

Overview and Scrutiny Management Board Agenda



Date: Wednesday, 14 August 2019

Time: 3.00 pm

Venue: The Writing Room - City Hall, College Green,
Bristol, BS1 5TR

Distribution:

Councillors: Geoff Gollop, Stephen Clarke, Claire Hiscott, Paula O'Rourke, Celia Phipps, Jo Sergeant, Anthony Negus, Jeff Lovell, Lucy Whittle, Mark Brain and Brenda Massey

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Date: Tuesday, 6 August 2019



Agenda

1. Welcome, Introductions and Safety Information

(Pages 4 - 5)

2. Apologies for absence

3. Declarations of Interest

To note any declarations of interest from the Councillors. They are asked to indicate the relevant agenda item, the nature of the interest and in particular whether it is a **disclosable pecuniary interest**.

Any declarations of interest made at the meeting which is not on the register of interests should be notified to the Monitoring Officer for inclusion.

4. Public Forum

Up to 30 minutes is allowed for this item

Any member of the public or Councillor may participate in Public Forum. The detailed arrangements for so doing are set out in the Public Information Sheet at the back of this agenda. Public Forum items should be emailed to democratic.services@bristol.gov.uk and please note that the following deadlines will apply in relation to this meeting:-

Questions - Written questions must be received 3 clear working days prior to the meeting. For this meeting, this means that your question(s) must be received in this office at the latest by 5 pm on Thursday 8th August 19.

Petitions and Statements - Petitions and statements must be received on the working day prior to the meeting. For this meeting this means that your submission must be received in this office at the latest by 12.00 noon on Tuesday 13th August 19.

5. Bristol Waste Annual Performance 2018/2019

(Pages 6 - 62)

6. Bristol Energy Annual Performance 2018/2019

(Pages 63 - 130)

7. Bristol Holding Limited Annual Performance 2018/2019

(Pages 131 - 155)



Public Information Sheet

Inspection of Papers - Local Government
(Access to Information) Act 1985

You can find papers for all our meetings on our website at www.bristol.gov.uk.

You can also inspect papers at the City Hall Reception, College Green, Bristol, BS1 5TR.

Other formats and languages and assistance
For those with hearing impairment

You can get committee papers in other formats (e.g. large print, audio tape, braille etc) or in community languages by contacting the Democratic Services Officer. Please give as much notice as possible. We cannot guarantee re-formatting or translation of papers before the date of a particular meeting.

Committee rooms are fitted with induction loops to assist people with hearing impairment. If you require any assistance with this please speak to the Democratic Services Officer.

Public Forum

Members of the public may make a written statement ask a question or present a petition to most meetings. Your statement or question will be sent to the Committee and be available in the meeting room one hour before the meeting. Please submit it to democratic.services@bristol.gov.uk or Democratic Services Section, City Hall, College Green, Bristol BS1 5UY. The following requirements apply:

- The statement is received no later than **12.00 noon on the working day before the meeting** and is about a matter which is the responsibility of the committee concerned.
- The question is received no later than **5pm three clear working days before the meeting**.

Any statement submitted should be no longer than one side of A4 paper. If the statement is longer than this, then for reasons of cost, only the first sheet will be copied and made available at the meeting. For copyright reasons, we are unable to reproduce or publish newspaper or magazine articles that may be attached to statements.

By participating in public forum business, we will assume that you have consented to your name and the details of your submission being recorded and circulated to the committee. This information will also be made available at the meeting to which it relates and placed in the official minute book as a public record (available from Democratic Services).



We will try to remove personal information such as contact details. However, because of time constraints we cannot guarantee this, and you may therefore wish to consider if your statement contains information that you would prefer not to be in the public domain. Public Forum statements will not be posted on the council's website. Other committee papers may be placed on the council's website and information in them may be searchable on the internet.

Process during the meeting:

- Public Forum is normally one of the first items on the agenda, although statements and petitions that relate to specific items on the agenda may be taken just before the item concerned.
- There will be no debate on statements or petitions.
- The Chair will call each submission in turn. When you are invited to speak, please make sure that your presentation focuses on the key issues that you would like Members to consider. This will have the greatest impact.
- Your time allocation may have to be strictly limited if there are a lot of submissions. **This may be as short as one minute.**
- If there are a large number of submissions on one matter a representative may be requested to speak on the groups behalf.
- If you do not attend or speak at the meeting at which your public forum submission is being taken your statement will be noted by Members.

For further information about procedure rules please refer to our Constitution <https://www.bristol.gov.uk/how-council-decisions-are-made/constitution>

Webcasting/ Recording of meetings

Members of the public attending meetings or taking part in Public forum are advised that all Full Council and Cabinet meetings and some other committee meetings are now filmed for live or subsequent broadcast via the council's [webcasting pages](#). The whole of the meeting is filmed (except where there are confidential or exempt items) and the footage will be available for two years. If you ask a question or make a representation, then you are likely to be filmed and will be deemed to have given your consent to this. If you do not wish to be filmed you need to make yourself known to the webcasting staff. However, the Openness of Local Government Bodies Regulations 2014 now means that persons attending meetings may take photographs, film and audio record the proceedings and report on the meeting (Oral commentary is not permitted during the meeting as it would be disruptive). Members of the public should therefore be aware that they may be filmed by others attending and that is not within the council's control.



Overview and Scrutiny Management Board

14 August 2019



Title: Bristol Waste Annual Performance 2018/2019

Officer Presenting Report: Penny Fell, Director: Commercialisation and Citizens;
Shareholder Liaison

Contact Telephone Number: 0117 922 2287

Recommendation:

Members to review the Annual Report and Accounts of the Bristol Waste Company Limited for the year 2018/2019

Appendices:

Bristol Waste Annual Report

Bristol Waste OSMB Presentation slides

Bristol Waste Annual Report and Financial Statements for the year ended 31 March 2019





Bristol Waste

Annual Report

2018/19



Managing Director's Statement

Over the past year Bristol Waste (BWC) has worked closely with the Bristol City Council (BCC) to enhance our service to the residents of Bristol. This has involved reviewing our structure and operations to ensure we have the right people in the right place doing the right job. At the heart of our change was strengthening the Safety/Health/Environmental and Quality (SHEQ) team.

The safety of all of Bristol Waste's employees, along with the general public, is paramount in what is generally considered to be a high-risk service environment. We have increased safety training across the board and have instigated a programme to reinduct all staff underpinning the importance of all areas of SHEQ. We are highlighting the significant role the company undertakes in keeping the city safe and clean, while encouraging our staff to embrace and support initiatives such as the One City Plan and Bristol Clean Streets Campaign. Our support for the Bristol Clean Streets Campaign included a record-breaking Great Bristol Spring Clean featuring 85 events, supported by 1,219 participants, volunteering more than 2,380 hours to collect over 1,000 bags of recycling and refuse. Our focus on employee health and welfare has included engaging a physio through Back in Action to provide on site support to staff, and producing a mental health awareness video featuring our own staff.



"Training has been key, and we have offered a full time position to one of the fleet apprentices and have a place for the second fleet apprentice who is in her final year."

To augment our service to Bristol we have invested in a new, efficient, low emissions fleet that incorporates many safety features to protect our staff. The new vehicles can also carry greater quantities of waste, reducing travel distances and improving operational output. Plans to improve our service also include the introduction of an additional recycle bag for cardboard to separate our waste streams more effectively and modified routes to optimise collections.

Dealing with the increasing cost and environmental importance of waste collection and treatment has also been a priority. We have remained focused on continuous improvement in the quality and quantity of recyclables as the glut of material available has reduced recycle value considerably, and only the higher quality materials are being accepted at market rates. We have placed contracts for processing all of our recyclable materials in the UK where UK regulations ensure processing is monitored and carried out appropriately. Our drive from 2019 onwards is to further reduce all waste, not only through our communications with Bristol's residents, but by looking to the retailers and suppliers at source to find ways of decreasing the use of packaging and single use materials.

This year has also seen the transformation of our commercial section. As a Teckal company owned by the city council we can bid for and operate commercial contracts up to 20% of our annual turnover. All surplus generated not only from our base contract but also through this additional work, is returned to the council or reinvested into the business to improve our operational capabilities. *(Continued opposite)*



"We would like to thank our shareholder Bristol City Council, our employees and service partners for supporting a successful year."



We have set up an experienced business development team with access to modern networking systems and proposal development toolkits. This enables us to pursue opportunities and grow the business in a cost effective and professional way. The impact has been immediate with the award of some prestigious new customers and a robust pipeline of opportunities that will see continued growth well into the future.

Our teams continue to innovate and produce outstanding ideas and communications which have won several national awards. The practical side of these campaigns continue to surpass expectations such as 'Slim My Waste - Feed My Face Campaign'. This campaign has kept up it's momentum and is now responsible for thousands of tonnes of food being removed from residual waste for processing saving the city money, improving government targets and reducing our impact on the environment. Our reach and impact grows nationally, as other authorities show a huge interest in our business model and innovative programmes. Our schemes have helped Bristol to become the number one English core city for recycling (44.90%), beating other cities such as Birmingham, Leeds, Liverpool, Manchester and Newcastle. Achieving the national target of 50% recycling rate for a city such as Bristol, with diverse residents and building types will be challenging, but we believe, achievable.

Since April 2018, Bristol Waste's reuse initiative has diverted over 1000 bikes, 250 furniture items and 280 electrical items back to reuse & repair in Bristol. We have also passed on 800 mobility aids to PhysioNet, and 13 tonnes of paint has been diverted from waste and put back into use through Community Repair. In addition, our teams have donated over £3,700 to local Bristol charities from the proceeds of our public reuse events. When the new Household Reuse and Recycle Centres are completed in Avonmouth this year and Hartcliffe next year these totals will escalate.

One year on and my passion for Bristol Waste Company and the city we serve keeps growing and I truly believe this is due to the hard work and dedication of all the staff, and the support we receive from the city council. We have developed a focused business blueprint that gives us a progressive route-map going forward. I have confidence that by working together, Bristol will be a clean and attractive area to live and work, with a positive social and community connection.

Tony Lawless
Managing Director

Chairman's Annual Blog

This year has been one of consolidation for the company with the rebuilding of our senior leadership team, development of our three year business blueprint and our focussed delivery of the vitally important services in partnership with the city and its residents.

This has been challenging due to the dynamics of commodity markets and world trade which have particularly affected plastics, fibre and aluminium. We have mitigated the consequences of these issues by accessing UK based reprocessing facilities to successfully minimise the impacts.

I am pleased to report that as part of our development of the leadership structure, we have bolstered our resources to significantly improve our safety, health, environmental and quality performance and our comprehensive programme of training for all of our people continues.



"I'm proud of what we have achieved to-date and look forward confidently to delivering our business commitments and a great customer focused service, that serves all of our communities in Bristol."

Tom Spaul
Chairman



Here's a brief look at some of our impressive facts and stats of 2018/19



Worked closely with BCC to deliver our contractual commitments.



We kept over 800 miles of streets, footpaths and retail areas clean.



We made 99.8% of collections on time.

We collected over 165,000 tonnes of household waste.



We made over 17 million scheduled collections.



We sent over 79,000 tonnes of waste for recycling and composting.



We generated c.£40m revenue.

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- **30 tonnes** of reusable items diverted from the waste streams
- **1,000 bikes** diverted to reuse and repair
- **800 mobility aids** diverted to reuse.



We employ 584 staff.

We operated over 230 vehicles and items of plant.



We reduced waste sent to landfill to 14.8% from 19.7% in 17/18.

Here's to the next 12 months of helping **Bristol Waste** nothing

Some of our key achievements last year...

Strategic Objective	Action	Benefit
*SHEQ structure & compliance	<ul style="list-style-type: none"> Completed full independent audit and action plan (Stallard Kane) Strengthened SHEQ team Achieved ISO 9001 (Quality) & 14001 (Environmental) status Working towards ISO 45001 (Occupational Health) Produced mental health awareness programme, group training sessions & video 	<ul style="list-style-type: none"> Safety and welfare of employees & residents HSE Compliant Reduction in RIDDOR rates Mental health awareness across every level of the business
Commercial business review	<ul style="list-style-type: none"> Restructured commercial business Set challenging and focussed targets in line with three year blueprint Implemented integrated digital sales systems and process Focused rolling sales reviews 	<ul style="list-style-type: none"> £6M sales revenue contribution over three years £600k surplus contribution over three years Progressive sales pipeline being delivered with new customer awards New product catalogue with dynamic pricing structure
Training & development programme	<ul style="list-style-type: none"> Five new apprenticeships launched Offered continuous employment to graduating apprentices Launched training catalogue Increased learning hours Extended training to other authorities as a paid service 	<ul style="list-style-type: none"> Retention of staff Skills, organisation and succession planning Staff opportunities Business and community development Job enrichment
Update vehicle fleet	<ul style="list-style-type: none"> Funding agreement set up with Bristol City Council 1st tranche of recycling vehicles in-delivery 2nd tranche of refuse vehicles target for arrival in September 2019 3rd tranche of street equipment target for 2020 delivery following assessment of on-going service requirements (continuous improvement changes) Eco-focus on gas to liquid solution 	<ul style="list-style-type: none"> Improves reliability and productivity Projects BWC/BCC in a more professional way Improves morale as good quality equipment makes the work less stressful Improves Eco footprint and reduces Nitrous Oxide emissions. Camera systems added to improve crew safety
Improve waste management methods	<ul style="list-style-type: none"> Award winning campaigns for separation of food waste, recycling and marketing along with three new nominations this year for reuse ie. 'Slim My Waste - Feed My Face' Additional bag for cardboard trialled in Stockwood and additional separation to recycle 	<ul style="list-style-type: none"> Residual waste down by over 4,500 tonnes Waste to landfill down from 19.0% to 14.8% of total waste generated (decrease of 40%) Cost savings through reduced landfill charges and sale of recyclate National recognition as being best-in-class for recycling (no.1 English core city)
Progressive clean streets initiatives	<ul style="list-style-type: none"> Increased graffiti removal by circa 100% New response system for fly-tipping New behaviour and waste management campaigns such as 'Litter Hurts' Implementation of 'Big Belly' bins 	<ul style="list-style-type: none"> Street scene and image cleaner Residents feel safer in communities Removing circa 100% more fly-tipping (twice as much) Behaviour management (re: chewing gum and glass littering) Modern technology compacts waste to reduce litter on floor and number of collections
Delivering the business plan	<ul style="list-style-type: none"> Fully achieved business plan commitments Agreed new payment mechanism Produced progressive three year business blueprint and route-map 	<ul style="list-style-type: none"> Delivered financial surplus, business and KPI commitments Re-investment into modern waste facilities (Avonmouth HRRC) Streamlined structure and overheads

*SHEQ = Safety, Health, Environmental & Quality

Health and Safety has become a passion within the business; we have introduced our ethos of Think Safe, Work Safe, Home Safe.

This year we have focused on getting the basics right, by creating a user friendly and accessible management system that ensures compliance with legal obligations and best practice; joining ESA and benchmarking to WISH guidelines to set foundations that will grow with the business, and the new technologies and opportunities it brings.

We continue the good work already in place, maintaining and refreshing safe working processes such as, near miss reporting, manual handling and vehicle safety. Health and Safety requires investment to keep us moving forward, particularly in people, through training in skills and knowledge for the workforce and their management teams.

We have invested in a new management structure, increasing the level of supervision to give a clearer focus on our roadside activities. We have a new SHEQ team with industry expertise to focus on continuous improvement. We have brought-in external expertise through Stallard Kane Associates to audit and advise across all of our activities. Other health and safety investments include:

- New plant, reducing vehicle movements on our HRRCs
- New electric vehicle and lower emissions collection vehicles, with better visibility and CCTV
- Reviewing the current and future designs of our sites.
- Camera systems added to improve crew safety
- Investing in our staff, improving welfare facilities and protection equipment.



"Our focus moving forwards continues with risk profiling, including business continuity, traffic management and fire prevention."

Training at all levels, which includes reinduction for all of our staff will also continue. A clear and available business management system that contributes towards our aim of adding ISO45001 certification to our existing ISO14001 and ISO9001 standards will be a key objective.



**Think Safe.
Work Safe.
Home Safe.**

New electric vehicle and lower emissions collection vehicles, with better visibility and CCTV.

Perkbox

When Bristol Waste Company first started in 2015, the benefits offered to new joiners was pretty basic.

We wanted to give something back - and we chose Perkbox because it offered flexible benefits, discounts and rewards, ranging from free mobile phone cover, to discounted airport parking. With Perkbox up and running, we will use the platform to embed our company culture and values.



"Perkbox will enable us to message individuals, crews and teams, to recognise high performance and celebrate accomplishments that align with our vision and values."

In addition to this, and in support of our mental health and wellbeing strategy, we can use Perkbox to promote healthy lifestyles, such as healthy diet, exercise etc.



We have continued to invest in our people on all fronts; this has ranged from the launch of our hugely successful training academy through to innovative reward and recognition schemes such as our Perkbox partnership. We are particularly pleased with the programme that we have launched for mental health and well-being, which we see as a progressive service to help our people and raise awareness in what is an emerging workplace and social issue.

Mental Health and Wellbeing Programme

We appreciate that we are dependent upon our staff; and that a healthy and productive workforce is a recipe for peak performance. We also understand that good mental health underpins this.

Our aim has been to promote and support positive mental health and to build the resilience and wellbeing of our staff. We have adopted a three pronged approach to mental health and wellbeing and the first stage of our journey has been to 'start the conversation' and to 'normalise' mental health, in the same way that we discuss physical health.

In June 2019 we launched a short video in conjunction with MIND entitled 'In your Corner'. This was screened across all sites during Mental Health Awareness week and was extremely well received. Our three pronged approach is to cover mental health and wellbeing from all angles: promoting wellbeing and a healthy working culture, to tackle the causes of mental ill health, and supporting staff with mental health problems. Initiatives to support this strategy include:

- Training for all line managers
- Implementation of mental health first aiders
- A wellbeing policy detailing support for employees and managers
- Promoting ways of building resilience
- Organisation drop-in sessions e.g. Citizens Advice Bureau.



These initiatives will be on-going and will adapt in line with technological and creative developments.



Bristol Waste Learning and Development Academy

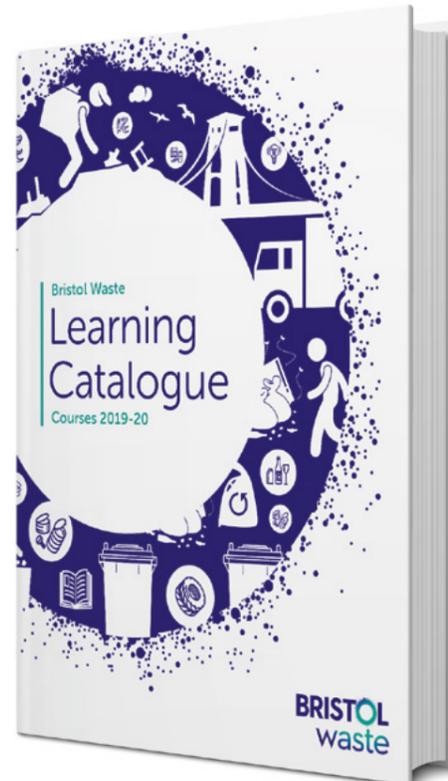
At BWC we absolutely believe that investing in our people is the right approach. Our training programme is fully scheduled well into 2020.

During the last year we have introduced a structured programme to help all employees understand what training they will receive when they join us, to help build-up their skill set to full competency. This starts with a strong core induction which focuses on our ethos, values, behaviours and health and safety, through to site and role specific training. We are however, mindful that we are a diverse workforce with varying learning challenges from reading and writing through to language barriers. With this in mind we have introduced digital learning and video training, blended with traditional classroom based training.



