
FROME RENEWABLE ENERGY COMMUNITY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

FROME RENEWABLE ENERGY COMMUNITY LIMITED

SOCIETY INFORMATION

Directors

E Warren
P Macfadyen
P Capener (resigned 6 February 2022)
A Francis
N Hardie
P Andrews (resigned 29 March 2022)
J Powell (appointed 6 February 2022)

Registered number

32270R

Registered office

Frome Town Hall
Christchurch Street West
Frome
Somerset
BA11 1EB

Independent auditors

The Alanbrookes Group Ltd
24 Glove Factory Studios
Holt
Wiltshire
BA14 6RL

FROME RENEWABLE ENERGY COMMUNITY LIMITED

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FROME RENEWABLE ENERGY COMMUNITY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present their report and the financial statements for the year ended 30 September 2022.

Results from operations

The profit for the year was £2,023 compared with a loss of £453 for the previous year. The improvement in profitability reflects a continuation of the careful cost control that has characterised previous years. The outstanding balance due from Frome Town Holdings Limited, the company's landlord at the Frome Town football ground at Berkley Road, Frome BA11 2EH remained unpaid at the year end and is still fully provided against, thereby constraining further contributions to the company's community benefit fund. The company is aware of discussions to try and resolve financial difficulties at the clubhouse and hope that these may resolve during the current financial year whereupon they will review the appropriate level of provision.

Management of the company's two sites continues to face a challenging supply environment which has delayed resolution of various operational issues. As a consequence of these, the generation capacity of the sites has been impaired. The directors are working with contractors and landlords to resolve these issues.

In addition to the existing sites, the company is continuing to pursue a range of options for new investment in renewable energy opportunities but progress on these has been slow due to planning constraints.

At 30 September 2022, the company's cash reserves amounted to £48,517. The improvement during the year reflects continuing effective cost management and the delay in resolving the operational issues referred to above. In determining the best use of the company's resources, the directors have considered the future possible resolution of the football club debt and the costs associated with remedial works and inverter replacement

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.

FROME RENEWABLE ENERGY COMMUNITY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Principal activity

The principal activity of the company is generation of solar electricity.

Directors

The directors who served during the year were:

E Warren
P Macfadyen
P Capener (resigned 6 February 2022)
A Francis
N Hardie
P Andrews (resigned 29 March 2022)
J Powell (appointed 6 February 2022)

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.

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 on 27 March 2023 and signed on its behalf.

N Hardie
Director

E Warren
Director

P Macfadyen
Company secretary

FROME RENEWABLE ENERGY COMMUNITY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FROME RENEWABLE ENERGY COMMUNITY LIMITED

Opinion

We have audited the financial statements of Frome Renewable Energy Community Limited (the 'society') for the year ended 30 September 2022, 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 30 September 2022 and of its profit 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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

FROME RENEWABLE ENERGY COMMUNITY LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FROME RENEWABLE ENERGY
COMMUNITY LIMITED (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Companies Act 2006 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.

FROME RENEWABLE ENERGY COMMUNITY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FROME RENEWABLE ENERGY COMMUNITY LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Company and industry, we evaluated that the principal risks of non-compliance with laws and regulations related to UK tax legislation, Health and Safety Executive legislation, Employment Law, Data Protection legislation and implementation of government Covid-19 support schemes, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as The Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including override of controls). Audit procedures performed included:

- Evaluating management's controls designed to prevent and detect irregularities;
- Substantive testing of specific transactions and balances

Although we have nothing adverse to report in terms of the results of the procedures listed above, there are inherent limitations in such procedures. We are less likely to become aware of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

FROME RENEWABLE ENERGY COMMUNITY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FROME RENEWABLE ENERGY
COMMUNITY LIMITED (CONTINUED)

Use of our report

This report is made solely to the society'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 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

28 March 2023

FROME RENEWABLE ENERGY COMMUNITY LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Turnover		70,392	39,601
Cost of sales		(32,972)	(8,142)
Gross profit		37,420	31,459
Administrative expenses		(24,597)	(21,084)
Operating profit		12,823	10,375
Interest payable		(10,800)	(10,828)
Profit/(loss) before tax		2,023	(453)
Profit/(loss) after tax		2,023	(453)
Retained earnings at the beginning of the year		(26,633)	(26,180)
		(26,633)	(26,180)
Profit/(loss) for the year		2,023	(453)
Retained earnings at the end of the year		(24,610)	(26,633)

The notes on pages 10 to 13 form part of these financial statements.

FROME RENEWABLE ENERGY COMMUNITY LIMITED
REGISTERED NUMBER: 32270R

BALANCE SHEET
AS AT 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	182,327	194,123
		<hr/>	<hr/>
		182,327	194,123
Current assets			
Debtors: amounts falling due within one year	5	24,716	13,081
Cash at bank and in hand	6	48,518	46,255
		<hr/>	<hr/>
		73,234	59,336
Creditors: amounts falling due within one year	7	(11,921)	(10,092)
		<hr/>	<hr/>
Net current assets		61,313	49,244
		<hr/>	<hr/>
Total assets less current liabilities		243,640	243,367
		<hr/>	<hr/>
Net assets		243,640	243,367
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Called up share capital	8	268,250	270,000
Profit and loss account		(24,610)	(26,633)
		<hr/>	<hr/>
		243,640	243,367
		<hr/> <hr/>	<hr/> <hr/>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 March 2023.

