
HERMIA COMMUNITY ENERGY C.I.C

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE PERIOD ENDED 31 DECEMBER 2022

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HERMIA COMMUNITY ENERGY C.I.C
REGISTERED NUMBER: 09639199

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	866,636	928,462
Investments	5	1,128,389	1,128,389
		<u>1,995,025</u>	<u>2,056,851</u>
Current assets			
Debtors: amounts falling due after more than one year	6	6,787,041	5,949,686
Debtors: amounts falling due within one year	6	358,499	591,271
Cash at bank and in hand	7	56,959	35,790
		<u>7,202,499</u>	<u>6,576,747</u>
Creditors: amounts falling due within one year	8	(859,143)	(2,479,337)
Net current assets		<u>6,343,356</u>	<u>4,097,410</u>
Total assets less current liabilities		<u>8,338,381</u>	<u>6,154,261</u>
Creditors: amounts falling due after more than one year	9	(9,542,284)	(6,940,961)
Net liabilities		<u>(1,203,903)</u>	<u>(786,700)</u>
Capital and reserves			
Called up share capital		10	10
Profit and loss account		(1,203,913)	(786,710)
		<u>(1,203,903)</u>	<u>(786,700)</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

HERMIA COMMUNITY ENERGY C.I.C
REGISTERED NUMBER: 09639199

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 September 2023.

Jonathan Waxman

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J Waxman
Director

The notes on pages 3 to 9 form part of these financial statements.

HERMIA COMMUNITY ENERGY C.I.C

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

1. General information

Hermia Community Energy C.I.C. is a company limited by shares incorporated in England and Wales. The company's registered office is 34 Norrice Lea, London, England N2 0RE. The company's main activity is the operation of a wind turbine.

2. Accounting policies

2.1 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 the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Going concern

On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss 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.

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.8 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, using the straight-line method.

Depreciation is provided on the following basis:

Wind turbine	- 20 years straight line
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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.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.10 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.

HERMIA COMMUNITY ENERGY C.I.C

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.11 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.

2.12 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.

2.13 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

3. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2021 - £NIL).

The average monthly number of employees, excluding directors, during the period was 0 (2021 - 0).

HERMIA COMMUNITY ENERGY C.I.C

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

4. Tangible fixed assets

	Wind Turbine £
Cost or valuation	
At 1 January 2022	1,236,523
At 31 December 2022	<u>1,236,523</u>
Depreciation	
At 1 January 2022	308,061
Charge for the period on owned assets	61,826
At 31 December 2022	<u>369,887</u>
Net book value	
At 31 December 2022	<u><u>866,636</u></u>
At 31 December 2021	<u><u>928,462</u></u>

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	1,128,389
At 31 December 2022	<u><u>1,128,389</u></u>

6. Debtors

	2022 £	2021 £
Due after more than one year		
Due from participating interests	6,787,041	5,949,686

HERMIA COMMUNITY ENERGY C.I.C

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

6. Debtors (continued)

	6,787,041	5,949,686
	2022	2021
	£	£
Due within one year		
Trade debtors	26	26
Other debtors	2,102	-
Prepayments and accrued income	356,371	591,245
	358,499	591,271

7. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	56,959	35,790
	56,959	35,790

8. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Other loans	440,993	246,335
Trade creditors	42,103	6,161
Other taxation and social security	61,576	-
Other creditors	6,662	608,328
Accruals and deferred income	307,809	1,618,513
	859,143	2,479,337

HERMIA COMMUNITY ENERGY C.I.C

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

9. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Other loans	9,542,284	6,940,961
	<u>9,542,284</u>	<u>6,940,961</u>

The other loans are loans from individuals to the C.I.C on which interest is accruing at 7.5% & 4% per annum. There is £ 252,213 of accrued interest included within accruals and deferred income less than one year.

10. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Other loans	440,993	246,335
	<u>440,993</u>	<u>246,335</u>
Amounts falling due 1-2 years		
Other loans	477,475	246,335
	<u>477,475</u>	<u>246,335</u>
Amounts falling due 2-5 years		
Other loans	1,680,485	739,005
	<u>1,680,485</u>	<u>739,005</u>
Amounts falling due after more than 5 years		
Other loans	7,384,324	5,955,621
	<u>7,384,324</u>	<u>5,955,621</u>
	<u>9,983,277</u>	<u>7,187,296</u>

HERMIA COMMUNITY ENERGY C.I.C

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

11. Community Benefit Donation

During the year, the C.I.C made community benefit payments of £82,000 (2021: £0). A further £25,000 (2021: £28,000) has been pledged to a number of different charities.

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CIC 34

Community Interest Company Report

For official use
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*Please
complete in
typescript, or
in bold black
capitals.*

**Company Name in
full**

Hermia Community Energy C.I.C.

Company Number

09639199

Year Ending

(31/12/22)

(The date format is required in full)

Please ensure the company name is consistent with the company name entered on the accounts.

This template illustrates what the Regulator of Community Interest Companies considers to be best practice for completing a simplified community interest company report. All such reports must be delivered in accordance with section 34 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and contain the information required by Part 7 of the Community Interest Company Regulations 2005. For further guidance see chapter 8 of the Regulator's guidance notes and the alternate example provided for a more complex company with more detailed notes.