"We have produced a learning catalogue, which we are now sharing with other authorities including Bath and North East Somerset (BANES), as a value-added service."

We have also developed a learning catalogue which outlines role specific training for potential candidates, ensuring people truly understand how we are committed to up-skilling our people. We know that professional and personal development along with great working relationships supports strong mental health and well-being, which enriches the lives of our workforce.





Business Performance

The financial year 18/19 delivered another year of a solid financial performance against plan.

Surplus before Pay Mechanism adjustment of £681k for the year was £55k ahead of our business plan of £626k for the year.

Business Performance Review	2019	2018
	£'000	£'000
Income Statement		
Turnover	39,749	38,228
Cost of Sales	(37,460)	(34,835)
Gross Profit	2,289	3,393
Overheads, interest and taxation	(1,608)	(2,685)
Surplus before Pay Mechanism adjustment	681	708
Pay mechanism adjustment	(355)	-
Surplus for the financial year	326	708
Balance Sheet		
Fixed Assets	1,046	564
Current Assets	11,497	8,759
Non-Current Assets	341	299
Current Liabilities	(6,979)	(4,296)
Non-Current Liabilities	(1,956)	(1,550)
Net Assets	3,949	3,776

The Pay Mechanism adjustment was agreed for the financial year 2018/19 with Bristol City Council. This now enables BWC and BCC to equitably share the risk and reward of our financial performance and exposure to the potentially volatile markets for waste disposal and our recyclate income. We are pleased to advise that for the year 2018/2019, the introduction of the Pay Mechanism has resulted in a return to BCC of £355K.

Pay agreements were reached with unions for two years to July 2020 with a fair settlement of 3.2% in the first year and 3.0% in the second. A full organisational structure review was undertaken and implemented ensuring that the business is operating as efficiently as possible. We rolled out the purchase of our new recycling and refuse vehicle fleet with a £12m procurement exercise during the year. The phase in of the new fleet will be completed during 19/20 leading to further operational efficiencies and cost savings. We also completed the move of our Head Office function from a commercially rented office to Ashton Court, which is owned by Bristol City Council and enables us to provide greater income to our shareholder. In the coming financial year we will be:

- Redeveloping our HRRC at Avonmouth at a cost in excess of £1m using our existing reserves
- Seeking to improve our waste handling and processing facilities at Avonmouth, including an additional baling line, to increase income streams and to strengthen business resilience
- Working in partnership with BCC to deliver the new HRRC at Hartcliffe.

Across the board BWC has demonstrated a commitment towards continuous service improvement and this is reflected in the following business performance tables:

Key business metrics 2018/19

Key measures	Actual	Target	Prior year	RAG status
H&S – RIDDOR Incidents	8	<9	10	Better than target
H&S – RIDDOR Frequency Rate	6.4	<18.2	N/A	Better than target
Residual waste - tonnes	99,008	103,018	103,018	Better than target
Household Recycling rate - %	45.7%	50.0%	44.9%	Within 10% of target
Waste to landfill - %	14.8%	25.0%	20.3%	Better than target
Fly-tip collected - tonnes	1,306	1,290	1,290	Within 10% of target

Notes:

H&S RIDDOR Incidents = Target based on BCC 10% reduction on 17/18 figures. However the BWC target is to achieve zero RIDDOR
H&S RIDDOR Frequency Rate - 1,000,000 x total number of RIDDORs / total hours worked
Target is BCC 10% reduction from April 18
Residual waste tonnes are household waste only. Target shown is prior year figure
Household Recycling Rate % - 50% target set by BCC by 2020
Waste to landfill % is landfill tonnes as a percentage of total waste (target set by BCC)
Fly-tip collected target based on prior year performance.

Our performance against targets for 2018/19

Measure of success	BWC target	Actual	RAG status
Collected on time per month – residual waste (595,372 collections)	99.95%	99.86%	Within 1% of target
Collected on time per month – recycling/inc. food (930,038 collections)	99.95%	99.91%	Within 1% of target
Collected on time per month – garden waste (85,210 collections)	99.95%	99.23%	Within 1% of target
Rectified within SLA	99%	97%	Within 2% of target

DEFRA 2017/18 data (2018/19 not yet published)

BWC performance against English Core Cities is impressive:

Authority	Percentage of household waste sent for reuse, recycling or composting
Bristol City Council	44.9%
Manchester City Council MBC	38.6%
Leeds City Council MBC	38.4%
Newcastle-upon-Tyne City Council MBC	38.0%
Sheffield City Council	30.7%
Nottingham City Council	29.9%
Liverpool City Council	26.6%
Birmingham City Council	20.7%

Authority	Residual household waste per household (kg/household)
Manchester City Council MBC	437.9
Bristol City Council	462.9
Newcastle-upon-Tyne City Council MBC	518.3
Sheffield City Council	530.7
Liverpool City Council	539.9
Leeds City Council MBC	554.5
Nottingham City Council	582.0
Birmingham City Council	728.3
Leeds City Council MBC	398.7



Our Responsive Approach (continued)

Internal change

2018 saw us trial a new way of cross departmental working in order to drive down costs, customer complaints and recover more Waste Electronic & Electrical Equipment (WEEE). Our first stage 'Are you taking the WEEE' project focused around educating crews in an attention grabbing and highly visual way. As well as having new leaflets and training about what types should be collected, a giant installation of actual electronic equipment was placed in the Transfer Station, as well as visual reminders in crew cabs. This increased the capture rate on the previous year by 37%. Plans are being made for the public facing second stage - 'We're taking the WEEE'.

Market Developments

Our Responsive Approach

Fluctuating markets

Recyclate that comes into our Transfer Station is a valuable resource. Markets however do vary and as a business we need to respond to this. BWC continually monitor and take action accordingly. At the end of 2018 the price of aluminium dramatically reduced (falling to currently 40% lower than the average for 2018) so we decided to pause on selling it forward and began a stockpiling programme where we only release the material when the market is at optimum price. We are now stockpiling three times as much as previously held in order to be able to respond when the market returns to its normal state.

Disposal costs

The cost of treating general waste is significantly higher than reprocessing food waste in Bristol. Our waste composition analysis identified nearly 25% of Bristol's residential black bins was food waste. To combat this, and after trialling a successful food waste diversion campaign in Hartcliffe in 2017, we decided to roll 'Slim My Waste - Feed My Face' out across the city in 2018. The playful campaign has seen an incredible and sustained increase in food waste capture of nearly 23% and a reduction in general waste, it also won three marketing campaign awards.

Delivering our Business Routemap

Delivering an outstanding service

Performance relative to our three year business routemap milestones

Key:

 Green Disc = Completed

 Orange Disc = Work in progress



New Service Fleet
Phased introduction of a modern logistics solution during the next 6-12 months.

Customer Services Hub
Investing in a modern 'service led' operation.

Integrated Service Management
System providing an end-to-end service management solution implemented.

Waste Initiatives
Enhanced supervision at the "coal-face" to improve delivery methods and new campaigns.

New Hartcliffe Facility
The design, build and operation of a new HRRC reuse & waste management centre in 2019-20.

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New Operational Control Hub
A technology led environment for managing and co-ordinating service delivery.

BWC Learning Academy
A rolling training and apprenticeship programme for all levels.

Focused Business Development
Including a modern digital sales contact centre and business development team.

New Facilities
New waste facilities including a new recycling and reuse centre in Avonmouth in 2019.

Reward and Recognition
Introducing modern staff reward and recognition schemes on an on-going basis.



"We developed and launched a visionary three Year Business Blueprint. At the core is a clear route map that keeps us focused on deliverable performance."

CSF 1 - Reducing waste at source



Dealing with improving waste management at source. Managing the increasing cost of waste collection and treatment. Absorbing the housing and population increase. Continuous improvement in quality and quantity of recyclables. Developing new collection methods / initiatives. Driving further reduction in residual waste.

Our plans include: Introduction of new additional recycle container. Piloting of more efficient routes to optimise quantity of collection. New efficient fleet to carry greater quantity of waste.

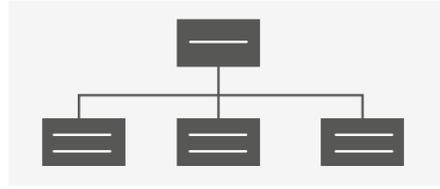
CSF 2 - Financial



Introducing efficiency gains to offset costs of new investments. Performing to contract KPIs and new pricing mechanism. Managing pay awards effectively. Developing annual cost-down programmes and smart procurement initiatives.

Our plans include: Smart procurement of new fleet and logistics tail, cost down programmes looking at insurances, ITC and smarter waste recycling.

CSF 3 - Organisation



Our plans include: Implementing a change programme of organisational alignment. Continued development of the BWC Learning Academy. Delivering a modern reward and recognition scheme. Specialist recruitment programme for senior leadership team and launch of an executive development programme. Excellence awards scheme with star plan programme. Improved internal communication with bulletin boards, cascade briefings, brainstorming workshops and open-door approach at every level. Relocation into new council owned premises.

Creating an environment with the right people, in the right places doing the right jobs. Embracing a change culture for continuous improvement. Building a robust leadership team. Linking sustained good performance with rewards. Creating an enterprise with continuous career opportunities and not just a job-for-life.

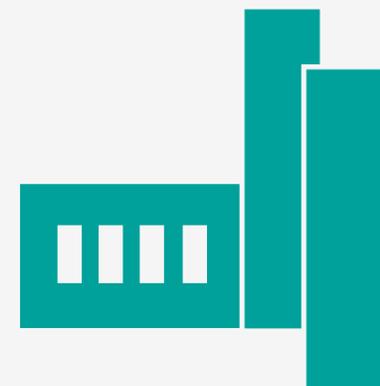
CSF 4 - Ward focused operations



Working together to influence resident behaviour changes, particularly with hot-spots, graffiti control, improved recycling etc. Managing a programme of controlled marketing and PR. Enabling closer neighbourhood partnerships. Supporting strategic initiatives such as Clean Streets and the One City Plan. Helping to develop and implement waste enforcement and reduction regimes.

Our plans include: Integration of customer care and engagement teams. Marketing and PR programme of impact events. Regionalised 'Ward-Focused' operations.

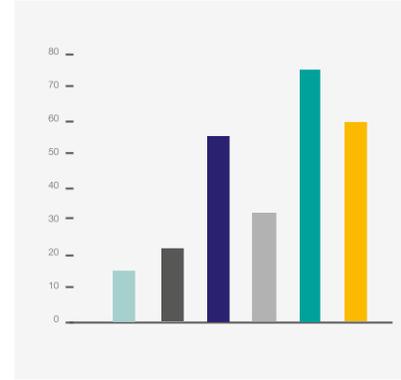
CSF 5 - Improved waste facilities



Redevelopment of Hartcliffe facilities. HRRC upgrade at Avonmouth and potential third site (with reuse centres).

Our plans include: The design, redevelopment, project management and mobilisation activities for the facilities at Avonmouth and Hartcliffe. Avonmouth will be operational by Q3 / Q4 2019 and Hartcliffe by Q3 2020. These will include modern reuse centres. We are sourcing a new management hub that will allow us to attract and retain good people. This will include interactive operations and learning centres. We will have a rolling programme of facility enhancements to provide amenities for our people that are fit-for-purpose. Provision has also been made for a second baler facility at Avonmouth to provide us with dual redundancy in a business-critical area.

CSF 6 - Commercial



Delivery of a structured commercial enterprise that is geared to exceed the ten year business plan commitment of £14.1m growth contribution in revenue.

Our plans include: Remobilisation and restructure of our commercial sales team. Integration of service delivery with the wider business operations. Introduction of a modern digital sales led solution. Focused CRM application. Introducing a tiered sales approach focused at tier one higher-value strategic partnerships and tier two volume / commodity sales. Progression into higher value soft FM service solutions.

CSF 7 - Alignment

How we align Bristol Waste with BCC strategic vision and targets.

Our plans include: We will change the current BWC vision, values to be in-line with the proposals contained in our business plan. During the next 12 months, our change plans will embrace and enforce a core vision and value that is totally in-line with BCC. Our plans include team roadshows, a management conference and cascade briefings that will be supported with good internal communications.



CSF 8 - Safe working environments



Sustained delivery of the SHEQ plan, work-based welfare programme and continuous improvements. Ensuring that a SHEQ culture is at the heart of everything we do. Ensuring compliance management and retention of core licenses. Looking out for our people.

Our plans include: Appointment of expert head of SHEQ at director level. Organisational changes to increase team capacity and skills. Active "director level" participation in WISH and other professional forums. Continuous improvement and introduction of self-directed SHEQ systems, monthly toolbox talks and learning academy programme for all staff. An active work-based welfare solution.



"An active work-based welfare solution for all our employees."



CSF 9 - Relationships

Building and managing key relationships and management interfaces from a position of trust and integrity including; continuing to strengthen the relationship with BCC representatives at all levels; Re-building relationships with West of England; remobilising with current and new commercial customers. Also to include continued development with wards, business and residential communities at all levels to ensure a strong social connection and impact.

Our plans include: Continued close-working and communications with shareholder Liaison. Cascade / Howgozit meetings with regular flash-reports. Arrangement of collaboration sessions with West of England. New service product launch campaign with commercial customers. Introducing a 'digital' key account management solution. Regionalised 'Ward-Focused' operations.



CSF 10 - Emissions and eco

Working closely with BCC to ensure the new vehicle fleet maximises use of electrical power and gas-to-liquid fuel to reduce nitrous oxide levels within the region.

Our plans include: Continued re-routing initiatives to reduce mileage via 'new-ward' strategy. Smart procurement of new evolving vehicles with increased capacity and eco friendly fuel sources. Refurbished 'milk-float' initiative for graffiti removal and bin deliveries throughout the city centre.

Strengthening Partnerships

We are pleased to report that in the 2018/2019 period we continued to make good progress on a number of fronts.

First, we had another year of delivering award winning waste management campaigns and of course our business plan commitments. All this against the background of a volatile global recycling market and organisational changes.

We are absolutely focused on long-term, sustainable shareholder value creation, and doing so by promoting the best interests of shareholders alongside those of our employees, Bristol City Council, customers, and the societies and communities in which we work. Bristol Waste has a clear strategy to complete and embed the transformation of the business and position it for long-term success in the region. We are on track to achieve this through a focused business blueprint, a highly effective management team and a committed workforce that cares passionately about Bristol, the environment and waste service delivery.

Looking beyond 2019, the rate of service improvement and business growth will increasingly depend on a blend of activities that are predicated on a number of initiatives including:

- **Reducing waste at source** through innovative programmes and investments; achieving this through closer collaboration with local suppliers, manufacturers, businesses and communities
- Introducing eco-focused initiatives that contribute to **reducing nitrous oxide impact** to the region
- Service operations that are **'ward-focused'**
- Our ability to grow through commercial and innovation enterprise
- Keeping overheads constant or reducing them further.



"We have come a long way during the last 12 months and remain on track with our plans."

We would like to thank Bristol City Council and all colleagues in the business for their efforts in helping Bristol Waste achieve a very successful 2018 / 2019 year, and for their continued support in helping Bristol Waste to be a superb provider of integrated waste services that we can all be proud of.



helping Bristol Waste nothing

For a greener Bristol, this document is only available in a digital Flick Book format.

helping **Bristol Waste** nothing



BRISTOL
waste

**Annual Review
& Year-end Update**

**Executive Summary
July 2019**

helping
BRISTOL
waste
nothing

Bristol Waste at a Glance

Here's a brief look at some of our impressive facts and stats of 2018/19



Worked closely with BCC to deliver our contractual commitments.



We kept over 800 miles of streets, footpaths and retail areas clean.



We made 99.8% of collections on time.

We collected over 165,000 tonnes of household waste.



We made over 17 million scheduled collections.



We sent over 79,000 tonnes of waste for recycling and composting.



We generated c.£40m revenue.



- 30 tonnes of reusable items diverted from the waste streams
- 1,000 bikes diverted to reuse and repair
- 800 mobility aids diverted to reuse.



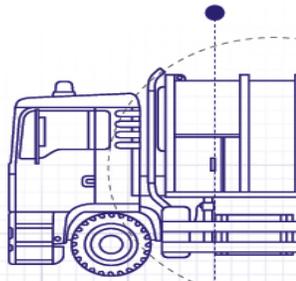
We employ 584 staff.

We operated over 230 vehicles and items of plant.



We reduced waste sent to landfill to 14.8% from 19.7% in 17/18.

Here's to the next 12 months of helping Bristol Waste nothing



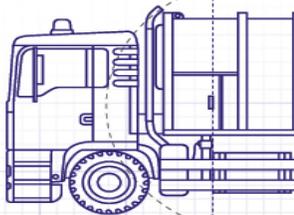
Achievements at a Glance

Strategic Objective	Action	Benefit
SHEQ Structure & Compliance	<p>Completed full independent audit and action plan (Stallard Kane)</p> <p>Strengthened SHEQ team</p> <p>Achieved ISO 9001 (Quality) & 14001 (Environmental) status</p> <p>Working towards ISO 45001 (Occupational Health)</p> <p>Produced mental health awareness programme, group training sessions & staff video</p>	<p>Safety and welfare of employees & residents</p> <p>HSE compliant</p> <p>Reduction in RIDDOR rates</p> <p>Staff awareness and involvement with mental health awareness programme</p>
Commercial Business Review	<p>Restructured commercial business</p> <p>Set challenging and focussed targets in line with 3-year blueprint</p> <p>Implemented integrated digital sales systems and process</p>	<p>£6M Sales revenue contribution over 3 years</p> <p>£600k Surplus contribution over 3 years</p> <p>Progressive sales pipeline with new customer awards</p>
Training & Development Programme	<p>5 new apprenticeships</p> <p>Launched training catalogue approach</p> <p>Increased learning hours</p>	<p>Retention of staff</p> <p>Skills & organisation development</p> <p>Staff opportunities</p> <p>Business and community development</p>

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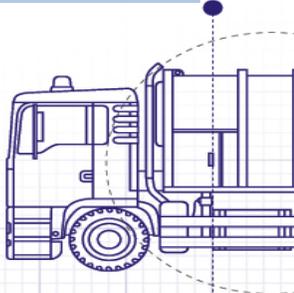
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Achievements at a Glance

Strategic Objective	Action	Benefit
Update Vehicle Fleet	Funding agreement set up with BCC 1 st tranche of recycling vehicles has started to arrive 2 nd tranche of refuse vehicles target for arrival in September 3 rd tranche of street vehicles target for early 2020 delivery Environment focused Gas to Liquid solution Modern safety equipment incorporated into vehicles	Improves reliability and productivity Projects BWC/BCC in a more professional way Improves morale as good quality equipment makes the work less stressful Improves Eco footprint and reduces Nitrous Oxide emissions Camera system added to improve crew safety
Improve Waste Management Methods	Award winning campaigns for separation of food waste, recycling and marketing along with 3 new nominations this year for reuse Additional bag for cardboard will add additional separation of recycle	Residual waste down by over 4500 tonnes Waste to landfill down from 19.7% to 14.8% of total waste generated (40% below 25% BCC target) Cost savings through reduced landfill charges and sale of recycle National recognition for recycling (no1 English core city)

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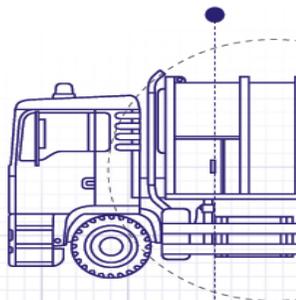