N Hardie
Director

E Warren
Director

P Macfadyen
Company secretary

The notes on pages 10 to 13 form part of these financial statements.

FROME RENEWABLE ENERGY COMMUNITY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 October 2020	270,500	(26,180)	244,320
Comprehensive income for the year			
Loss for the year	-	(453)	(453)
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(453)	(453)
Shares redeemed during the year	(500)	-	(500)
	<hr/>	<hr/>	<hr/>
Total transactions with owners	(500)	-	(500)
	<hr/>	<hr/>	<hr/>
At 1 October 2021	270,000	(26,633)	243,367
Comprehensive income for the year			
Profit for the year	-	2,023	2,023
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	2,023	2,023
Shares redeemed during the year	(1,750)	-	(1,750)
	<hr/>	<hr/>	<hr/>
Total transactions with owners	(1,750)	-	(1,750)
	<hr/>	<hr/>	<hr/>
At 30 September 2022	268,250	(24,610)	243,640

The notes on pages 10 to 13 form part of these financial statements.

FROME RENEWABLE ENERGY COMMUNITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. Accounting policies

1.1 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 Republic of Ireland and the Co-operative and Community Benefit Societies Act 2014.

The following principal accounting policies have been applied:

1.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the society and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the society has transferred the significant risks and rewards of ownership to the buyer;
- the society retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the society will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the society will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.3 Grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

FROME RENEWABLE ENERGY COMMUNITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

1. Accounting policies (continued)

1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as follows.

Depreciation is provided on the following basis:

Solar Installations - 10 and 25 years Straight Line Basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

1.5 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.

1.6 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.

1.7 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.

2. Auditors' remuneration

	2022	2021
	£	£
Fees payable to the society's auditor and its associates for the audit of the society's annual financial statements	775	830

FROME RENEWABLE ENERGY COMMUNITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2022	<i>2021</i>
	No.	<i>No.</i>
Unpaid directors	5	<i>6</i>

4. Tangible fixed assets

	Solar Installations £
Cost or valuation	
At 1 October 2021	264,899
At 30 September 2022	264,899
Depreciation	
At 1 October 2021	70,776
Charge for the year on owned assets	11,796
At 30 September 2022	82,572
Net book value	
At 30 September 2022	182,327
<i>At 30 September 2021</i>	<i>194,123</i>

5. Debtors

	2022	<i>2021</i>
	£	£
Trade debtors	10,599	<i>-</i>
Other debtors	-	<i>2,534</i>
Prepayments and accrued income	14,117	<i>10,547</i>
	24,716	<i>13,081</i>

FROME RENEWABLE ENERGY COMMUNITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

6. Cash and cash equivalents

	2022	<i>2021</i>
	£	£
Cash at bank and in hand	48,518	46,255
	<u>48,518</u>	<u>46,255</u>

7. Creditors: Amounts falling due within one year

	2022	<i>2021</i>
	£	£
Trade creditors	1,403	622
Corporation tax	-	68
Other taxation and social security	1,408	-
Accruals and deferred income	9,110	9,402
	<u>11,921</u>	<u>10,092</u>

8. Share capital

	2022	<i>2021</i>
	£	£
Allotted, called up and fully paid		
268,250 (<i>2021 - 270,000</i>) Ordinary shares shares of £1.00 each	268,250	270,000
	<u>268,250</u>	<u>270,000</u>

FROME RENEWABLE ENERGY COMMUNITY LIMITED

DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Turnover		70,392	39,601
Cost Of Sales		(32,972)	(8,142)
Gross profit		37,420	31,459
Gross profit %		53.2 %	79.4 %
Less: overheads			
Administration expenses		(24,597)	(21,084)
Operating profit		12,823	10,375
Interest payable		(10,800)	(10,828)
Profit/(Loss) for the year		2,023	(453)

FROME RENEWABLE ENERGY COMMUNITY LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	2022 £	2021 £
Turnover		
Feed in tariff	20,304	17,551
On site usage	15,724	14,050
Interest on late payments	2,737	-
Grant income	31,627	8,000
	<u>70,392</u>	<u>39,601</u>
	2022 £	2021 £
Cost of sales		
Consultancy fees	31,710	7,000
Repairs, renewals and maintenance	1,262	1,142
	<u>32,972</u>	<u>8,142</u>
	2022 £	2021 £
Administration expenses		
Computer software and maintenance	108	197
Advertising and promotion	60	201
Legal and professional	600	-
Auditors' remuneration	810	830
Bank charges	21	23
Bad debts	6,851	3,904
Sundry expenses	83	-
Insurances	1,535	1,470
Depreciation - solar installations	11,796	11,796
Management fees	2,608	2,488
FIT admin charge	125	175
	<u>24,597</u>	<u>21,084</u>
	2022 £	2021 £
Interest payable		
Interest on shares	10,800	10,828
	<u>10,800</u>	<u>10,828</u>