(N.B. A Filing Fee of £15 is payable on this document. Please enclose a cheque or postal order payable to Companies House)

PART 1 - GENERAL DESCRIPTION OF THE COMPANY'S ACTIVITIES AND IMPACT

In the space provided below, please insert a general account of the company's activities in the financial year to which the report relates, including a description of how they have benefited the community.

Hermia Community Energy owns two wind farms in Scotland.

1. Priestside Wind Turbine – 0.5MW – Inverclyde

This turbine has been exporting clean energy to the national grid since the end of 2016. In 2022, the turbine generated 1,367,000 kWh of energy, an increase of 11% compared to 2021, although still below our estimated budget by about 8%. The Enercon E44 turbine continues to perform well, despite reduced average technical availability for 2022 of 94.5%. So far in 2023, this has improved as it is exceeding on average 99% as at October 2023.

2. Pogbie Wind Farm – 9.6MW – East Lothian

Hermia Community Energy acquired Pogbie Holding Limited in 2018. This entity is the owner of 2 wind farms each of 6 wind turbines, owned via subsidiaries – MP1 Limited and PB Community Energy CIC.

Clean energy exported by Pogbie Wind Farm in 2022 was 23,267,000 kWh, an increase of 28% on 2021's exported energy and much closer to our budget being just 1% below.

The wind turbines are Enercon E-53 each with 800kW generation capacity. They are maintained by Enercon – the manufacturer – and insured via Bruce Stevenson Risk Management. Technical availability for the year was 98%, which we are on track so far as at October 2023 to exceed this year, helped by regular communication with the Enercon maintenance team.

Overall, the wind farms owned by Hermia exported 24,634,000 kWh of clean energy to the grid in 2022. Based on Ofgem's estimation of the amount of energy used by an average UK household of 2,900 kWh, Hermia has provided enough clean energy to power almost 8,500 homes in 2022. This has saved 9,361 tonnes of carbon dioxide emissions (380g/kWh).

The company has faced cash constraints in recent years due to Pogbie's cost overruns on construction and debt service payments, although all financial obligations continue to be met and on time. We also still manage our budget closely, which has supported our intention to make community benefit payments in respect of 2022. More detail on this can be seen in Part 4.

(If applicable, please just state "A social audit report covering these points is attached").

(Please continue on separate continuation sheet if necessary.)

PART 2 – CONSULTATION WITH STAKEHOLDERS – Please indicate who the company's stakeholders are; how the stakeholders have been consulted and what action, if any, has the company taken in response to feedback from its consultations? If there has been no consultation, this should be made clear.

Hermia's objectives remain the same as previous years, and are as follows:

- (i) support for those suffering from fuel poverty in Scotland
- (ii) research into energy technology
- (iii) research into malignant, neurological and wasting diseases,
- (iv) support for those suffering from such diseases
- (v) the deployment of renewable energy in Africa and
- (vi) support for the elderly, disabled and poor of the UK

We continue to consult our landowners and local residents to obtain their input on where they feel the community benefit payments should go. We anticipate this following a similar trend to the prior year distribution.

(If applicable, please just state "A social audit report covering these points is attached").

PART 3 – DIRECTORS' REMUNERATION – if you have provided full details in your accounts you need not reproduce it here. Please clearly identify the information within the accounts and confirm that, "There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed" (See example with full notes). If no remuneration was received you must state that "no remuneration was received" below.

No remuneration was paid to directors in 2022.

PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION – Please insert full details of any transfers of assets other than for full consideration e.g. Donations to outside bodies. If this does not apply you must state that "no transfer of assets other than for full consideration has been made" below.

In respect of the year ended 2022, Hermia Community Energy CIC intends to make payments to similar charities as in the prior year. However, as at the date of writing this report, no payments have been made and we are still in consultation with stakeholders as to exactly which organisations will benefit. Based on our current cash budget, we intend to donate £20,000.

No dividends or performance related interest payments were made in 2022 by Hermia Community Energy CIC.

(Please continue on separate continuation sheet if necessary.)

PART 5 – SIGNATORY (Please note this must be a live signature)

(DD/MM/YY)

The original report must be signed by a director or secretary of the company

Signed

Janeth Hanna

Date

21/09/23

Please note that it is a legal requirement for the date format to be provided in full throughout the CIC34 report.

Applications will be rejected if this information is incorrect.

Office held (delete as appropriate) Director/Secretary

You do not have to give any contact information in the box opposite but if you do, it will help the Registrar of Companies to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Tel	
DX Number	DX Exchange

When you have completed and signed the form, please attach it to the accounts and send both forms by post to the Registrar of Companies at:

For companies registered in England and Wales: Companies House, Crown Way, Cardiff, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland: Companies House, 4th Floor, Edinburgh Quay 2, 139
Fountainbridge, Edinburgh, EH3 9FF DX 235 Edinburgh or LP – 4 Edinburgh 2

For companies registered in Northern Ireland: Companies House, 2nd Floor, The Linenhall, 32-38
Linenhall Street, Belfast, BT2 8BG

(N.B. Please enclose a cheque for £15 payable to Companies House)