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Achievements at a Glance

Strategic Objective	Action	Benefit
<p>Progressive Clean Streets Initiatives</p>	<p>Increased graffiti removal by circa 100%</p> <p>New response system for fly tipping</p> <p>New behaviour and waste management campaigns such as 'Litter Hurts'</p> <p>Implementation of 'Big Belly Bins'</p>	<p>Street scene and image cleaner</p> <p>Speedier removal of fly tipping</p> <p>Improved behaviour management (re chewing gum and glass littering)</p> <p>Modern technology compacts waste to reduce litter on floor and reduce collections</p>
<p>Delivering the Business Plan</p>	<p>Fully achieved business plan commitments</p> <p>Agreed new payment mechanism</p> <p>Produced progressive three year business blueprint and route-map</p>	<p>Delivered financial surplus and KPI commitments</p> <p>Re-investment into modern waste facilities (Avonmouth HRRC)</p> <p>Streamlined structure and overheads</p>

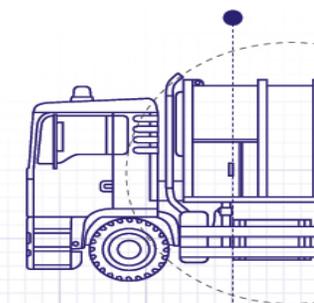
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Challenges at a Glance

Strategic Objective	Action	Benefit
Additional Focus on Clean Streets Campaign	<p>Established the Clean Streets Forum with subgroups in graffiti, litter and education</p> <p>Education in schools, groups and clubs</p> <p>Developing a campaign to combat illegal fly-tipping, working with Enforcement</p> <p>Communications campaign to educate residents how to improve recycling and how to present their containers at the kerbside</p>	<p>Keeping the Mayors litter awareness project at the forefront of staff and residents</p> <p>Actively involving staff and residents to care and have pride in their community</p> <p>Speed up collections which will improve traffic congestion and improve quality of recycle</p>
Build new HRRC at Avonmouth by end of 2019	<p>Build is on plan and will incorporate a reuse workshop</p> <p>The construction will include 16 bays with safe and easy access for residents</p>	<p>Residents experience improved with less waiting time</p> <p>Recycling improved by greater visibility and control</p> <p>Items allocated to reuse workshop for repair & redistribution</p>

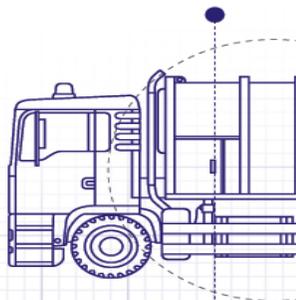
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Challenges at a Glance

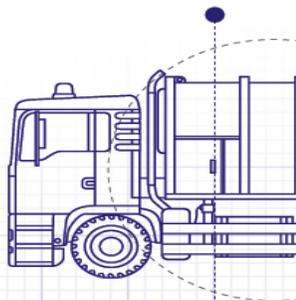
Strategic Objective	Action	Benefit
Support build of 3 rd HRRC at Hartcliffe	BWC are working closely with BCC to support the build	All parties working together to complete the build during summer of 2020 to meet mayoral commitment
Review structure and initiate change programme	<p>Complete review of current structure to target any weaknesses and areas requiring support</p> <p>Additional resource moved to key areas of SHEQ, supervision and commercial</p> <p>Strengthened Business Development and Senior Leadership Team</p>	<p>Bring focus to driving the business forward</p> <p>Ensure BWC has the right people in the right place doing the right jobs</p> <p>Continuous improvement in all areas</p> <p>Robust leadership team with a durable succession plan</p>
Move out of private head office to Council owned property	<p>Terminated Ham Green head office using break clause</p> <p>Moved to Ashton Court</p>	Set up rent agreement with estates to retain funds within BCC

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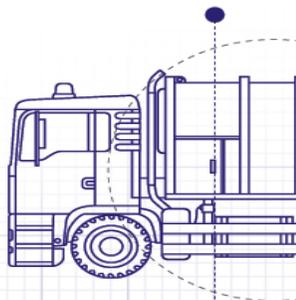
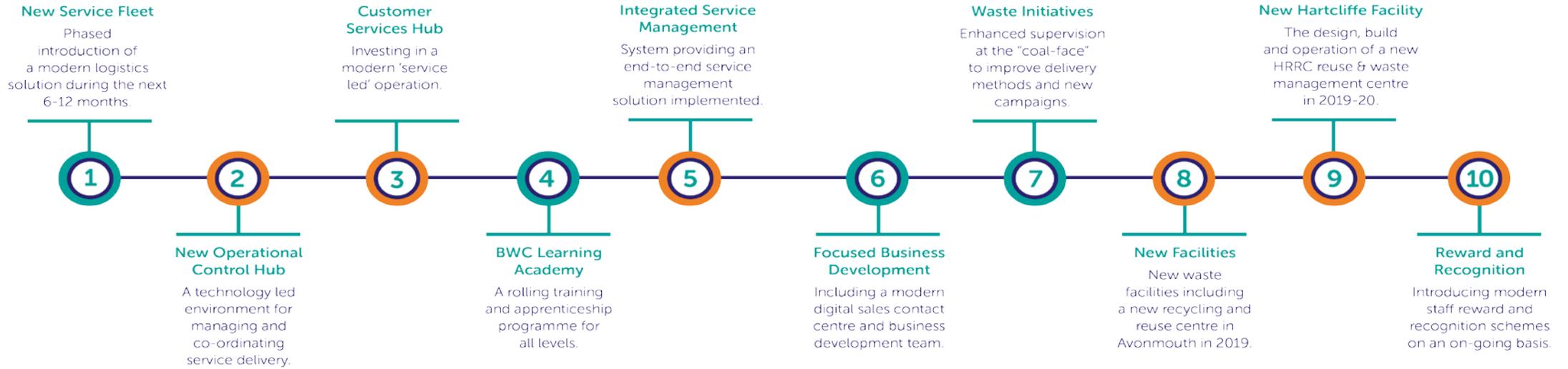


Business Performance at a Glance

Business Performance Review	2019	2018
	£'000	£'000
Income Statement		
Turnover	39,749	38,228
Cost of Sales	(37,460)	(34,835)
Gross Profit	2,289	3,393
Overheads, interest and taxation	(1,608)	(2,685)
Surplus before Pay Mechanism adjustment	681	708
Pay mechanism adjustment	(355)	-
Surplus for the financial year	326	708
Balance Sheet		
Fixed Assets	1,046	564
Current Assets	11,497	8,759
Non-Current Assets	341	299
Current Liabilities	(6,979)	(4,296)
Non-Current Liabilities	(1,956)	(1,550)
Net Assets	3,949	3,776



Routemap at a Glance



Top 5 Key Success Factors at a Glance



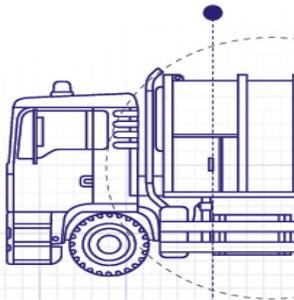
Progressive
Roll-out of New Fleet &
Logistic Solution

Focus on Reducing
Waste at Source

HRRC
Development and
Improved Facilities and
Equipment

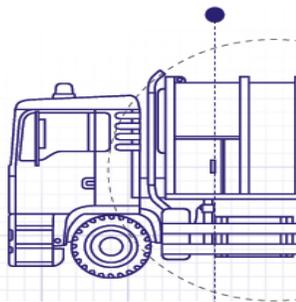
Ward Focused
Operations

Training from Induction
to Senior Management

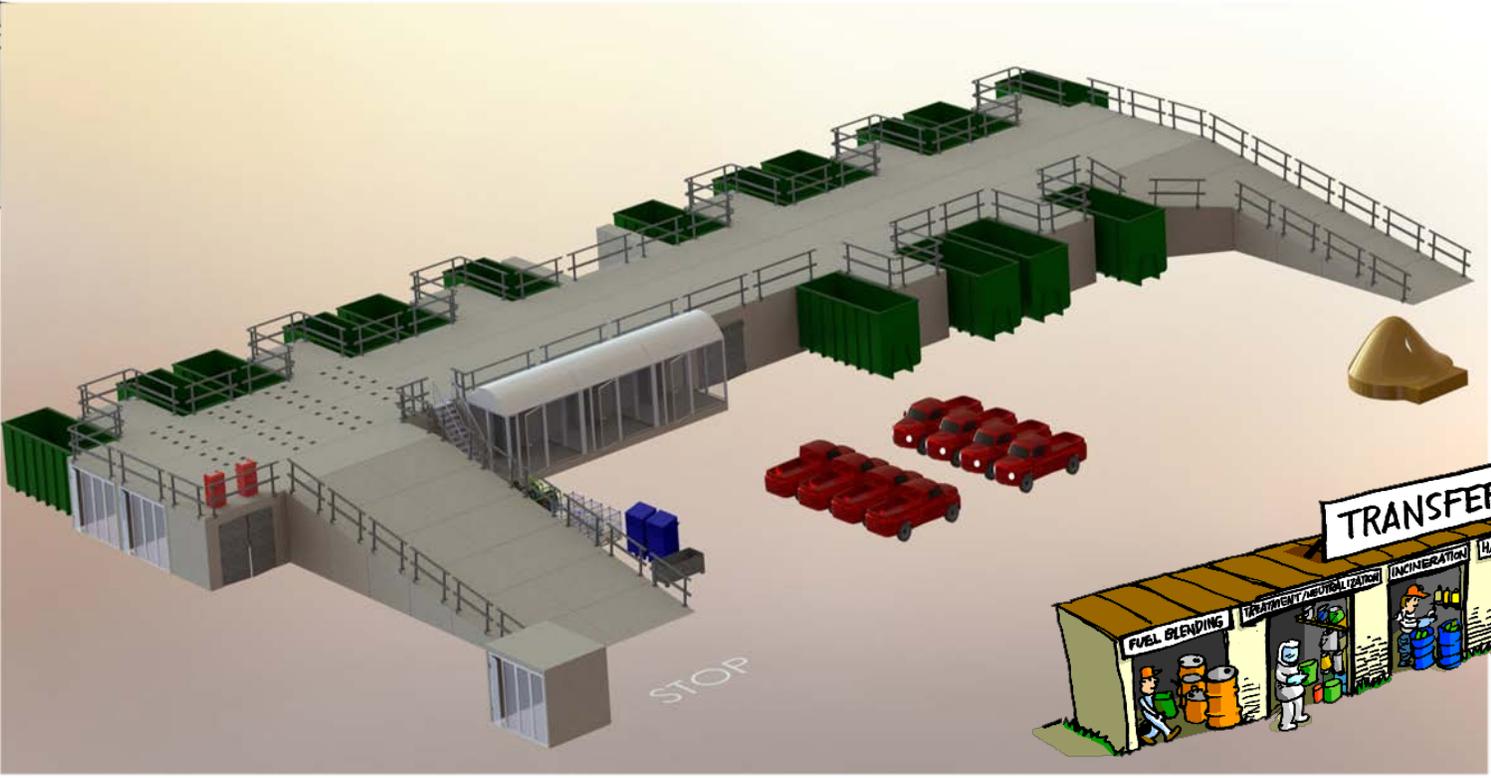


Growing the Relationship Together ...

- 1 Closer relationship with BCC internal departments and companies
- 2 Support for initiatives to improve recycling and collections
- 3 Support to BCC for FM Services
- 4 Introductions to Bristol Business Leaders
- 5 Involvement with City Leap, One City Plan

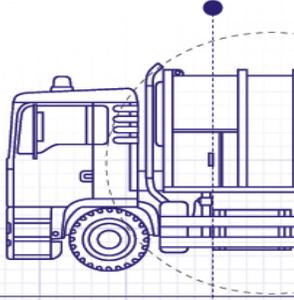


... Thank You ...



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Bristol Waste Company - Dashboard Ellen Jones ▾ Support

Collection List

Ready to Collect

5 / 86

5 / 86

Overflow Status

✓

0 Components
100% Full

Total Liters / 6 months

Total

197,031

Collection Efficiency

Last 6 months: 63%

Last 7 days: 67%

Recycling Diversion / 6 months

● 100.0% Trash

Total Diversion 0.0%

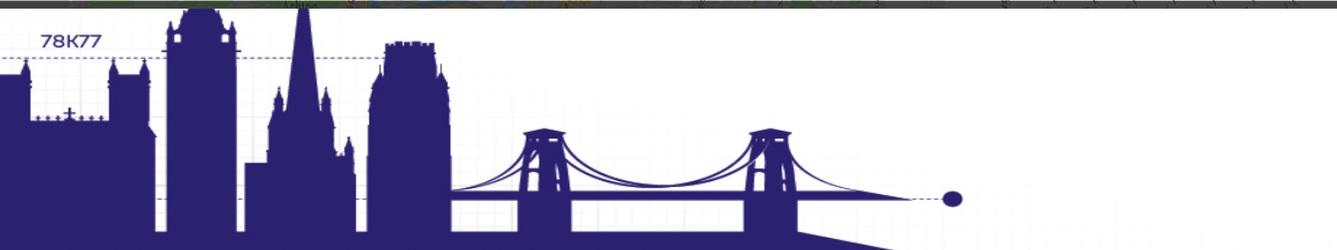
Deployment Map

Map

Satellite

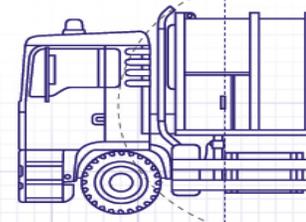
Collection Summary vs. Baseline / 6 months

Average: 4.47



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DRAFT – SUBJECT TO FINAL SIGNATURE

Company Registration Number 09472624

BRISTOL WASTE COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2019

DRAFT – SUBJECT TO FINAL SIGNATURE
BRISTOL WASTE COMPANY LIMITED

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BRISTOL WASTE COMPANY LIMITED

COMPANY INFORMATION

Directors	R M Barltrop	(appointed 21 February 2019)
	R P Brislen	(appointed 21 February 2019)
	T Brook	(appointed 15 August 2018)
	A R Henshaw	(appointed 22 November 2018)
	A Lawless	(appointed 1 June 2018)
	F Rodriguez	
	T Spaul	

Registered number 09472624

Registered Office Albert Road Depot
Albert Road
Bristol
BS2 0XS

Independent auditor PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
2 Glass Wharf
Bristol
BS2 OFR

BRISTOL WASTE COMPANY LIMITED

STRATEGIC REPORT

The directors present the Strategic Report for Bristol Waste Company Limited (the "company") for the year ended 31 March 2019.

Business review

There has been a significant number of achievements in the year:

1. The company has achieved ISO 9001 (quality) and 14001 (environmental) status. Both of these are the results of hard work and commitment by our staff and adds further credibility to the status of the company.
2. The company has employed 5 apprentices, demonstrating a commitment to future training and supporting career development within the industry.
3. Orders placed for the replacement of recycling vehicles, new vehicles having increased safety features that demonstrate our continuing commitment to the health and safety of both our workforce and public.
4. The company has won numerous awards for marketing campaigns encouraging the separation of food waste and reuse. Most notably through the "Slim My Waste – Feed My Face" campaign.

The company provides the following services to residents and businesses of Bristol:

1. Domestic refuse and recycling collections
2. Street Cleansing
3. Household Waste Recycling Centres (HWRC)
4. Waste Disposal
5. Community engagement and education

The charging methodology to Bristol City Council (BCC) has changed for this year, the new pay mechanism adjustment allows the company and BCC to equitably share the risk and reward of the company's financial performance and exposure to external trading markets. This new methodology explains why profit before tax is lower than last year. Following a review of direct costs we have reclassified some as administrative expenses, rather than cost of sales, we also have restated 2017.

The business has been performing within its cost budget resulting in a profit on ordinary activities before tax for the year of £368,241 (2018: £862,072). The company is pleased to report that financial performance was better than forecast in the business plan.

At the end of the year the company had net assets of £3.9m

Future Developments

During the year the commercial division of the business was reviewed and following the appointment of a new Business Development Director the company looks forward to reporting significant growth during the next year.

**BRISTOL WASTE COMPANY LIMITED
STRATEGIC REPORT (CONTINUED)**

Principal risks and uncertainties

The company is exposed to inflationary pressures on its cost base for both labour costs and the procurement of goods and services (fuel price being an example of a key risk). The company's largest area of expenditure (excluding labour) is waste disposal costs.

Recyclate, the company uses revenue earned from the sale of recyclable materials to off-set the cost of providing the services. The materials are only traded in domestic markets and these can be volatile. Thus world-wide demand for recyclable materials and its associated impact on prices represent another key risk.

Other operational risks include compliance with legislation, including Vehicle Operators Licensing, Environmental legislation and, particularly, Health and Safety legislation. A breach in any of these areas could have a major adverse impact on the company (and, in relation to Health and Safety, could cause significant harm to the company's employees or the public). Compliance in these areas is the company's number one priority in order to minimise the risk of accidents or other incidents which could result in claims against the company.

Financial key performance indicators

The company regularly monitors revenue and costs compared to budget and hence profit before tax is a key indicator for the business. As revenue is relatively fixed, the main relevant indicators are cost items. Management Accounts are produced and reviewed by the board on a monthly basis. A performance pack, including key financial information, is provided to the shareholder each month. The company has budget or target measures for all areas of its activity and actual performance is compared to these, with variances detailed and analysed. Where appropriate, budgets are profiled on a monthly basis to reflect seasonality of costs and volumes. Volumes of waste handled and recyclables traded form key indicators which translate into financial measures. Operational KPIs related to the services provided on behalf of BCC are also measured on a monthly basis, with targets agreed and performance discussed with BCC.

This report was approved by the board and signed on its behalf by:



A Lawless
Director

17 July 2019

BRISTOL WASTE COMPANY LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for Bristol Waste Company Limited (the "company") for the year ended 31 March 2019.

Principal activities

The company's principal activity is to provide waste collection, street cleaning and other maintenance services on behalf of Bristol City Council ("BCC").

Results and future developments

The profit for the financial year amounted to £326,415 (2018: £707,730).

Future developments are discussed in the Business Review on page 2.

Directors

The directors who served during the year and up to the date of signing the financial statements were:

R M Barltrop	(appointed 21 February 2019)
R P Brislen	(appointed 21 February 2019)
T Brook	(appointed 15 August 2018)
A R Henshaw	(appointed 22 November 2018)
A Lawless	(appointed 1 June 2018)
F Rodriguez	
T Spaul	

Director indemnity insurance

The company maintains directors' and officers' insurance on behalf of its directors, which is a qualifying third party indemnity insurance. This policy was in force for the whole of the year and continues to be in force.

Financial risk management

The company is exposed to a variety of financial risks that are managed to ensure that the company operates within its budget as agreed with BCC. The financial risks include:

- Price risk: the company is exposed to inflationary cost pressures, in particular fuel costs. The company monitors costs, on a monthly basis, and takes appropriate action to mitigate the impact of any unexpected cost variances.
- Credit risk: the company receives the majority of its revenue from BCC and therefore is not exposed to significant credit risk.
- Interest rate risk: the company has no borrowings and therefore is not exposed to significant interest rate risk
- Liquidity risk: the company manages its working capital to ensure that it maintains sufficient cash to enable it to meet its debts as they fall due.

Employee involvement

Employee involvement, consultation and development fulfil key roles in achieving the company's continuing growth. Employees are kept informed through meetings, practice newsletter and the Intranet.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of

BRISTOL WASTE COMPANY LIMITED

DIRECTORS' REPORT (continued)

Disabled employees (continued)

the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS102), 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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 that directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- that directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

A procurement tender is currently in process for the appointment of auditors, this process is expected to be completed in August 2019.

