

## Question 9 – Cllr Geoff Gollop

12. The Financial statements say the investment in BE is fully impaired-£37m, and that there is a further charge in 2021 accounts of £3,7m. Does this mean that the total cost of the BE investment was £40.7m?

*Answer: The total value of the investment was £36.5m and has been fully impaired in BCC's 20/21 accounts. A indemnity of up to £7.3m has been agreed to meet future costs as we progress towards the orderly wind down of the company and any potential company liabilities(including Renewables Obligation Certificates (ROCs) liabilities) that could arise during this final stage. During the year £2.7m was drawn down from this fund. In the accounts at 31 March 2021 an estimated £3.7m provision has been outlined to reflect liabilities associated with winding up of Bristol Energy.*

13. Were there any other costs such as money channelled through City Leap that should also be included?

*Answer: No. Services commissioned via City Leap are not part of the company investment. All transactions between the Council and Bristol Energy are disclosed within related parties transaction notes.*

14. There is reference to the interest receivable being written off. What was the total amount written off and how much of that was in the 2021 accounts?

*Answer: The total value of the preference share interest accrued in BCC's accounts was £6.448m. However, it is important to note the annually approved business plan did not assume payment of these dividends and they have been provided for in full, on a year on year basis in the Council's accounts. After 31 March 2021 a decision was made to convert the preference shares to ordinary shares to facilitate the winding down of the business and formally write off the preference share interest. A post balance sheet event note explaining this will appear in the next draft of the accounts to be published on the Council's website on 29 July.*

15. Are there any further costs from 1st April 2021 up to the appointment of the liquidator that will need to be reflected in the 2022 accounts?

*Answer: Cabinet had previously agreed an indemnity agreement of up to £7.3m to meet future costs. Liabilities and receipts continue to be finalised and in April 2021 a further £3.7m has been paid. The net position (liabilities and receipts) will be disclosed within the Council's accounts for 2021/22.*

16. Do Grant Thornton accept that the cumulative loss in respect of BE is sufficiently material to the accounts that a note quantifying the whole loss should be included within the accounts to present a true and fair view?

*Answer: We will review the disclosures included within the draft statement of accounts when we receive them and will consider whether management's disclosures in relation to Bristol Energy are sufficient. As discussed at the last Committee, our forthcoming report will also seek to address this matter.*