ASSETS					
Debtors	9	8,386		24,470	
Cash in hand		13,195		9,839	
		<u>21,581</u>		<u>34,309</u>	
CREDITORS					
Amounts falling due within one year	10	632,702		201,980	
			<u>(611,121)</u>		<u>(167,671)</u>
NET CURRENT LIABILITIES					
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>1,120,967</u>		<u>1,564,417</u>
CREDITORS					
Amounts falling due after more than one year	11		-	368,000	
			<u>1,120,967</u>		<u>1,196,417</u>
NET ASSETS					
CAPITAL AND RESERVES					
Called up share capital	13	1,343,086		1,343,086	
Retained earnings		(222,119)		(146,669)	
		<u>1,120,967</u>		<u>1,196,417</u>	
SHAREHOLDERS' FUNDS					
			<u>1,120,967</u>		<u>1,196,417</u>
Company's loss for the financial year			<u>(75,450)</u>		<u>(101,386)</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on and were signed on its behalf by:

.....
 Roger Marshall - Director

1. **STATUTORY INFORMATION**

Meadow Blue Community Energy Ltd 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 General Information page.

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.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 10% on cost and 4% on cost

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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.

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.

2. **ACCOUNTING POLICIES - continued**

Borrowing

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Change of accounting estimate

The estimate of useful economic life with reference to inverters has been updated to straight line over 10 years rather than straight line over 25 years. This is to better reflect the useful economic life of these assets. The net book value of these assets at the start of the year will be depreciated on a straight line basis over the remainder of the asset's useful life.

3. **EMPLOYEES AND DIRECTORS**

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

4. **OPERATING PROFIT**

The operating profit is stated after charging:

	30.6.19	30.6.18
	£	£
Depreciation - owned assets	269,259	254,160
	<u>269,259</u>	<u>254,160</u>

5. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	30.6.19	30.6.18
	£	£
Bank loan interest	181,679	153,693
Interest on shareholder loans	17,340	28,140
Interest payable on shares	32,023	37,191
Loan	51,094	116,402
	<u>282,136</u>	<u>335,426</u>

6. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019

7. TANGIBLE FIXED ASSETS

Group

	Plant and machinery £
COST	
At 1 July 2018 and 30 June 2019	6,356,448
DEPRECIATION	
At 1 July 2018	508,320
Charge for year	269,259
At 30 June 2019	777,579
NET BOOK VALUE	
At 30 June 2019	5,578,869
At 30 June 2018	5,848,128

8. FIXED ASSET INVESTMENTS

Company

	Interest in subsidiary £
COST	
At 1 July 2018 and 30 June 2019	1,732,088
NET BOOK VALUE	
At 30 June 2019	1,732,088
At 30 June 2018	1,732,088

8. **FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Merston Renewable Energy CIC

Registered office: The Hub, 2 Station Street, Lewes, BN7 2DA

Nature of business: Energy Generation

Class of shares:	% holding	30.6.19	30.6.18
1	100.00	£	£
Aggregate capital and reserves		1,756,427	1,738,321
Profit/(loss) for the year		18,106	(14,839)

9. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	30.6.19	30.6.18	30.6.19	30.6.18
	£	£	£	£
Trade debtors	140,521	77,483	-	-
Other debtors	51,426	216,458	8,386	24,470
	<u>191,947</u>	<u>293,941</u>	<u>8,386</u>	<u>24,470</u>

10. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	30.6.19	30.6.18	30.6.19	30.6.18
	£	£	£	£
Bank loans and overdrafts	159,441	164,861	-	20,000
Trade creditors	6,924	29,499	4,038	28,020
Amounts owed to group undertakings	-	-	204,102	117,674
Taxation and social security	4,220	-	-	-
Other creditors	499,949	150,248	424,562	36,286
	<u>670,534</u>	<u>344,608</u>	<u>632,702</u>	<u>201,980</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2019

11. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group		Company	
	30.6.19	30.6.18	30.6.19	30.6.18
	£	£	£	£
Bank loans	3,843,638	3,043,328	-	-
Other creditors	500,000	1,868,000	-	368,000
	<u>4,343,638</u>	<u>4,911,328</u>	<u>-</u>	<u>368,000</u>

Amounts falling due in more than five years:

	Group	
	30.6.19	30.6.18
	£	£
Repayable by instalments Bank loans - 5 years or more	3,102,837	-
	<u>3,102,837</u>	<u>-</u>

12. **SECURED DEBTS**

The following secured debts are included within creditors:

	Group	
	30.6.19	30.6.18
	£	£
Bank loans	4,003,079	3,208,189
	<u>4,003,079</u>	<u>3,208,189</u>

The bank borrowings are secured by fixed and floating charges over the group's assets.

13. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.19	30.6.18
			£	£
1,343,086	Ordinary	£1	1,343,086	1,343,086
			<u>1,343,086</u>	<u>1,343,086</u>

Meadow Blue Community Energy Ltd

Consolidated Trading and Profit and Loss Account
for the Year Ended 30 June 2019

	30.6.19		30.6.18	
	£	£	£	£
Turnover				
Feed in tariff	399,515		354,850	
Energy export income	311,935		288,613	
Grant Income	-		300	
	<u> </u>	711,450	<u> </u>	643,763
Cost of sales				
Other direct costs	7,223		5,899	
Site security and maintenance	36,717		35,976	
Rent	40,451		39,134	
Rates	14,913		19,884	
	<u> </u>	99,304	<u> </u>	100,893
GROSS PROFIT		612,146		542,870
Other income				
Deposit account interest		1,817		138
		<u> </u>		<u> </u>
		613,963		543,008
Expenditure				
Insurance	6,772		11,096	
Travelling	92		-	
Licences and insurance	2,625		-	
Management charges payable	33,192		32,000	
Sundry expenses	1,920		291	
Subscriptions	872		727	
Legal fees	18,730		7,067	
Auditors' remuneration	5,400		3,000	
Amortisation of intangible fixed assets	12,311		-	
Depreciation of tangible fixed assets				
Plant and machinery	269,259		254,160	
Community Benefit Payments	6,990		12,194	
	<u> </u>	358,163	<u> </u>	320,535
Carried forward		255,800		222,473

This page does not form part of the statutory financial statements

Meadow Blue Community Energy Ltd

Consolidated Trading and Profit and Loss Account
for the Year Ended 30 June 2019

	30.6.19		30.6.18	
	£	£	£	£
Brought forward		255,800		222,473
Finance costs				
Bank charges	3,248		3,272	
Bank loan interest	181,679		153,693	
Interest on shareholder loans	17,340		28,140	
Interest payable on shares	32,023		37,191	
Loan	51,094		116,402	
		<u>285,384</u>		<u>338,698</u>
NET LOSS		<u>(29,584)</u>		<u>(116,225)</u>

This page does not form part of the statutory financial statements