This report was approved by the board and signed on its behalf by:



A Lawless
Director

BRISTOL WASTE COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTOL WASTE COMPANY LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Bristol Waste Company Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 March 2019; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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 company'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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTOL WASTE COMPANY LIMITED
(continued)**

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

BRISTOL WASTE COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTOL WASTE COMPANY LIMITED (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Paul Nott (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

July 2019

BRISTOL WASTE COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2019

	Note	2019 £	Restated 2018 £
Turnover	4	39,393,881	38,228,127
Cost of sales		(37,460,354)	(34,834,846)
Gross profit		1,933,527	3,393,281
Administrative expenses		(1,534,910)	(2,498,353)
Operating profit	5	398,617	894,928
Interest receivable and similar income	9	18,394	3,560
Interest payable and similar expenses	10	(48,770)	(36,416)
Profit before taxation		368,241	862,072
Tax on profit	11	(41,826)	(154,342)
Profit for the financial year		326,415	707,730
Measurement of defined benefit liability – actuarial (loss)/gain	20	(185,000)	198,000
Tax relating to components of Other Comprehensive (expense)/income		31,450	(33,660)
Other comprehensive (expense)/income		(153,550)	164,340
Total comprehensive income for the year		172,865	872,070

The above amounts all relate to continuing operations.

BRISTOL WASTE COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION
At 31 March 2019

	Note	2019 £	2018 £
Non-current assets			
Positive goodwill	12	-	25,000
Negative goodwill	12	-	(437,844)
Tangible assets	13	1,045,684	976,351
		<u>1,045,684</u>	<u>563,507</u>
Current assets			
Debtors: amounts falling due within one year	14	5,959,693	6,087,036
Debtors: amounts falling due more than one year	14	340,584	298,828
Cash at bank and in hand	15	4,338,981	2,672,545
		<u>10,639,258</u>	<u>9,058,409</u>
Creditors: amounts falling due within one year	19	<u>(5,780,408)</u>	<u>(4,296,247)</u>
Net current assets		<u>4,858,850</u>	<u>4,762,162</u>
Total assets less current liabilities		5,904,534	5,325,669
Creditors: amounts falling due after one year			
Post-employment benefits	20	<u>(1,956,000)</u>	<u>(1,550,000)</u>
Net assets		<u><u>3,948,534</u></u>	<u><u>3,775,669</u></u>
CAPITAL AND RESERVES			
Called-up share capital	17	1	1
Profit and loss account	18	3,948,533	3,775,668
Total equity		<u><u>3,948,534</u></u>	<u><u>3,775,669</u></u>

The financial statements of Bristol Waste Company Limited, registered number 09472624, were approved by the board of directors and authorised for issue on 17 July 2019. They were signed on its behalf by:

A Lawless
 Director

BRISTOL WASTE COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2017	1	2,903,598	2,903,598
Total comprehensive income for the year	-	872,070	872,070
At 31 March 2018	1	3,775,668	3,775,669
Total comprehensive income for the year	-	172,865	172,865
At 31 March 2019	1	3,948,533	3,948,534

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2019

1. General information

Bristol Waste Company Limited (the "company") provides waste collection, street cleaning and other maintenance services on behalf of Bristol City Council.

The Company is a private company limited by shares and is incorporated and domiciled in England and Wales, United Kingdom. The address of its registered office is Albert Road Depot, Albert Road, Bristol, BS2 0XS.

The functional and presentational currency of the company is considered to be pounds sterling.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently:

2.2 Financial reporting standard 102 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Bristol City Council as at 31 March 2019 and these financial statements may be obtained from Bristol City Council, City Hall, College Green, Bristol, BS3 9FS.

2.3 Going concern

The directors have considered the twelve-month period from the date of approval of these financial statements and are satisfied that the company remains a going concern.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

2. Accounting policies (continued)

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.

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 the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company 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.

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

The estimated useful lives range as follows:

Positive goodwill		1 year
Negative goodwill	-	3 years

Positive goodwill represents the excess of consideration paid over the separable, identifiable net assets acquired. In this regard, the company has applied the amendments to FRS 102 – Triennial Review 2017, and has chosen not to recognise intangible assets separately from goodwill.

Negative goodwill represents the excess of the fair value of assets acquired from Kier Group plc over the consideration paid. Negative goodwill is recognised in the Statement of financial position and is amortised to the statement of comprehensive income over the same period as the non-monetary assets to which it relates.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

2. Accounting policies (continued)

2.6 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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when the cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replacement part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

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:

Plant and machinery	-	3 - 5 years
Fixtures and fittings	-	3 - 5 years
Containers	-	3 - 5 years
Motor vehicles	-	3 - 7 years

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 within 'other operating income' in the Statement of Comprehensive Income.

2.7 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

2.8 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.

2.9 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

2. Accounting policies (continued)

2.10 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

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 a financial 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, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

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

2.11 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.

2.12 Employee benefits

Defined contribution pension plan

The company operates a defined contribution plan. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

2. Accounting policies (continued)

2.12 Employee benefits (continued)

Defined benefit pension plan

For defined benefit schemes the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

2.13 Interest Income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.14 Taxation

Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The key judgements and estimates adopted by management in the preparation of these financial statements were as follows:

Useful economic lives of assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property, plant and equipment, and note 2 for the useful economic lives for each class of assets.

Defined benefit pensions

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. The assumptions, which are described in note 20, reflect historical experience and current trends. Management estimates these factors in determining the net pension obligation in the balance sheet, after taking advice from actuaries.

BRISTOL WASTE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

4. Turnover

Turnover arises from the provision of waste collection, street cleaning and related services within the UK.

5. Operating profit

Operating profit is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation of tangible fixed assets	652,592	876,175
Amortisation of negative goodwill	(437,844)	(750,618)
Amortisation of goodwill	25,000	50,000
Operating lease rentals	821,118	634,694
	<u> </u>	<u> </u>

6. Auditors' remuneration

	2019	2017
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	25,500	22,000
	<u> </u>	<u> </u>

7. Employees

	2019	2018
	£	£
Staff costs were as follows:		
Wages and salaries	15,177,380	13,798,848
Social security costs	1,407,952	1,290,893
Other pension costs	721,604	452,371
	<u> </u>	<u> </u>
	<u>17,306,936</u>	<u>15,542,112</u>

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

	2019	2018
	Number	Number
Operatives	516	507
Management and administration	68	45
	<u> </u>	<u> </u>
	<u>584</u>	<u>552</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

8. Directors' remuneration

The directors emoluments were as follows:

	2019	2018
	£	£
Aggregate remuneration	<u>170,000</u>	<u>-</u>

One of the directors is a Bristol City Council appointed Officer and does not receive any separate remuneration for their roles outside of their Council contract of employment. In the prior year, the only director to receive remuneration for services to the company was paid by Bristol City Council, for which the company received a recharge of £166,992.

Post-employment benefits are accruing for two directors (2018: none) under a defined contribution scheme. No directors were members of defined benefit scheme (2018: none).

9. Interest receivable and similar income

	2019	2018
	£	£
Other interest receivable	<u>18,394</u>	<u>3,560</u>

10. Interest payable and similar expenses

	2019	2018
	£	£
Interest on defined benefit pension (note 20)	37,000	33,000
Bank interest payable	11,770	3,416
	<u>48,770</u>	<u>36,416</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

11. Tax on profit on ordinary activities**Corporation tax**

	2019 £	2018 £
Current tax on profits for the year	52,132	204,555
Deferred tax:		
Origination and reversal of timing differences	(11,519)	(56,120)
Effect of changes in tax rates	1,213	5,907
Total deferred tax	(10,306)	(50,213)
Total tax charge	41,826	154,342

Factors affecting tax charge for the period

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
Profits on ordinary activities before tax	368,241	895,072
Profits on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	69,966	170,064
Effects of:		
Expenses not deductible for tax purposes	89	(21,629)
Income not taxable	29,442	-
Effect of changes in tax rates	1,213	5,907
Total current and deferred tax	41,826	154,342

Factors that may affect future tax charges

In his budget of 8 July 2015, the Chancellor of the Exchequer announced a reduction in the corporation tax rate to 19% for the financial year beginning 1 April 2017 and a further reduction to 18% for the financial year beginning 1 April 2020. The Finance Act 2016 reduced the main rate of corporation tax to 17% from 1 April 2020 (replacing the 18% rate) and was enacted on 15 September 2016. As these changes were substantively enacted at the balance sheet date, deferred tax has been calculated appropriately at these rates in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

12. Goodwill

	Negative Goodwill	Positive Goodwill	Total
	£	£	£
Cost			
At 1 April 2018	(2,439,490)	75,000	(2,364,490)
Additions	-	-	-
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2019	<u>(2,439,490)</u>	<u>75,000</u>	<u>(2,364,490)</u>
 Accumulated amortisation			
At 1 April 2018	2,001,646	(50,000)	1,951,646
Charge for the year	437,844	(25,000)	412,844
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2019	<u>2,439,490</u>	<u>(75,000)</u>	<u>2,364,490</u>
 Net book value			
At 31 March 2019	<u> </u>	<u> </u>	<u> </u>
At 31 March 2018	<u>(437,844)</u>	<u>25,000</u>	<u>(412,844)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

13. Tangible assets

	Fixtures and Fittings	Containers	Plant and machinery	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2018	115,049	158,066	380,024	2,488,351	3,141,490
Additions	62,420	69,005	126,542	463,958	721,925
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	<u>177,469</u>	<u>227,071</u>	<u>506,566</u>	<u>2,952,309</u>	<u>3,863,415</u>
Accumulated depreciation					
At 1 April 2018	3,707	29,515	234,659	1,897,258	2,165,139
Charge for the year / depreciation	30,557	36,914	103,180	481,941	652,592
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	<u>34,264</u>	<u>66,429</u>	<u>337,829</u>	<u>2,379,199</u>	<u>2,817,731</u>
Net book value					
At 31 March 2019	<u>143,205</u>	<u>160,642</u>	<u>168,727</u>	<u>573,110</u>	<u>1,045,684</u>
At 31 March 2018	<u>111,342</u>	<u>128,551</u>	<u>145,365</u>	<u>591,093</u>	<u>976,351</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

14. Debtors

	2019	2018
	£	£
<i>Amounts falling due within one year</i>		
Trade debtors	4,775,136	4,966,313
Prepayments and accrued income	1,184,556	1,120,723
	<u>5,959,691</u>	<u>6,087,036</u>
<i>Amounts falling due after more than one year</i>		
	2019	2018
	£	£
Deferred tax asset	<u>340,584</u>	<u>298,828</u>
Movement of deferred tax		
	2019	
	£	
At 1/4/2018	298,828	
Charge for the year	10,306	
Credit to other comprehensive income	31,450	
As at 31/03/2019	<u>340,584</u>	

The deferred tax asset relates primarily to the defined benefit pension obligation and arose principally on the transfer of the deficit as described in note 20.

15. Cash at bank and in hand

	2019	2018
	£	£
Cash at bank and in hand	<u>4,338,981</u>	<u>2,672,545</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

16. Financial instruments

	2019	2018
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>4,775,136</u>	<u>5,093,482</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(3,860,704)</u>	<u>(3,323,519)</u>

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

17. Called-up share capital

	2019	2018
	£	£
Allotted, called-up and fully paid		
1 (2018: 1) Ordinary share of £1 each	<u>1</u>	<u>1</u>

18. Reserves*Profit and loss account*

The profit and loss account represents the accumulated profits, losses and distributions of the company.

19. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	527,412	507,950
Group relief creditor	256,689	204,555
Other taxation and social security	553,621	599,895
Other creditors	674,516	143,999
Accruals and deferred income	<u>3,768,170</u>	<u>2,839,848</u>
	<u>5,780,408</u>	<u>4,296,247</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

20. Employee benefit obligations

The company operates a defined contribution and a defined benefit pension scheme. The assets of the defined contribution scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £282,604 (2018: £452,371).

Defined benefit scheme

Bristol Waste Company Limited (the “Company”) is a participating employer of a defined benefit Local Government pension scheme (the “Fund”). The Fund is a multi-employer scheme and the disclosures below are in respect of the benefits payable from the Fund that are attributable to the company. The level of benefits provided by the Fund depends on a member’s length of service and their salary at the date of leaving the Fund.

The last completed funding valuation of the Fund was carried out by a qualified actuary as at 31 March 2016.

The principal assumptions used to calculate the liabilities under FRS102 are set out below:

Main financial assumptions

	2019	2018
	% p.a	% p.a
CPI Inflation	2.2	2.1
Increase in salaries	3.7	3.6
Increase in pension payment/deferment	2.3	2.2
Discount rate	2.4	2.6

Main demographic

	2019	2018
Life expectancy for male currently aged 65	23.7 years	23.6 years
Life expectancy for female currently aged 65	26.2 years	26.1 years
Life expectancy at 65 for male currently aged 45	26.3 years	26.2 years
Life expectancy at 65 for female currently aged 45	29.0 years	28.8 years

Fund asset

	2019	2018
	%	%
Equities	40	41
Government bonds	12	11
Other bonds	12	2
Property	10	9
Cash/liquidity	2	4
Other	24	34

None of the Fund assets are invested in the company’s financial instruments or in property occupied by, or assets used by, the company.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

20. Employee benefit obligations (continued)**Reconciliation of funded status to balance sheet**

	2019 £	2018 £
Fair value of assets	4,167,000	3,656,000
Present value of defined benefit liability	(6,123,000)	(5,206,000)
	<u> </u>	<u> </u>
Liability recognised on the Statement of Financial Position	(1,956,000)	(1,550,000)
	<u> </u>	<u> </u>

Amounts recognised in profit and loss

	2019 £	2018 £
Administration expenses	6,000	7,000
Current service cost	439,000	540,000
Net interest cost	37,000	33,000
	<u> </u>	<u> </u>
Pension expense recognised in the profit and loss account	482,000	580,000
	<u> </u>	<u> </u>

Amounts recognised in Other Comprehensive Income

	2019 £	2018 £
Remeasurements (liabilities and assets)	185,000	(198,000)
	<u> </u>	<u> </u>
Total amount recognised in other comprehensive income	185,000	(198,000)
	<u> </u>	<u> </u>

Changes to the present value of the defined benefit obligation during the year

	2019 £	2018 £
Benefit obligation at the beginning of the year	5,206,000	4,776,000
Current service cost	439,000	540,000
Interest expense	136,000	119,000
Member contributions	80,000	92,000
Actuarial losses/(gains)	326,000	(219,000)
Benefits paid	(64,000)	(102,000)
	<u> </u>	<u> </u>
Closing defined benefit obligation	6,123,000	5,206,000
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

20. Employee benefit obligations (continued)**Changes to the fair value of fund assets during the year**

	2019 £	2018 £
Operating fair value of fund assets	3,656,000	3,304,000
Interest on plan assets	99,000	86,000
Remeasurements losses/(assets)	141,000	(21,000)
Administration expenses	(6,000)	(7,000)
Employer contributions	261,000	304,000
Member contributions	80,000	92,000
Benefits paid	(64,000)	(102,000)
	<u>4,167,000</u>	<u>3,656,000</u>
Fair value of plan assets at the end of the year		
	<u>240,000</u>	<u>66,000</u>

In February 2017, the company assumed the pension liabilities associated with employees who transferred to the company under TUPE, following the award of the 10 year contract from BCC to manage the Household Recycling Centres.

Although the pension obligations were fully funded on a funding basis of valuation, these showed a net deficit when measured in accordance with FRS102. The assumptions of this liability, via a transaction with the company's ultimate parent company, has been recognised directly in equity.

21. Related party transactions

The company had the following transactions with Bristol City Council ("BCC"), its ultimate parent.

	2019 £	2018 £
Sales to BCC	32,151,153	27,901,601
Expenses recharged from BCC	974,755	1,614,524
Balance outstanding from BCC (included in trade debtors)	<u>4,542,658</u>	<u>4,338,977</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

Related party transactions (continued)

The company had the following transactions with Rocket Business Group, a company controlled by one of the directors of Bristol Waste

	2019	2018
	£	£
Services purchased from Rocket Business Group	<u>84,269</u>	<u>Nil</u>

The company had the following transactions with Richie Brislen, an entity controlled by one of the directors of Bristol Waste

	2019	2018
	£	£
Services purchased from Richie Brislen	<u>3,901</u>	<u>Nil</u>

22. Commitments under operating leases

At 31 March 2019, the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Not later than 1 year	<u>242,100</u>	<u>634,694</u>

23. Ultimate parent undertaking and controlling party

The immediate parent company is Bristol Holding Limited, a company incorporated in England and Wales.

The ultimate parent is Bristol City Council. The consolidated financial statements for Bristol City Council which are the only consolidated financial statements which include the company, are available from the registered office shown in Note 1.

Overview and Scrutiny Management Board

14 August 2019



Title: Bristol Energy Annual Performance 2018/2019

Officer Presenting Report: Penny Fell, Director: Commercialisation and Citizens;
Shareholder Liaison

Contact Telephone Number: 0117 922 2287

Recommendation:

Members to review the Annual Report and Accounts of Bristol Energy Limited for the year 2018/2019

Appendices:

Bristol Energy 'Year in Review'

Bristol Energy OSMB Presentation slides

Bristol Energy Annual Report and Financial Statements for the year ended 31 March 2019



Year in review 2018/2019

and 2019/20 strategic plan

BRISTOL
energy



Foreword



“Creating a sustainable energy company with social value at its heart.”

Three years since its creation, Bristol Energy is forging ahead with its plan to support Bristol City Council in creating a different kind of energy provider: one which has the community at its heart and focuses on driving profits for a purpose.

From local job creation to staff volunteer days, carbon reduction activities and well-being initiatives such as training mental health first aiders, we are proud to say the estimated value put back into the Bristol community is £7m this financial year (estimated £12m since inception). Over the past year, we've had some great results; we've grown our customer base and pushed forward with our social mission to grow our renewable fuel mix;

- Residential has grown to over 165,000 customer supply points
- Business to Business has grown to over 4,500 business supply points
- Over 54 contracts with independent, renewable generators – many of them community owned

The company's Fuel Good Fund has been gathering pace, supporting vulnerable residents around the city. We work in partnership with the Centre for Sustainable Energy and local charities to deliver meaningful impact to the lives of Bristol's citizens, who are struggling with fuel poverty.

In February 2019, Bristol Energy was the first energy supplier to trial selling 'Heat As A Service' with households in the UK (selling warmth, not kWh of gas). The 'Heat As A Service' trial was an important step in Bristol Energy's journey towards creating energy products and services which are fairly priced for everyone, support sustainable energy supply and advance the decarbonisation of homes and businesses.

Bristol Energy is committed to supporting Bristol to hit ambitious social and environmental goals set out in the One City Plan. Our strategy over the coming financial year is to focus on growing our customer base both locally and nationally and offering additional innovative energy services. We set out our key priorities for the years to come below.

This is the start of an exciting new phase of growth for Bristol Energy. My message to everyone in Bristol is; this is your energy company – join us to help us reinvest back into Bristol community.

Marek Majewicz
Managing Director, Bristol Energy



Our year in Review

BRISTOL
energy
2018/19

Our year in review

Customer Numbers Growing

CIRCA **165,000**
customer supply points

CIRCA **4,500**
business supply points

Our Fuel Mix Is Getting Greener

54 independent renewable generators

CIRCA **75%**
green supply
(up from 51% in 2017/18)

Electricity comes from community owned projects

Locally sourced gas or 'Poo Power'

Sewage waste from 1M Bristol people turned into biomethane, a sustainable, virtually carbon neutral & environmentally friendly substitute for natural gas

Great Customer Service

★★★★★
uSwitch

★★★★★
Trustpilot

citizens advice **Top 10**

Which? Top 10

We're a Force for Social Good

OVER **£25k** raised for our Fuel Good Fund

OVER **£2k** raised for charity by our staff

Linkage, Caring in Bristol, FareShare

ESTIMATED **£7m** put back into the local Bristol economy via local job creation, supported staff volunteer days, carbon reduction and mental health first aiders to name a few

OVER **1,100** hours volunteering by our staff

We accept payment in Bristol Pounds

BRISTOL POUND

Working with Partners who Support our Vision

CATAPULT Energy Systems

Innovate UK

regen renewable energy

upside



We have significantly grown our customer base



Our customer base has grown by 38% over the year reaching over 165,000 customer meter points, starting from 120,000 at the end of last financial year. We've also grown our business sites significantly and now supply over 4,500 business supply points, of which 2,192 are in Bristol.

We won the Bristol City Council energy contract

We were pleased to have been awarded Bristol City Council's electricity and supply contracts via a competitive tender processes.

All of Bristol City Council's sites including council offices, museums, council managed schools, libraries and care facilities are now supplied by Bristol Energy. The gas provided is local and green, supporting Bristol to stay ahead of its carbon reduction targets.



We've continued to provide great customer service



We've improved our customer service rankings in 2018/19, moving up to 6th place in the influential Citizen's Advice Supplier Rankings, moving from 11th to 8th in the annual Which? Energy Survey and maintained our 4* ranking for customer service on both Trustpilot and USwitch.

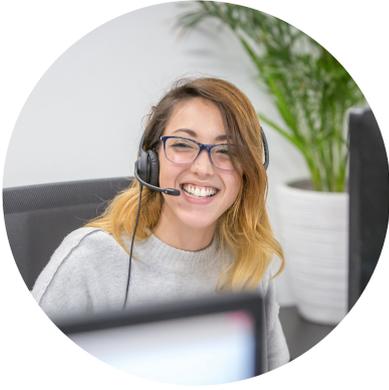


8th Customer Satisfaction Surey



Currently 6th in supplier ratings

Our Bristol based team are passionate experts



We are contactable via social media, email or by phone. You can also visit us in person at our Customer Service Point to talk to someone face to face, to get advice and support on your bills, smart meters, energy use and consumption. We resolve complaints quickly and are industry leading in the speed at which we resolve complaints; currently 93% are resolved within one working day.

We're delighted when customers take the time to share their experiences



4 Mar 2019

Great service from Liam & the team

Great service from Liam & the team. For a couple of weeks now they have helped managed my energy transition end-to-end (including with old provider objections, direct debit etc) and gave me peace of mind with my medical condition.



25 Feb 2019

One of the best !

Just the best energy company I have ever dealt with! Bills make sense, I can do all my stuff online and whenever I need to call I get through to a nice honest person and we can have a chat about how to sort it. Well done Bristol Energy - top of the pile for me



We're getting greener



Our fuel mix is getting greener, with the introduction of more local renewable generators adding wind, solar and hydro to the mix. We work directly with over 54 renewable generators supporting more renewables onto the grid. 31% of this renewable generation is sourced directly from the Bristol area. In partnership with Geneco, a local energy innovator, waste from one million Bristol people is turned into biomethane, a sustainable, virtually carbon neutral and environmentally friendly substitute for fossil fuel natural gas. We supply our domestic customers with 15% green gas and businesses up to 100% green gas.

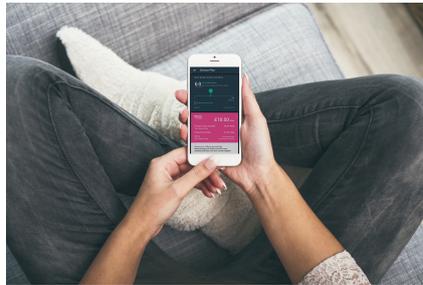
Circa 75% of our electricity currently comes from renewables



We have trialled new customer led, energy service innovations

This year, we trialled the UK's first 'heat as a service' system. This trial starts our journey to learn more about how customers want heat and warmth delivered, moving away from a traditional gas supply model of purchasing kWhs rather than the easier to understand concept of 'warm hours'.

We've secured innovation funding



Working with Innovate UK, the arm's length government innovation funding body, we have created the Bristol Energy Smart System Transformation (BESST) project. This consortium brings together Bristol City Council, three local community groups (Bristol Energy Network, SevernNet, Bristol Community Transport), Regen and Upside Energy to explore the best ways in which to design a local energy system in North West Bristol.

This innovative project explores how we design new services for our customers, helping prepare ready for a changing energy world. One in which customers begin to take more control of their energy use and supply, with a move to electric vehicles, battery storage systems and need to decarbonise heat.

We're collaborating with community owned renewable generators Gower Power and the technology company Origami to develop a local energy system, installing a new solar and storage facility at their existing 1MW solar farm. This will enable smart grid management and demand matching for local electricity supply, using smart meters.



We're working with even more partners to deliver our purpose



During the last year we've established and strengthened our partnerships with local charities that help vulnerable people in our community, including FareShare SW, Feeding Bristol, LinkAge and Caring in Bristol. We've had staff volunteering at events, donated food other in demand items such as toiletries, have supported charities with joint marketing and social media and raised money through charity auctions, cake sales and affiliate programmes.

We have formally established our relationship with the Centre for Sustainable Energy to provide funding for their WHAM project. This innovative project provides advice on energy and money for those who need it, as well as carrying out home repairs to improve energy efficiency.

We are also really excited to be a part of the local business community, such as working with Bristol Water and the Better Food Company. We have been working to establish partnerships with local business networks focusing on the environment, society and our local economy, including the Bristol Green Capital Network, Future Economy Network and our local Chamber of Commerce, run by Business West.

We've reshaped our team



We believe our people are the key to delivering our ambitious plan. We've reshaped our senior team to reflect this and to provide the right leadership and expertise to help us match the change in the energy sector and to drive a renewed focus on our purpose.

Our new senior leadership team brings a mix of expertise from the public and private sectors, including all important energy industry and retail knowledge, as we begin to better understand our customers' needs and requirements.

We met our plans and targets

We have continued to perform within the range of our business plan and targets set by our shareholder, Bristol City Council.

Our company growth continues at pace, our customer base is growing and we're delivering significant social value to the city. As we begin to engage with City Leap, we expect to see that social impact develop even further as we work together with Bristol City Council to realise some of the aims set out in the recently published One City Plan.





Our Plan 2019/2020

Our Vision

"We will create a sustainable energy company that has social value at its heart."

Our Objectives

- To create 'profit for purpose'.
- To be a commercially efficient business that will in turn, provide an income stream for Bristol City Council
- To support our vulnerable citizens with major social challenges, such as fuel poverty, by creating new products and services which leverage new technologies and innovations.

Our Strategy

- Increase total shareholder returns in both financial and social value
- Improve business efficiency and effectiveness by creating economically sound and sustainable business model
- Diversify to become an energy services company with multiple products and services to support the vision.

Our Values



Be purposeful

Our sole reason for being is to create profit for purpose. We are relentlessly focused on our purpose and have a clear direction to help us get there. We take care to create exceptional work which focuses on the customer at all times.

Be curious and brave

We dare to be different. We are brave enough to ask questions and challenge the status quo. We are courageous; embracing new opportunities and trying new and creative ways of doing things.

Be connected

Our community is connected across teams, cultures and geographies. Online, over the phone and face to face, we come together and collaborate to solve problems. Together, we will help to forge a sustainable and environmental legacy for Bristol and beyond.

We will strengthen our core business, growing our customer base and focusing on Bristol

Our marketing and sales teams will focus on growing our customer base firstly in Bristol and then, nationally. In 2019/20, we will continue to work closely with Bristol City Council, Bristol community groups and local partners to better understand our customer needs and to develop services which better serve them.

We will reach our customers, and potential new customers, through local events, social media, digital and telephony channels. We will continue to offer fair and transparent energy tariffs, priced sustainably to ensure we are not selling energy at a lower price than it costs us to buy it, but will also build our product offering to include additional products and services.

Our Refer a Friend Campaign continues for 2019/20, allowing our loyal customers to be rewarded for sharing their Bristol Energy experiences with others, helping us to build our community of energy consumers with social value at their heart. We look forward to our Fuel Good Fund growing and being able to deliver a meaningful impact to those living in fuel poverty in Bristol.

In 2019/20 we will implement a number of new strategic initiatives to create better experiences for our customers, which at the same time will help us reduce our cost to serve them.

We will improve our great customer service, adding some automated systems to back office tasks giving our people more time to interact with customers. We will invest in new digital platforms including our first version of an app that will give our customers a new way to understand their energy use and self-serve information for both traditional and smart meters.

The app will grow and build over the year to include innovative and useful features which will help our customers to manage their energy consumption, usage, generation and save money on their bills.

We're proud to be pioneering a new remote digital team of UK based workers who will support our in-house customer care team, working outside of usual office hours at evenings and weekends, to speak to customers about their energy service at a time which is convenient to them. We're pleased to be able to pilot this approach and support people who are looking for an alternative way to return to work.

Finally, as we continue to grow our customer base, we're excited to be developing our customer community and will use this group to help us learn about what energy products and services our customers want. We hope this will become a self-supporting community who will answer questions, share interests and support our vision of creating a company which has social value at its heart.



We will diversify into energy services

The energy market continues to evolve.

Traditional energy supply is giving way to energy services – a new way to describe additional energy products and offers which energy companies can provide to customers to support their energy use, management and even generation.

Power and control is moving to the customer as technology rapidly advances and information is more readily available. Smart meters, electric vehicles and solar panels are all becoming more mainstream. In addition, a growing ethical and environmental consciousness in British consumers means people want to do business with companies who are purposeful and have the greater good in mind.

Bristol Energy is working to be at the forefront of this new energy world, using our home city of Bristol to test and pilot new and innovative products. Our 2019/20 business plan includes the new 'energy as a service' propositions, technology platforms and pilot innovations which we hope to be able to bring to market over the coming months and years.

These include...

Heat as a service

We were the UK's first energy supplier to trial 'Heat as a Service' with the Energy Systems Catapult and we will continue to develop this service offering as well as integrating a 'Power as a Service' offering

Heat retailing

As Bristol's heat network infrastructure grows, we will also begin retailing heat working with partners to ensure the best offer to customers.

Solar and battery propositions

Solar panels and batteries will support the Bristol City Council's aims to decarbonise and we will soon be trialling propositions to support our customers benefit from these technologies.

Energy Efficiency Products

The best way to reduce energy costs and carbon is to not use as much energy! We will launch services to help our customers better understand their usage and, in turn, reduce their consumption.

Transport and Electric Vehicles

As electric vehicles continue become more important to Bristol's decarbonisation goals, Bristol Energy will support ensuring the city's infrastructure and energy supply to match the new demands of the city.

More Renewables and Local Energy

Our ambition as part of our social contract with the city, is to work with local Bristol based communities and generators to deliver even more renewables. This means not only are we supporting Bristol's ambition to decarbonise the city but local communities and businesses are benefiting economically too.

We will support Bristol City Council with the City Leap programme to transform Bristol's energy system

City Leap is an ambitious programme being led by Bristol City Council.

The programme will transform Bristol's energy system and take a significant step towards Bristol's ambitions for Carbon Neutrality. As part of the City Leap programme, Bristol Energy aims to play a key role in the delivery of City Leap:

- Provide the interface between City Leap assets and customers, increasing the positive impact they on Bristol residents energy bills
- Integrate assets, infrastructure and technology to create compelling customer products and services.

- Provide a route to market for new and innovative consumer propositions to create and enhance value.
- Continue to build on our trusted brand to support customer engagement and delivery.

These activities will not only contribute to the success of City Leap, but also further enhance Bristol Energy's unique selling points and value. City Leap will help to unlock Bristol Energy's potential in the future, local energy system as a supplier of services.

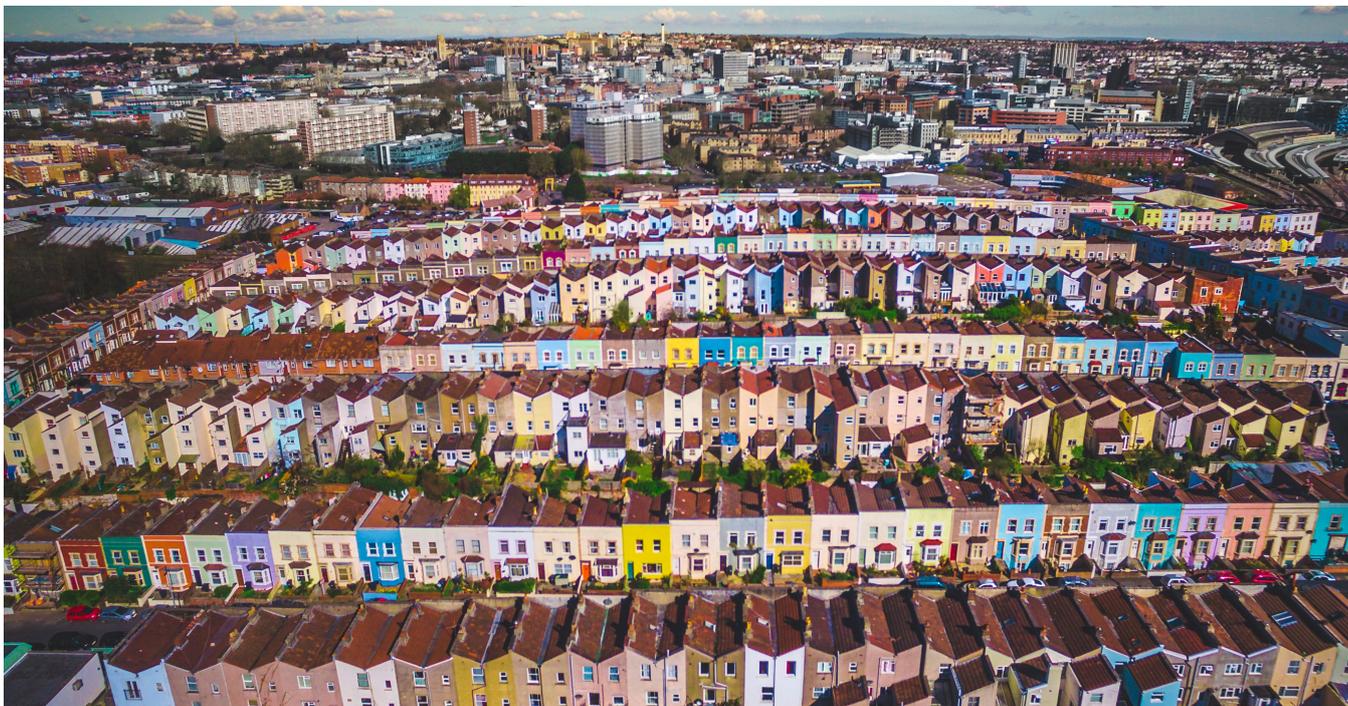


We will drive innovation

With the support of our partners, we will develop new products and tariffs to meet these changing customer needs.

We will invest in trials that allow us to learn more about our customers, how they use our products and the data required to support them in the best way. As a council owned energy company, our mission is to drive technology innovation which benefits everyone. Whether they be in social housing or are using community facilities, we will create a local energy system that ensures everybody will benefit from sustainable clean growth in Bristol.

Our five year priorities



1. Double the social value created for Bristol
2. Support Bristol to meet its carbon neutral targets
3. Achieve profitability
4. Build service propositions that meet our customer needs and deliver additional value
5. Be recognised as a leader in distributed, local energy markets

“Creating a sustainable energy company with social value at its heart.”

Our Team



Marek Majewicz, Managing Director

Marek leads the Senior Leadership Team and business here at Bristol Energy. Marek has over 20 years' experience, operating in senior finance roles across various sectors predominately in oil & gas and energy, working for multi-national companies such as Shell and Orsted.



Nicola Lynn, Strategic Programme Director

Nicola leads teams responsible for structuring, planning and delivering Bristol Energy's portfolio of strategic projects. Nicola has 20 years of experience delivering complex programmes incorporating business systems implementation, process improvements and the associated change management in a range of organisations such as the NHS and Tribal Group.



Ian Parry, Director of Retail

Ian leads the customer focussed and facing teams at Bristol Energy, comprising our domestic products and services. Ian has 20 years of experience in the utilities and finance sectors including working in senior roles for businesses such as British Gas and First Utility and being involved in the launch of innovative energy entrants including Pure Planet.



Lisa Holmes, Chief Information Officer

Lisa leads Bristol Energy's IT and digital teams. Lisa has 25 years' experience working internationally on complex IT projects, including working with Middle East based broadcaster OSN.



Nick Haines, Director of Trading, Commercial and B2B

Nick leads teams who are responsible for pricing, forecasting, trading, origination and business to business sales at Bristol Energy. Nick brings with him over 15 years' experience in energy, sales and product development. Nick previously worked at Good Energy.



Samantha Nicol, Head of Innovation and Marketing

Samantha leads the innovations and marketing teams at Bristol Energy. Samantha has over 15 years' experience in developing and bringing new propositions and innovations to market, consulting for companies including E.ON and Centrica.



Dan Millard, Head of Finance

Dan leads Bristol Energy's finance team. Dan has over 15 years' experience managing commercial and operational finance teams across a range of businesses including Capita, Vodafone and Nationwide.



Agenda

1

New Board focus



2

Looking back

3

Looking ahead

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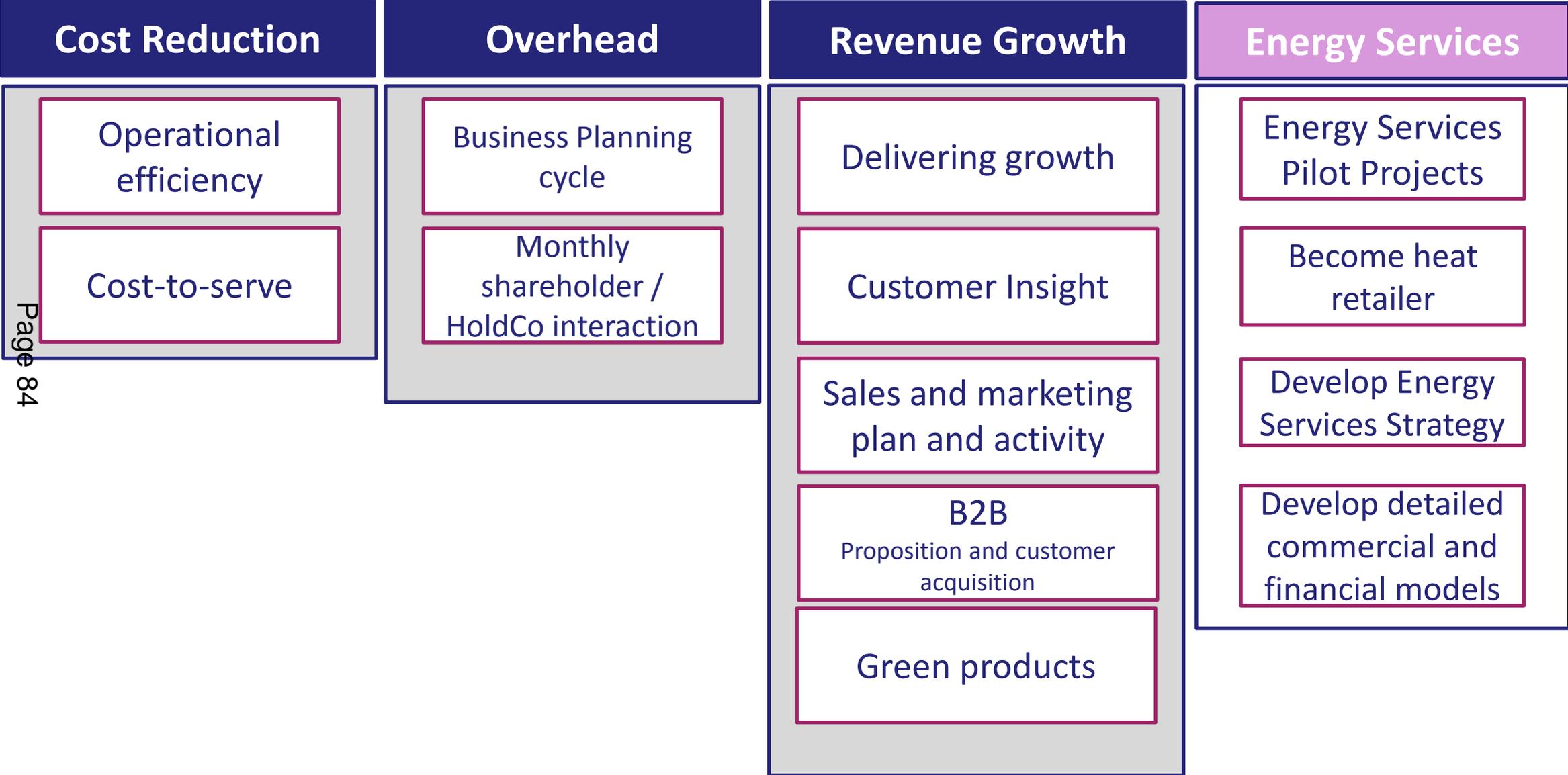
New board focus

- Lead the board and oversee the business
- Challenge and judgement
- Ensure good governance and stakeholder communications
- Support Managing Director
- Define success
- Ambassador for the business

New board focus

- Energy 101
- Consistent great leadership and great people
- Customer's voice
- City Leap
- Holding company
- Reputation

What do we focus on?



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Agenda

1 New Board focus

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3 Looking ahead



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Marek Majewicz, Managing Director



Residential meter points up 36%, to 165,000



Business customers on supply up 196% to 181 GWh



Turnover up 45% to £76.2m



Gross profit up 55% to £5.6m



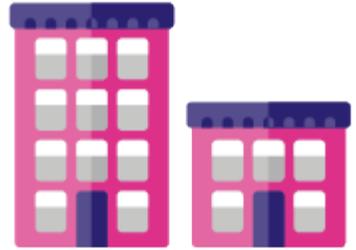
Social value delivered up 47% to £6.8m

We're building a sustainable energy service with social value at its heart

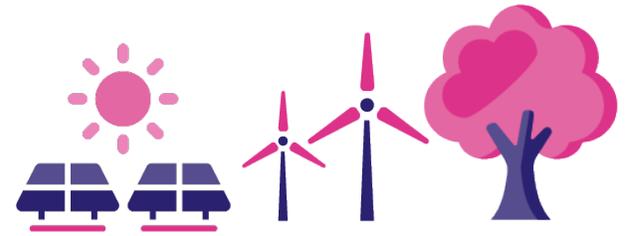
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Increase shareholder returns
financial and social



Improve business efficiency and effectiveness



Diversify to become an energy services company



Agenda

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2 Looking back

3 Looking ahead



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2019/20 focus

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Customer

- Increase national penetration to 190,000 meter points nationally
- Grow to 221 GWh of B2B supply volume

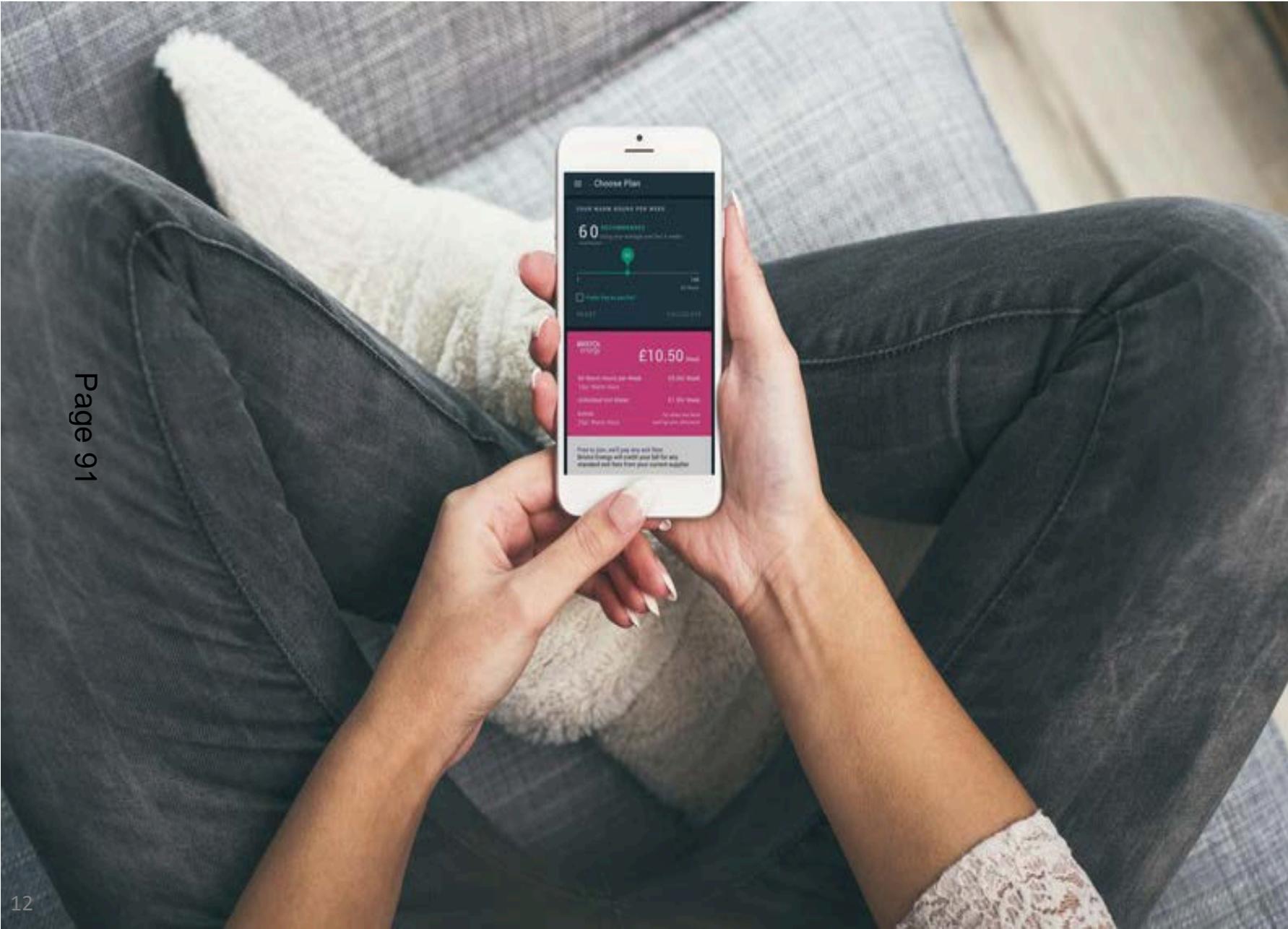
Bristol

- Increase Bristol penetration to 28,000 meter points
- Grow to 153 GWh of Bristol based supply volume

Social

- Increase social value to £8.1m

Customer: Connect our customers to us



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- New digital customer tools
- New marketing campaigns
- Giving customers the ability to manage and control their smart home

Bristol: Diversify into energy services



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- Delivering better lifetime value customers
- Asset based propositions in partnership with the BCC Energy Service Team
- Helping the city decarbonise heat and power

Bristol: Drive energy innovation



Page 93

- £1b Bristol City Leap Programme with BCC
- Launched UK's first 'Heat as a Service' trial
- Designing local smart energy system as part of Innovate UK Prospering from the Energy Revolution Challenge.

Social: On a journey to be 100% green



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- Socially responsible to supply only renewables
- Innovative Green Gas product with Geneco (using Bristol Waste)
- 54 renewable generators around the South West and UK

Social: Giving back to Bristol



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- £12m given back to the city since launch
- Fuel Good Fund to ensure no one suffers a cold home
- Local employer, mental health first aiders, flexible work pattern
- Ethical procurement from local businesses

Priorities for the next five years



Achieve profitability



Double the social value created for Bristol



Support Bristol to meet its carbon neutral targets



Build service propositions that meet our customers needs and deliver additional value



Be recognised as a leader in distributed, local energy markets

Thank you





Appendix

BRISTOL energy 2018/19

Our year in review

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Customer Numbers Growing

CIRCA **165,000**
customer supply points

CIRCA **4,500**
business supply points

Our Fuel Mix Is Getting Greener

54 independent renewable generators

CIRCA **75%**
green supply
(up from 51% in 2017/18)

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uSwitch

★★★★★
★ Trustpilot

citizens advice **Top 10**

Which? **Top 10**

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OVER **£25k** raised for our Fuel Good Fund

OVER **£2k** raised for charity by our staff

OVER **1,100**
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ESTIMATED **£7m** put back into the local Bristol economy via local job creation, supported staff volunteer days, carbon reduction and mental health first aiders to name a few

We accept payment in Bristol Pounds

Working with Partners who Support our Vision

CATAPULT
Energy Systems

Innovate UK

regens
transforming energy

upside



New business wins cemented our position in the city

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BRISTOL OLD VIC



TOBACCO FACTORY THEATRES



Working with partners to achieve the city's vision



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Innovate UK



Company Registration Number 09135084

BRISTOL ENERGY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2019

BRISTOL ENERGY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

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BRISTOL ENERGY LIMITED

COMPANY INFORMATION

Directors

B Evans	(appointed 1 May 2019)
M M Hyman	
P K Madden	(appointed 1 April 2019)
M Majewicz	(appointed 8 August 2018)
A S D Mather	(appointed 1 April 2019)
S G Pearce	(appointed 15 August 2018)
S P Robertson	(appointed 1 April 2019)
A S Wiseman	

Registered number 09135084

Registered office 100 Temple Street
Bristol
BS1 6AG

Independent auditors PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
2 Glass Wharf
Bristol
BS2 0FR

BRISTOL ENERGY LIMITED

STRATEGIC REPORT

The Directors present their strategic report for the audited financial statements for Bristol Energy Limited (the "Company") for the year ended 31 March 2019.

Principal activities

The principal activity of the Company is to supply gas and electricity to residential and business customers in the UK.

Business review

The financial year ended 31 March 2019 has been a year of change and growth for Bristol Energy. The energy supply market is now more competitive than it has ever been with over 70 suppliers at the peak in 2018. At the start of 2019 we saw Ofgem's price cap for Standard Variable Tariffs come into force to limit the prices paid by customers who are either vulnerable, unaware or apathetic to their current supply costs. Whilst this is a welcome measure it will also limit the margins available to all energy suppliers. Through the financial year a total of nine suppliers went out of business through the Supplier of Last Resort (SoLR) process, highlighting the difficult conditions for those with traditional supply business models. Wholesale commodity markets were also very volatile throughout the year, with rises and falls in excess of 50%, making trading and pricing extremely challenging.

Despite this backdrop, Bristol Energy has been able to grow its customer base over the course of the year to over 165,000 meter points and 95,000 households. At the same time, our customer service levels have continued to be of a very high standard, recognised by Which? and the Citizens Advice Bureau as consistently appearing in the top 10 energy suppliers in the UK.

In recognition of the company's development and the need to change focus as it grows, the structure of the business changed during the second half of the financial year. These changes resulted in Marek Majewicz being appointed as Interim Managing Director, and the organisation restructured to enable the business to be ready for future growth as the business transitions from an energy supplier into an energy services retailer.

Results and dividends

The financial year ending 31 March 2019 was the third year of trading for Bristol Energy. A strong growth profile continued, enabling the Company to stabilise losses, presenting an adjusted operating loss slightly ahead of 2018 year end. This has been achieved by establishing a culture where the pursuit of customer service excellence, cost reduction and efficiency are complimentary goals and do not conflict with wider company objectives. The company has continued its good progress in delivering key targets agreed with Bristol City Council, as set out in the table below:

Key performance indicators	2019	2018
Residential customers on supply (meter points)	165,000	120,752
Business customers on supply (GWh)	181	61
Turnover	£76.2m	£52.5m
Gross margin	£5.6m	£3.6m
Adjusted operating loss*	£(10.1)m	£(10.3)m
Net Liabilities	£27.4m	£16.9m
Funding (short term loans, preference and ordinary shares)	£28.8m	£22.3m
Social Value Delivered*	£6.8m	£4.6m

*Earnings/(loss) before tax and interest, after adjusting for non-recurring items and unrealised losses on derivatives

*As agreed by the Social Value Portal, using the National Social Value Measurement (TOMs) Framework

As such, turnover increased from £52,474,946 in 2018 to £76,160,185 in 2019 and gross profit rose to £5,564,808 (2018: £3,578,176). Administrative expenses have risen during the year due to the growing customer base, these are now expected to grow more slowly as the business gets to scale.

BRISTOL ENERGY LIMITED

STRATEGIC REPORT (continued)

Results and dividends (continued)

The directors do not recommend the payment of a dividend (2018: £nil).

Future developments

The Company's core focus remains on building a sustainable energy business with social value at its heart. This will be achieved by delivering great standards of customer care whilst staying focussed on the core values of the business. This vision has attracted and retained customers and employees and is an approach that has been recognised with regional awards. During the year the Company donated £27k to its Fuel Good Fund which is used to help reduce fuel poverty in Bristol.

The energy industry continues to change and Bristol Energy is adapting with it, working in partnership with a number of local businesses to deliver new energy services. The first of these commenced during the financial year end 31 March 2019 with a Heat as a Service trial, the first of its kind in the UK, leading a consortium of local community groups, businesses and Bristol City Council to deliver the Bristol Energy Smart System Transformation (BESST) program. Additional pilots will be rolled out for other services through 2019/20 across battery and solar propositions, energy efficiency and transport.

In the summer of 2019 the Company will launch its mobile app, allowing customers to access their accounts and provide meter readings in an easy to use, self-service manner. The app will be further developed to offer tailored energy efficiency advice to customers and other innovative services in time.

Bristol Energy continues to grow its renewable electricity supply, sourcing directly from local generators wherever possible. The company now has 54 renewable generator relationships with 75% of our electricity coming from renewable sources. We will strive to increase both our renewable fuel mix and our generator relationships in 2019/20. Through a relationship with Geneco, a local energy innovator, a 'green gas' source from Bristol people's waste was introduced to our fuel mix, providing an option of renewable gas to customers.

The Company's Smart Meter rollout of the new generation SMETS2 meters began during the first half of 2019 and this will continue at pace through the 2019/20 financial year.

This report was approved by the Board and signed on its behalf by:



Marek Majewicz
Managing Director
4 July 2019

BRISTOL ENERGY LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for Bristol Energy Limited (the "Company") for the year ended 31 March 2019.

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

B Evans	(appointed 1 May 2019)
L A Flowerdew	(resigned 7 August 2018)
P J Haigh	(resigned 14 December 2018)
M M Hyman	
N M Jordan	(resigned 25 September 2018)
M Majewicz	(appointed 8 August 2018)
P K Madden	(appointed 1 April 2019)
A S D Mather	(appointed 1 April 2019)
C T Molton	(resigned 30 July 2018)
S G Pearce	(appointed 15 August 2018)
S P Robertson	(appointed 1 April 2019)
A S Wiseman	

Financial risk management

Refer to Notes to the Financial Statements, Note 23, page 24.

Qualifying third party indemnity provisions

The Company maintains directors' and officers' insurance on behalf of its Directors.

Future developments

Future developments are referenced in the Strategic Report on page 3.

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS-102), 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 of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

BRISTOL ENERGY LIMITED

DIRECTORS' REPORT (continued)

Directors' responsibilities statement (continued)

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

Disclosure of Information to auditors

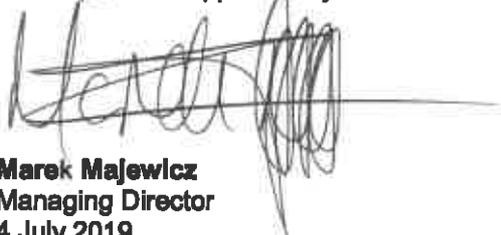
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Going concern

The Company has net liabilities and is currently reliant upon financial support from its ultimate shareholder, Bristol City Council. The directors have received confirmation from Bristol City Council that it will continue to provide funding to allow the Company to meet its debts as they fall due for a period of at least 12 months from the date of these financial statements. Accordingly, the directors believe that it is appropriate to prepare these financial statements on a going concern basis.

This report was approved by the Board and signed on its behalf by:



Marek Majewicz
Managing Director
4 July 2019

BRISTOL ENERGY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTOL ENERGY LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Bristol Energy Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 March 2019; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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 company'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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example the terms on which the United Kingdom may withdraw from the European Union are not clear and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTOL ENERGY LIMITED (continued)

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities. With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included. Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 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 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. A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

BRISTOL ENERGY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTOL ENERGY LIMITED (continued)

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Paul Nott (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

8 July 2019

BRISTOL ENERGY LIMITED**STATEMENT OF COMPREHENSIVE INCOME**
For the year ended 31 March 2019

	Note	2019 £	2018 £
Turnover	4	76,160,185	52,474,946
Cost of sales		(70,595,377)	(48,896,770)
Gross profit		5,564,808	3,578,176
Administrative expenses		(16,250,231)	(13,860,838)
Operating loss	5	(10,685,423)	(10,282,662)
Restructuring costs		457,961	-
Unrealised loss on derivatives		83,703	-
Adjusted operating loss		(10,143,759)	(10,282,662)
Interest receivable and similar income	9	9,309	1,837
Interest payable and similar expenses	10	(1,508,579)	(1,129,290)
Loss before taxation		(12,184,693)	(11,410,115)
Tax on loss	11	39,782	204,552
Loss for the financial year, being total comprehensive expense for the year		(12,144,911)	(11,205,563)

BRISTOL ENERGY LIMITED**STATEMENT OF FINANCIAL POSITION
At 31 March 2019**

ASSETS	Note	2019 £	2018 £
Fixed assets			
Intangible assets	12	696,970	1,055,036
Tangible assets	13	160,821	185,459
		<u>857,791</u>	<u>1,240,495</u>
Current assets			
Stocks	14	116,334	742,775
Financial instruments	20	176,115	-
Debtors: amounts falling due within one year	15	18,901,713	12,315,003
Cash at bank and in hand		7,083,798	2,001,805
		<u>26,277,960</u>	<u>15,059,583</u>
Total assets		<u>27,135,751</u>	<u>16,300,078</u>
CAPITAL, RESERVES AND LIABILITIES			
Capital and reserves			
Called up share capital	16	7,243,100	5,618,100
Profit and loss account	17	(34,644,496)	(22,499,585)
Total equity		<u>(27,401,396)</u>	<u>(16,881,485)</u>
Current liabilities			
Creditors: amounts falling due within one year	18	32,762,327	16,541,563
Financial instruments	20	259,820	-
		<u>33,022,147</u>	<u>16,541,563</u>
Non-current liabilities			
Creditors: amounts falling due after more than one year	19	21,515,000	16,640,000
Total equity and liabilities		<u>27,135,751</u>	<u>16,300,078</u>

The financial statements on pages 9 to 26 were approved by the Board of Directors on 26 June 2019 and signed on its behalf by:



Marek Majewicz
Managing Director
4 July 2019

Bristol Energy Limited
Registered No: 09135084

BRISTOL ENERGY LIMITED**STATEMENT OF CHANGES IN EQUITY**
For the year ended 31 March 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2017	3,868,100	(11,294,022)	(7,425,922)
Loss for the financial year being total comprehensive expense	-	(11,205,563)	(11,205,563)
Share capital issued	1,750,000	-	1,750,000
At 31 March 2018	5,618,100	(22,499,585)	16,881,485
Loss for the financial year being total comprehensive expense	-	(12,144,911)	(12,144,911)
Share capital issued	1,625,000	-	1,625,000
At 31 March 2019	7,243,100	(34,644,496)	(27,401,396)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2019

1. General Information

Bristol Energy Limited (the "Company") operates a gas and electricity supply business in the UK.

The Company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is 100 Temple Street, Bristol, England, BS1 6AG.

The functional and presentational currency of the Company is sterling.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently in the preparation of these financial statements:

2.2 Financial reporting standard 102 – reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Bristol City Council as at 31 March 2019 and these financial statements may be obtained from Bristol City Council, City Hall, College Green, Bristol, BS3 9FS.

2.3 Going concern

The Company has net liabilities and is currently reliant upon financial support from its ultimate parent, Bristol City Council. The directors have received confirmation from Bristol City Council that it will continue to provide funding to allow the Company to meet its debts as they fall due for a period of at least 12 months from the date of signing these financial statements. Accordingly, the directors believe that it is appropriate to prepare these financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised on the basis of electricity and gas supplied during the year. Revenue includes an estimate of the sales value of units supplied between the date of the last meter read and year end date. Revenue is recognised net of sales discounts, VAT and climate change levy.

Any unbilled revenue is included in trade revenue, net of related provisions, to the extent that it is considered recoverable. Accrued revenue supplied since the last billing date, is recognised in the balance sheet and is only netted off against deferred income once it has been billed and can be matched against specific customer payments.

2.5 Financing costs

Interest payable is recognised in the Statement of Comprehensive Income as it accrues, using the relevant interest rate and method.

2.6 Foreign currency transactions

Transactions in foreign currencies are recorded in sterling at the currency rate prevailing at the date of the transaction.

2.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the historic cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets include capitalised development costs relating to websites, software, and other IT assets. Cost includes internal payroll costs relating to staff working directly on the development of an asset when the following criteria are met:

- It is technically feasible to complete the asset such that it will be available for use;
- there is an ability to use or sell the asset;
- it can be demonstrated that the asset will generate probable future economic benefit.

Costs that do not meet these criteria, or which relate to maintaining websites or software are expensed as incurred.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

The estimated useful lives range as follows:

Software - 3 to 5 years

The Directors review intangible assets for impairment and a provision is made if necessary.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

2. Accounting policies (continued)

2.8 Tangible 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:

Leasehold improvements	-	Term of lease
Office equipment	-	4 years
Computer equipment	-	3 years

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.

2.9 Stock

Under the provisions of the Utilities Act 2000, all electricity suppliers are required to procure a set percentage of their supplies from accredited renewable electricity generators. This obligation can be fulfilled by the purchase and surrender of Renewable Obligation Certificates (ROCs) originally issued to generators, or by making payments to purchasers of ROCs. The cost obligation is recognised as it arises and is charged to the profit and loss account for the year to which the charge relates to. Gains or losses on disposal of ROCs are included in the profit and loss account as and when they crystallize. The stock of ROCs carried forward is valued at the lower of cost and estimated net realisable value.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

2. Accounting policies (continued)

2.12 Financial instruments

Debt instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

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 a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Derivatives and hedging

The company uses commodity purchase contracts to hedge its exposures to fluctuations in gas and electricity commodity prices. When commodity purchase contracts have been entered into as part of the Company's normal business activity, the Company classifies them as 'own use' contracts and outside the scope of FRS102.12. This is achieved when:

- Physical delivery takes place under all such contracts;
- The volumes purchase or sold under the contracts corresponds to the Company's operating requirements; and
- The contracts are not considered as written options as defined by the Standard.

Commodity purchase contracts not qualifying as 'own use' which also meet the definition of a derivative are treated as derivative financial instruments. This includes both financial and non-financial contracts.

Derivatives and other financial instruments are measured at fair value on the contract date and are re-measured to fair value at subsequent reporting dates. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income as they arise.

Right of offset

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

2. Accounting policies (continued)

2.13 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.

2.14 Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit or loss account on a straight-line basis over the period of the lease.

2.15 Post employment benefits

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax is calculated based on tax rates and laws that have been enacted, or substantively enacted, by the Statement of Financial Position date.

A deferred tax asset is recognised only if it is probable that future taxable profits will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make a number of key judgements in applying the company's accounting policies. The most significant judgements impacting these financial statements are:

Classification of commodity purchase contracts

As discussed on page 15, it is necessary for the directors to assess whether commodity purchase contracts are for "own use" in the company's normal course of business, or whether they are derivative financial instruments. The directors believe that a majority of such contracts held at 31 March 2019 fulfil the requirements to qualify as "own use".

Deferred tax assets

Deferred tax assets are only recognised when it is considered more likely than not that the Company will make future taxable profits against which the deferred tax asset can be utilised. Given that the Company is not expected to make a taxable profit during 2019/20, the directors have taken a view that it is not appropriate to recognise a deferred tax asset in respect of losses carried forward.

The directors also make estimates and assumptions concerning the future. The estimates that are most susceptible to a material adjustment to the carrying amount of assets and liabilities in the next twelve months are:

Revenue recognition

The nature of the energy industry in the UK and the reliance on meter read data for customer consumption results in revenue recognition being subject to a degree of estimation. Calculation of revenues from gas and electricity sales include an estimation of the value of electricity and gas supplied to customers based on the latest data available to the Company as at the reporting date. In recognising revenue, the company also makes an estimate of supplies that are not billable and revenue is recognised net of such amounts.

Energy purchase costs

Certain costs included in Cost of Sales are subject to the industry settlement process. This can typically take 14 months from the date of supply to be finalised, due to the processes that the energy market has to complete in order to finalise generation and consumption data for any period. Therefore, there is an element of power purchase costs that needs to be estimated based on a combination of internal and external data that is available at any particular point in time.

Impairment of trade debtors

Impairment against trade debtors are recognised where a loss is probable. The Directors have based their assessment of the level of impairment on expected non-collection rates using historical data. The estimates and assumptions used to determine the level of provision will be regularly reviewed as the Company grows and further trends and data becomes available.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

4. Turnover

Turnover arises from the supply of electricity and gas and related services in the United Kingdom to both residential and business customers.

5. Operating loss

Operating loss is stated after charging:

	2019	2018
	£	£
Depreciation of tangible fixed assets	111,427	113,042
Amortisation of intangible assets	375,066	414,582
Restructuring Costs	457,961	-
	<u>944,454</u>	<u>527,624</u>

Restructuring costs relate to the organisation being restructured to enable the business to be ready for future growth. These are viewed as one-off in nature and not part of the underlying business performance and therefore are excluded from the adjusted operating profit measure.

6. Auditors' remuneration

	2019	2018
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	49,400	40,000
	<u>49,400</u>	<u>40,000</u>

7. Employees

	2019	2018
	£	£
Wages and salaries	6,345,855	4,849,187
Social security costs	617,535	494,481
Other pension costs	268,146	168,830
	<u>7,231,536</u>	<u>5,512,498</u>

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

	2019	2018
	Number	Number
Operations	118	106
Management and administration	82	55
	<u>200</u>	<u>161</u>

BRISTOL ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
For the year ended 31 March 2019**8. Directors' remuneration**

	2019 £	2018 £
Directors' emoluments	411,428	343,000
Directors' PILON & termination	125,520	-
Company contributions to defined contribution pension	18,208	27,100
	<u>555,156</u>	<u>370,100</u>

The highest paid director received remuneration of £242,346 (2018: £165,000). The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £11,083 (2018: £15,000).

One of the directors at 31 March 2019 (2018: one) were not employed by the Company and received no remuneration in respect of their roles as directors of the Company. All directors who are employed by Bristol City Council received no additional remuneration in respect of their role as a director of the Company. The Company receives recharges from Bristol City Council in respect of the Directors' remuneration, as a proportional cost of their Council salary in relation to time spend as Director. The recharges comprise costs for salary, employer's national insurance and employer's pension contributions plus admin fee.

9. Interest receivable and similar income

	2019 £	2018 £
Bank interest receivable	7,474	1,837
Other interest receivable	1,835	-
	<u>9,309</u>	<u>1,837</u>

10. Interest payable and similar expenses

	2019 £	2018 £
Preference share interest payable	1,348,766	990,549
Other interest payable to group companies	159,813	138,741
	<u>1,508,579</u>	<u>1,129,290</u>

Other interest payable to group companies reflects interest payable on guarantees provided by the ultimate controlling party.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

11. Tax on loss**Corporation tax**

	2019 £	2018 £
Group taxation relief	(39,782)	(204,552)
Total tax credit	<u>(39,782)</u>	<u>(204,552)</u>

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
Loss before tax	<u>(12,184,692)</u>	<u>(11,410,114)</u>
Loss multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(2,315,091)	(2,167,922)
Effects of:		
Expenses not deductible for tax purposes	262,508	196,311
Deferred tax not recognised	2,012,801	1,737,059
Total current tax	<u>(39,782)</u>	<u>(204,552)</u>

Factors that may affect future tax charges

In his budget of 8 July 2015, the Chancellor of the Exchequer announced a reduction in the corporation tax rate to 19% for the financial year beginning 1 April 2017 and a further reduction to 18% for the financial year beginning 1 April 2020. The Finance Act 2016 reduced the main rate of corporation tax to 17% from 1 April 2020 (replacing the 18% rate) and was enacted on 15 September 2016. As these changes were substantively enacted at the balance sheet date, deferred tax has been calculated appropriately at these rates in the financial statements.

Unrecognised deferred tax asset

The Company has an unrecognised deferred tax asset at the year-end of £4,705,111 (2018: £2,898,574) made up mostly of trade losses of £4,654,455 (2018: £2,836,817), capital allowances of £45,244 (2018: £22,852) and others of £5,412 (2018: £38,905). This asset has not been recognised as the Directors do not believe that there is sufficient certainty that the Company will make taxable profits in the foreseeable future.

BRISTOL ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

12. Intangible assets

	Software £
Cost	
At 1 April 2018	1,869,669
Additions	17,000
At 31 March 2019	<u>1,886,669</u>
Accumulated Amortisation	
At 1 April 2018	814,633
Charge for the year	375,066
At 31 March 2019	<u>1,189,699</u>
Net book value	
At 31 March 2019	<u>696,970</u>
At 31 March 2018	<u>1,055,036</u>

13. Tangible assets

	Leasehold Improvements £	Office Equipment £	Computer Equipment £	Total £
Cost				
At 1 April 2018	132,694	20,131	258,179	411,004
Additions	-	116,139	19,399	135,538
Disposals	(130,645)	-	-	(130,645)
At 31 March 2019	<u>2,049</u>	<u>136,270</u>	<u>277,578</u>	<u>415,897</u>
Accumulated Depreciation				
At 1 April 2018	83,820	5,771	135,953	225,544
Charge for the year	-	38,619	72,808	111,427
Disposals	(81,895)	-	-	(81,895)
At 31 March 2019	<u>1,925</u>	<u>44,390</u>	<u>208,761</u>	<u>255,076</u>
Net book value				
At 31 March 2019	<u>124</u>	<u>91,880</u>	<u>68,817</u>	<u>160,821</u>
At 31 March 2018	<u>48,873</u>	<u>14,360</u>	<u>122,226</u>	<u>185,459</u>

BRISTOL ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

14. Stocks		
	2019	2018
	£	£
Renewable obligation certificates	116,334	742,775
	<u> </u>	<u> </u>
15. Debtors: amounts falling due within one year		
	2019	2018
	£	£
Trade debtors	6,116,047	5,110,306
Amounts owed by group undertakings	594,998	16,593
Group relief debtor	244,334	204,552
Other debtors	121	2,770,545
Prepayments and accrued income	11,946,213	4,213,007
	<u> </u>	<u> </u>
	<u>18,901,713</u>	<u>12,315,003</u>
	<u> </u>	<u> </u>
16. Called up share capital		
	2019	2018
	£	£
Allotted, called-up and fully paid		
7,243,100 (2018: 5,618,100) Ordinary shares of £1 each	7,243,100	5,618,100
	<u> </u>	<u> </u>
	<u>7,243,100</u>	<u>5,618,100</u>
	<u> </u>	<u> </u>

During the year the company issued ordinary shares at par for cash in the following tranches:

	£
23 April 2018	500,000
30 July 2018	500,000
18 February 2019	625,000
	<u> </u>
	<u>1,625,000</u>
	<u> </u>

17. Profit and loss account

The profit and loss account represents the accumulated profits, losses, and distributions of the Company.

BRISTOL ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

18. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	11,825,074	789,928
Amounts owed to group undertakings	3,151,530	1,944,158
Taxation and social security	59,187	230,534
Other creditors	678,615	2,162,635
Accruals and deferred income	17,047,921	11,414,308
	<u>32,762,327</u>	<u>16,541,563</u>

19. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Preference shares classified as a liability	21,515,000	16,640,000
	<u>21,515,000</u>	<u>16,640,000</u>

During the year, the Company issued cumulative redeemable preference shares in the following tranches:

	£
23 April 2018	1,500,000
30 July 2018	1,500,000
18 February 2019	1,875,000
	<u>4,875,000</u>

All shares were issued at a dividend rate of 7% redeemable at the option of the Company within 30 years with mandatory redemption in year to 31 March 2048. No premium is payable on redemption.

20. Financial Instruments

	2019 £	2018 £
Financial assets		
Derivative financial instruments measured at fair value through profit and loss	176,115	-
Financial assets that are debt instruments measured at amortised cost	19,756,961	12,110,451
	<u>19,933,076</u>	<u>12,110,451</u>
Financial liabilities		
Derivative financial instruments measured at fair value through profit and loss	(259,820)	-
Financial liabilities measured at amortised cost	(54,016,773)	(32,951,028)
	<u>(54,276,593)</u>	<u>(32,951,028)</u>

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors, and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors, accruals and preference share liabilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019**21. Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge amounted to £268,146 (2018: £168,830).

22. Commitments under operating leases

At 31 March 2019, the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	433,536	452,875
Later than 1 year and not later than 5 years	1,281,406	1,396,998
	<u>1,714,942</u>	<u>1,849,873</u>

The Company is committed to meter rental charges for meters based at customer premises owned by third parties. It is not possible to quantify the total financial commitment at 31 March 2019 as the obligation exists for as long as the customer remains with the Company. The total charge incurred in the current year was £1,469,762 (2018: £1,303,145).

23. Financial risk management and Impairment of financial assets

The Company's activities expose it to different financial risks:

- Market risk (mainly from commodity price risk)
- Credit risk
- Liquidity risk

The Audit and Risk Committee was constituted in March 2017 and meets at least 3 times each year. The Committee seeks to minimise the potential adverse financial effects of the above risks on the Company's financial performance. The terms of reference governing the Audit and Risk Committee were approved by the Board of Directors in February 2017.

Market risk

Commodity risk is the exposure that the Company has to price movements in the wholesale electricity and gas markets. The risk is mainly that the market price for commodities will fluctuate between the time that a tariff is set and the time at which the corresponding procurement cost is fixed; this may result in lower than expected margins or unprofitable sales. The Company is also exposed to volume risk in the form of uncertain consumption profiles arising from various factors including weather, economic climate and changes in energy consumption patterns.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

23. Financial risk management and Impairment of financial assets (continued)

The Company manages commodity risk by entering into forward contracts for a variety of periods. Energy procurement contracts are entered into and continue to be held for the purpose of the receipt of a non-financial item which is in accordance with the Company's expected purchase and sale requirements and are therefore out of scope of FRS 102. Energy contracts that are not financial Instruments under FRS 102 are accounted for as executory contracts and changes in fair value do not immediately impact profit or equity. So whilst the risk associated with energy procurement contracts outside the scope of FRS 102 is monitored for internal risk management purposes, only those energy contracts within the scope of FRS 102 are within the scope of the standard's disclosure requirements. As at 31 March 2019 the Company had forward contracts for energy delivery on future dates totalling £30,349,253 (2018: £16,887,927).

In addition to the contracts that are outside the scope of FRS102 as referred to above, the company also had a small number of contracts for which partially offsetting buy and sell positions had been taken. Although these contracts form part of the company's hedging strategy, they are recognised as assets and liabilities at fair value, as shown in note 20.

The Company does not use derivatives or other financial instruments for speculative purposes.

Credit risk

Credit risk is the risk to the Company that a counterparty to a financial instrument fails to meet its contractual obligations. This arises mainly from the Company's customer debts and from security deposits and prepayments to suppliers and distributors.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has net liabilities and is currently reliant upon financial support from its ultimate parent undertaking, Bristol City Council, for funding of its financial obligations. The directors have received confirmation from Bristol City Council that it will continue to provide funding to allow the Company to meet its debts as they fall due for a period of at least 12 months from the date of these financial statements.

The Directors use cashflow forecasts and sensitivity forecasting analysis to manage liquidity risk. The largest risk to the Company's liquidity is the potential for the Company to have to place margin calls against forward commodity contracts. Such payments could be required if the wholesale energy markets fell below the price of the forward contract. The Directors manage the Company's cash resources to ensure it has sufficient funds to meet all expected demands as they fall due.

A further risk to liquidity would arise from unusually cold weather or other factors causing customer volumes to be much higher than anticipated. This could place pressure on the Company's working capital as larger payments due to suppliers could become due before customer tariffs and collections could be adjusted. In addition, additional collateral would be required to allow additional energy to be procured in a short timeframe, which would require both cash and guarantees to be available.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

24. Related party transactions

The Company made purchases and received recharges from Bristol City Council in the year ended 31 March 2019 of £2,206,670 (2018: £578,029) and made sales relating to the supply of energy to Bristol City Council totalling £1,540,871 (2018: £2,353,787). As at 31 March 2019 £363,133 was due to Bristol City Council (2018: £496,088 due to Bristol City Council) and unbilled energy supplied to Bristol City Council amounted to £591,082 (2018: £4,830).

During the year, the Company received management recharges from Bristol Holding Limited of £33,667 (2018: £32,139) and recharged Bristol Holding Limited for management services totalling £7,825 (2018: £7,200). As at 31 March 2019, £24,302,393 was due to Bristol Holding Limited (2018: £18,088,070). This includes £21,515,000 in preference shares due after more than one year.

Bristol City Council provided guarantees on behalf of the Company to counter-parties in order to enable the Company to undertake the purchase of energy in the normal course of business. Total guarantees in place as at 31 March 2019 were £16,658,240 (2018: £7,108,240).

The Company made purchases and received recharges from Bristol Waste Limited in the year ended 31 March 2019 of £nil (2018: £375) and made sales relating to the supply of energy to Bristol Waste Limited totalling £106,784 (2018: £23,177). As at 31 March 2019 unbilled energy supplied to Bristol Waste Limited amounted to £3,916 (2018: £11,762).

25. Ultimate parent undertaking and controlling party

The immediate parent company is Bristol Holding Limited, a company incorporated in England and Wales.

The ultimate parent undertaking is Bristol City Council. The financial statements for Bristol City Council are available from the address shown in Note 1.

The smallest and largest undertaking for which the Company is a member and for which group financial statements are prepared is Bristol City Council.

Overview and Scrutiny Management Board

14 August 2019



Title: Bristol Holding Limited Annual Performance 2018/2019

Officer Presenting Report: Penny Fell, Director: Commercialisation and Citizens ;
Shareholder Liaison

Contact Telephone Number: 0117 922 2287

Recommendation:

Members to review the Annual Report and Accounts of Bristol Holding Limited for the year 2018/2019

Appendices:

Bristol Holding Limited. 'Annual Report'

Bristol Holding Limited Annual Report and Financial Statements for the year ended 31 March 2019



Bristol Holding Company (09485669) - Annual report 2018 / 2019.

The single shareholder of the company is Bristol City Council.

During the year the process of structuring the company to accommodate more than just the two principle operational organisations and the one dormant company has begun. As a consequence the Board was prepared for a transition to reflect the changes required to bring a property company and a technology organisation within the compass of the Holding Company.

The preparation was undertaken and the business plan was prepared during 2018 however the changes were confirmed by the Bristol City Council Cabinet during early April 2019.

Resignations

Directors have stood down early in the year as they left the employ of the Council. This provided the opportunity to restructure the Board. It would be appropriate to record our thanks to:

Alison Comley,

William Edrich (who acted as Managing Director for the company),

Shahzia Daya (as Company Secretary).

Mike Kinski, already a Non Executive Director, stepped into the role of Chair. David Lawrence was appointed as a Director by the Council in July 2018.

The Shareholder has spent a period of time examining the models used by other Local Authorities and has now settled upon a model that fits its present structures and its purpose.

Mike Kinski has signaled his intention to resign as Chair on the 30th April 2019 having provided a number of years of service to the company as a Non Executive Director prior to becoming Chair.

This change is recorded as it places the company in a position to restructure the Board to address the new challenges that the Council's Companies face in 2019 / 2020 and beyond. Bristol Holding looks forwards to welcoming new Directors as the structure of the holding company (and its related companies) becomes clearer over the coming months.

Share Holdings

During the year Bristol Holding Ltd has subscribed for additional shares in Bristol Energy in May, June, and October 2018, to provide that company with additional funding. These allotments are correctly registered in the Company's statutory books. Following year end, there was a subsequent allotment in June which was also recorded, and a further allotment is due to take place during June 2019 in line with the business plan.

An equivalent number of shares in the Company have been issued to Bristol City Council over the same period, and the relevant filings have been made at Companies House.

Auditors

The company holds the contract with Price Waterhouse Coopers (PWC) for the annual audit of the company's financial processes and the agreement of the accounts, also those of the subsidiaries.

PWC has completed the contract period and the service is now being procured for a further three years. The procurement has been undertaken by the Bristol City Council procurement team within an OJEU compliant framework. This given the scale of the fee over a three year period. This process will be completed by the occasion of the Shareholders Annual Meeting with the trading companies in July 2019.

PWC will continue to provide audit services to the companies until we appoint another auditor following the procurement process.

Directors of Bristol Holding Company would like to thank PWC for their diligence over the last four years.

Balloon Fiesta

The Company contracted with the Balloon Fiesta for a three year period of sponsorship. The 2018 event was the last event of the three. No further commitments have been made.

The Bristol Energy Company and the Bristol Waste Company have benefit from this sponsorship as the 'brands' are the visible/tangible representation of the Bristol Holding Company throughout the event.

The Energy Company has good evidence that a proportion of visitors to the event have signed up as new customers for its services following these events.

Looking forwards

The Board is aware of new corporate developments that the Council is considering. Clearly proposals for new companies and joint ventures need to fit comfortably within the structure of the Bristol Holding Company arrangements and the company will need to be resourced in an appropriate fashion. The decision by the Bristol City Council's Cabinet provides transitional resources from the beginning of the 2019/20 financial year. The Board will be expanded so that it can play an appropriate role and provide assistance to these developments where it is able.

DL 18.06.2019

Company Registration Number 09485669

BRISTOL HOLDING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2019

BRISTOL HOLDING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

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BRISTOL HOLDING LIMITED

COMPANY INFORMATION

Directors	M A Jackson (appointed 30 April 2019) D Lawrence (appointed 24 July 2018, resigned 28 June 2019) P Fell (appointed 21 May 2019)
Registered number	09485669
Registered office	SLT Management Suite PO Box 3176 9 Willway Street Bristol BS3 9FS
Independent auditor	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Glass Wharf Bristol BS2 0FR

BRISTOL HOLDING LIMITED

STRATEGIC REPORT

The directors present their Strategic Report for Bristol Holding Limited (the "Company") for the year ended 31 March 2019.

Principal activities and business review

The principal activity of the Company continued to be that of holding investments.

The Company is wholly owned by Bristol City Council (the "Council"), and is an intermediate holding company for investments in Bristol Waste Company Limited and Bristol Energy & Technology Services (Supply) Limited. Bristol City Council, via its elected members and executive officers, manage operations at a Council level. For this reason, the Company's directors believe that analysis using key performance indicators is not necessary or appropriate for an understanding of the business of the Company. The financial risk management policies, which include those of the Company, are discussed in the Council's Annual Report which does not form part of this report, but will be publicly available.

The principal risk relating to the Company relates to the carrying value of its investment in subsidiaries. This risk is directly related to the performance of its subsidiaries which is discussed in their Annual Reports, which do not form part of this report.

Financial results

The loss for the financial year amounted to £107,384 (2018: loss of £11,626,224).

The prior year loss predominantly resulted from an impairment charge recognised in respect of the Company's investment in its subsidiaries. A review was performed at the year-end date in respect of the investment held in its subsidiaries and based on recent market information, an impairment of £nil (2018: £11,548,100) has been recognised. This reflects a prudent position in respect of the valuation of the Company's investments.

Total equity amounted to (£4,794,509) (2018: (£6,312,125)).

This report was approved by the board and signed on its behalf by



M A Jackson
Director
8 July 2019

BRISTOL HOLDING LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for Bristol Holding Limited (the "Company") for the year ended 31 March 2019.

Principal activities and business review

As set out in the Strategic Report, the principal activity of the Company continued to be that of holding investments. The principal risks and uncertainties facing the Company, and their management, are discussed in the Strategic Report, together with a review of the business performance in the year

Dividends

The directors do not recommend the payment of a dividend (2018: £nil).

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

A H Comley	(resigned 31 May 2018)
W R Edrich	(resigned 16 April 2018)
M A Jackson	(appointed 30 April 2019)
M J Kinski	(resigned 30 April 2019)
D Lawrence	(appointed 24 July 2018, resigned 28 June 2019)
P Mellor	(appointed 10 May 2018, resigned 27 July 2018)
P Fell	(appointed 21 May 2019)

Future developments

The year-end position was considered satisfactory and the Directors expect that the present level of activity will be sustained for the foreseeable future.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

BRISTOL HOLDING LIMITED

DIRECTORS' REPORT (continued)

Directors' responsibilities statement (continued)

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Financial risk management

The Company is exposed to liquidity risk as it is required to manage its working capital to ensure that it maintains sufficient cash to enable it to meet its debts as they fall due but is reliant on Bristol City Council to provide further funding. The company has no significant exposure to interest rate risks as its funding is primarily through fixed interest preference shares.

Qualifying third party indemnity provisions

The Company maintains directors' and officers' insurance on behalf of its Directors. A qualifying third party indemnity provision was in force throughout the financial year and also at the date of approval of the financial statements.

Disclosure of information to auditors

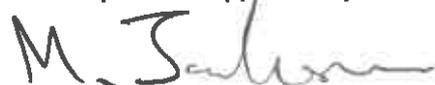
Each of the persons who are Directors at the time when this Directors' Report is approved have confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that 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 Company's auditors are aware of the information.

Going concern

The Company has net liabilities and is currently reliant upon financial support from its ultimate shareholder, Bristol City Council. The directors have received confirmation from Bristol City Council that it will continue to provide funding to allow the Company to meet its debts as they fall due for a period of at least 12 months from the date of these financial statements. Accordingly, the directors believe that it is appropriate to prepare these financial statements on a going concern basis.

This report was approved by the board and signed on its behalf by:



M A Jackson
Director
8 July 2019

BRISTOL HOLDING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTOL HOLDING LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Bristol Holding Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position at 31 March 2019; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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 company'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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTOL HOLDING LIMITED (continued)

Reporting on other information (continued)

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

BRISTOL HOLDING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISTOL HOLDING LIMITED (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Paul Nott (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

8 July 2019

BRISTOL HOLDING LIMITED**STATEMENT OF COMPREHENSIVE INCOME**
For the year ended 31 March 2019

	Note	2019 £	2018 £
Administrative expenses		(132,333)	(64,277)
Other operating income		67,333	64,277
Amounts written off investments		-	(11,548,100)
Operating loss		(65,000)	(11,548,100)
Interest receivable and similar income	8	1,348,794	990,561
Interest payable and similar expenses	9	(1,391,178)	(1,068,688)
Loss before taxation		(107,384)	(11,626,227)
Tax on loss	10	12,350	3
Loss for the financial year, being total comprehensive expense for the year		(95,034)	(11,626,224)

BRISTOL HOLDING LIMITED**STATEMENT OF FINANCIAL POSITION
At 31 March 2019**

ASSETS	Note	2019 £	2018 £
Fixed assets			
Investments	11	17,310,000	10,810,000
		<u>17,310,000</u>	<u>10,810,000</u>
Current assets			
Debtors: amounts falling due within one year	12	2,849,274	1,519,911
Cash at bank and in hand		45,080	52,346
		<u>2,894,354</u>	<u>1,572,257</u>
Total assets		<u>20,204,354</u>	<u>12,382,257</u>
LIABILITIES			
Capital and reserves			
Called up share capital	13	7,293,100	5,668,100
Profit and loss account	14	(12,075,259)	(11,980,225)
Total equity		<u>(4,782,159)</u>	<u>(6,312,125)</u>
Current liabilities			
Creditors: amounts falling due within one year	15	2,868,075	1,450,944
Non-current liabilities			
Creditors: amounts falling due after more than one year	16	22,118,438	17,243,438
Total equity and liabilities		<u>20,204,354</u>	<u>12,382,257</u>

The financial statements on pages 9 to 20 were approved by the Board of Directors on 8 July 2019 and signed on its behalf by



M A Jackson
Director
8 July 2019

Bristol Holding Limited
Company Registered Number: 09485669

BRISTOL HOLDING LIMITED**STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2019**

	Called up Share capital £	Profit and loss account £	Total equity £
At 1 April 2017	3,918,100	(354,001)	3,564,099
Loss for the financial year	-	(11,626,224)	(11,626,224)
Ordinary Shares issued during the year	1,750,000	-	1,750,000
At 31 March 2018	<u>5,668,100</u>	<u>(11,980,225)</u>	<u>(6,312,125)</u>
Loss for the financial year	-	(95,034)	(95,034)
Ordinary Shares issued during the year	1,625,000	-	1,625,000
At 31 March 2019	<u>7,293,100</u>	<u>(12,075,259)</u>	<u>(4,782,159)</u>

BRISTOL HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

1. General Information

Bristol Holding Limited is a private Company, limited by shares and incorporated in the United Kingdom under the Companies Act 2006. The Company is registered and domiciled in England & Wales, United Kingdom.

The principal activity of the Company is that of a holding company. The Company's registered office is Slit Management Suite PO Box 3176, 9 Willway Street, Bristol BS3 9FS and its registered number is 09485669.

The Company is a wholly-owned subsidiary of Bristol City Council and is included in the consolidated financial statements of Bristol City Council which are publicly available from Bristol City Council, City Hall, College Green, Bristol, BS3 9FS. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The functional currency of the Company is considered to be sterling.

The following principal accounting policies have been applied consistently in the preparation of these financial statements.

2.2 Financial reporting standard 102 – reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

BRISTOL HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2019

2. Accounting policies (continued)

2.3 Going concern

The Company has net liabilities and is currently reliant upon financial support from its ultimate shareholder, Bristol City Council. The directors have received confirmation from Bristol City Council that it will continue to provide funding to allow the Company to meet its debts as they fall due for a period of at least 12 months from the date of these financial statements. Accordingly, the directors believe that it is appropriate to prepare these financial statements on a going concern basis.

2.4 Other operating income

Operating income arises from management charges receivable from subsidiary companies.

2.5 Investments

Investments in subsidiaries are measured at cost less provision for impairment.

2.6 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.

2.7 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.

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

BRISTOL HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **For the year ended 31 March 2019**

2. Accounting policies (continued)

2.8 Financial instruments (continued)

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 a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

2.9 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.

2.10 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax is calculated based on tax rates and laws that have been enacted, or substantively enacted, by the Statement of Financial Position date.

A deferred tax asset is recognised only if it is probable that future taxable profits will be available against which the temporary differences can be utilised.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The key estimates and judgements made by the directors in the preparation of the financial statements are in respect of provision for impairment of investments and recognition of deferred tax assets.

Deferred tax assets are only recognised when it is considered more likely than not that the Group will make future taxable profits against which the deferred tax asset can be utilised. Given that the Company is not expected to make a taxable profit during 2019/20, the directors have taken a view that it is not appropriate to recognise a deferred tax asset in respect of losses carried forward.

Provision for impairment

An impairment has been recognised based on the difference between the carrying value of the Company's investments in subsidiaries and the fair value of such investments based on available market data. The impairment reflects information based on transactions arising in the past financial year for companies operating in the same market sector. Based on this data, a prudent estimate of the valuation does not result in a further impairment in the current year, following the impairment recorded in 2017/18.

4. Other operating income

Operating Income during the year was received from management charges to subsidiary companies. All amounts arose within the United Kingdom.

BRISTOL HOLDING LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
For the year ended 31 March 2019**5. Auditors' remuneration**

	2019	2018
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	3,100	3,000

6. Employees

	2019	2018
	£	£
Wages and salaries	12,143	12,000
Social security costs	513	366
	<u>12,656</u>	<u>12,366</u>

The average monthly number of employees, including directors, during the year was one (2018: one).

7. Directors' remuneration

	2019	2018
	£	£
Directors' emoluments	12,143	12,000

There were two (2018: two) directors that were not employed by the Company and received no remuneration in respect of their role as a director of the Company. One director received remuneration, as shown above, and was therefore also the highest paid director (2018: one).

All directors who are employed by Bristol City Council received no additional remuneration in respect of their role as a director of the company.

8. Interest receivable and similar income

	2019	2018
	£	£
Interest receivable and similar income	1,348,794	990,561

Interest receivable relates to interest accruing at 7% on the preference shares issued to the company by Bristol Energy Limited (see also note 11).

BRISTOL HOLDING LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
For the year ended 31 March 2019**9. Interest payable and similar expenses**

	2019	2018
	£	£
Interest payable and similar expenses	<u>1,391,178</u>	<u>1,068,688</u>

Interest payable relates to interest charges accruing at 7% on the preference shares issued by the company to Bristol City Council, its shareholder (see also note 16).

10. Tax on loss**Corporation tax**

	2019	2018
	£	£
Current tax on profits for the year	(12,350)	(3)
Total tax	<u>(12,350)</u>	<u>(3)</u>

Factors affecting tax charge for the year

The tax assessed for the year lower than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019	2018
	£	£
Loss before taxation	<u>(107,384)</u>	<u>(11,626,227)</u>
Loss multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(20,403)	(2,208,983)
Effects of:		
Expenses not deductible for tax purposes	8,053	2,208,980
Deferred tax not recognised	-	3
Other	-	(3)
Total current tax	<u>(12,350)</u>	<u>(3)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

10. Tax on loss (continued)

Factors that may affect future tax charges

In his budget of 8 July 2015, the Chancellor of the Exchequer announced a reduction in the corporation tax rate to 19% for the financial year beginning 1 April 2018 and a further reduction to 18% for the financial year beginning 1 April 2020. The Finance Act 2016 reduced the main rate of corporation tax to 17% from 1 April 2020 (replacing the 18% rate) and was enacted on 15 September 2016. As these changes were substantively enacted at the balance sheet date, deferred tax has been calculated appropriately at these rates in the financial statements.

Unrecognised deferred tax asset

The Company has an unrecognised deferred tax asset at the year-end of £11,274 (2018: 11,274) in respect of losses.

11. Investments

	Investment in subsidiary undertaking £
Cost	
At 1 April 2018	22,358,100
Additions	6,500,000
	<hr/>
At 31 March 2019	28,858,100
	<hr/>
Impairment	
At 1 April 2018 and 31 March 2019	11,548,100
	<hr/>
At 31 March 2019	17,310,000
	<hr/>
At 31 March 2018	10,810,000
	<hr/>

Additions in the year relate to share capital (preference and ordinary shares) purchased in the Company's subsidiary Bristol Energy Limited. Details of the Company's subsidiaries are in Note 21 to the financial statements.

The impairment in the prior year was based on an estimate of fair value less costs to sell and was based on assumptions that take account of transactions that have occurred recently in the same market sector. The directors have applied a consistent methodology in the current year and have concluded there is no further impairment required.

BRISTOL HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2019

12. Debtors: amounts falling due within one year

	2019 £	2018 £
Amounts owed by group undertakings	2,836,921	1,487,408
Group relief debtor	12,353	3
Other debtors	-	32,500
	<u>2,849,274</u>	<u>1,519,911</u>

13. Called up share capital

	2019 £	2018 £
Allotted, called up and fully paid		
7,293,100 (2018: 5,668,100) Ordinary shares of £1 each	7,293,100	5,668,100
	<u>7,293,100</u>	<u>5,668,100</u>

During the year, the Company issued ordinary shares of £1 each at par for cash as follows:

	£
23 April 2018	500,000
30 July 2018	500,000
18 February 2019	625,000
	<u>1,625,000</u>

14. Profit and loss account

The profit and loss account represents the accumulated profits, losses, and distributions of the Company.

15. Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	2,832,469	1,442,969
Taxation and social security	501	406
Accruals and deferred income	25,907	7,569
Other creditors	9,198	-
	<u>2,868,075</u>	<u>1,450,944</u>

BRISTOL HOLDING LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
For the year ended 31 March 2019**16. Creditors: amounts falling due after more than one year**

	2019	2018
	£	£
Preference shares classified as financial liabilities	<u>22,118,438</u>	<u>17,243,438</u>

During the year, the Company issued cumulative redeemable preference shares in the following tranches:

	£
23 April 2018	1,500,000
30 July 2018	1,500,000
18 February 2019	1,875,000
	<u>4,875,000</u>

All shares were issued at a dividend rate of 7% redeemable at the option of the Company within 30 years with mandatory redemption in the year ending 31 March 2048. No premium is payable on redemption.

17. Financial Instruments

	2019	2018
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>2,836,921</u>	<u>1,519,911</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(24,986,513)</u>	<u>(18,693,976)</u>

Financial assets measured at amortised cost comprise amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings, other creditors, accruals and preference shares classified as a liability.

BRISTOL HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2019

18. Related party transactions

During the year, the Company received recharges from Bristol City Council of £44,771 (2018: £38,602). The Company made recharges of £nil to Bristol City Council (2018 £nil). As at 31 March 2019 £2,843,136 was due to Bristol City Council (2018: £1,448,069) excluding preference shares.

During the year, the Company made recharges to Bristol Waste Company Limited of £40,489 (2018: £32,139). As at 31 March 2019 £40,489 was due from Bristol Waste Company Limited (2018: £32,139).

During the year, the Company made recharges to Bristol Energy Limited of £33,667 (2018: £32,139). The Company received recharges of £7,825 (2017: £7,200) from Bristol Energy Limited. As at 31 March 2019 £2,787,393 (2018: £1,435,769) was due from Bristol Energy Limited, excluding preference shares.

In addition, the company issued Preference Shares to Bristol City Council and acquired preference shares from Bristol Energy Ltd as shown in notes 11 and 16.

19. Ultimate parent undertaking and controlling party

The immediate and ultimate parent Company and controlling party is Bristol City Council. The financial statements for Bristol City Council are available from the address shown in Note 1. The smallest and largest undertaking for which the company is a member and for which group financial statements are prepared is Bristol City Council.

20. Subsidiary undertakings

The following were subsidiary undertakings of the Company.

Name	Country of Incorporation	Registered Office	Class of Shares	Holding	Principal Activity
Bristol Waste Company Limited	England	Albert Road Depot, Albert Road, Bristol, England, BS2 0XS	Ordinary	100%	Waste disposal services
Bristol Energy Limited	England	100 Temple Street, Bristol England, BS1 6AG	Ordinary and Preference	100%	Electricity and gas supplier
Bristol Energy & Technology Services (Supply) Limited	England	100 Temple Street, Bristol England, BS1 6AG	Ordinary	100%	Dormant

