

Company Registration Number: SC230617

BHA Enterprise Ltd
Financial Statements
For the year ended
31 March 2023



CT:

BHA Enterprise Ltd

Financial Statements

Year ended 31 March 2023

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BHA Enterprise Ltd

Officers and Professional Advisers

The Board of Directors

R Hann (Chair)
A Brough
J Campbell
J Davidson (Resigned 04/08/2022)
N MacPhail (Resigned 07/10/2022)

Company Secretary

E Rooke

Registered Office

55 Newtown Street
Duns
Berwickshire
TD11 3AU

Auditor

CT
Chartered Accountants & Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

BHA Enterprise Ltd

Directors' Report

Year ended 31 March 2023

The directors present their report and the financial statements of the company for the year ended 31 March 2023.

Principal activities

BHA Enterprise Ltd is a wholly owned subsidiary of Berwickshire Housing Association Limited (the "Association" or "BHA"). BHA Enterprise Ltd leases the Association's Mid Market Rented (MMR) properties (12) and lets these to tenants under a management agreement with the Association.

BHA Enterprise Ltd owns 2/3rds membership share of Berwickshire Community Renewables LLP (BCR). BCR has a long lease on a site at Hoprigshiels in Berwickshire and has developed a three-turbine windfarm. BCR's activities are debt funded by Triodos Bank. The windfarm has been operational since 31 March 2017. BHA Group's share of the profits of the windfarm will be invested in its existing housing stock in Berwickshire. The other member of the joint venture, having a 1/3rd interest, is Community Energy Scotland Trading Limited, a wholly owned subsidiary of Community Energy Scotland.

Directors

The directors who served the company during the year were as follows:

R Hann (Chair and Independent Board Member)

A Brough (Independent Board Member)

J Campbell (BHA Board Representative)

J Davidson (Independent Board Member) – resigned 4th August 2022

N MacPhail (BHA Board Representative) – resigned 7th October 2022

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on a 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.

BHA Enterprise Ltd

Directors' Report *(continued)*

Year ended 31 March 2023

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 15 August 2023 and signed on behalf of the board by:

Ruth Hann

R Hann
Director

Independent Auditor's Report to the Members of BHA Enterprise Ltd

CT:

Year ended 31 March 2023

Opinion

We have audited the financial statements of BHA Enterprise Ltd for the year ended 31 March 2023 which comprise the statement of income and retained earnings, statement of financial position, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Independent Auditor's Report to the Members of
BHA Enterprise Ltd (continued)**

CT:

Year ended 31 March 2023

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and the returns; or
- certain disclosures of directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

**Independent Auditor's Report to the Members of
BHA Enterprise Ltd (continued)**

CT:

Year ended 31 March 2023

Auditor's responsibilities for the audit of the financial statements (cont'd)

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the company's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the directors;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jeremy Chittleburgh, CA (Senior Statutory Auditor)

For and on behalf of

CT

Chartered Accountants & Statutory Auditor

61 Dublin Street

Edinburgh

EH3 6NL

17 August 2023

BHA Enterprise Ltd**Statement of Income and Retained Earnings****Year ended 31 March 2023**

	Note	2023 £	2022 £
Turnover		66,632	66,339
Cost of sales		(74,738)	(62,819)
Gross profit		(8,106)	3,520
Administrative expenses		(20,433)	(20,281)
Operating loss		(28,539)	(16,761)
Other interest receivable and similar income	5	400,753	320,040
Profit before taxation		372,214	303,279
Tax on profit		-	-
Profit for the financial year and total comprehensive income		372,214	303,279

All the activities of the company are from continuing operations.

The notes on pages 10 to 12 form part of these financial statements

BHA Enterprise Ltd
Statement of Financial Position
31 March 2023

	Note	£	2023	£	£	2022	£
Fixed Assets							
Investments	6			<u>100,000</u>		<u>100,000</u>	<u>100,000</u>
Current Assets							
Debtors	7		<u>22,108</u>			<u>22,937</u>	
Cash at bank and in hand			<u>305,785</u>			<u>652,677</u>	
			<u>327,893</u>			<u>675,614</u>	
Creditors: amounts due within one year	8		<u>(6,255)</u>			<u>(6,190)</u>	
Net current assets				<u>321,638</u>			<u>669,424</u>
Total assets less current liabilities				<u>421,638</u>			<u>769,424</u>
Net assets				<u>421,638</u>			<u>769,424</u>
Capital and reserves							
Called up share capital	9			<u>1</u>		<u>1</u>	
Profit and loss account				<u>421,637</u>		<u>769,423</u>	
Members funds				<u>421,638</u>		<u>769,424</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. They constitute the annual financial statements required by the Companies Act 2006 and are for circulation to the members of the company.

These financial statements were approved by the board of directors and authorised for issue on 15 August 2023, and are signed on behalf of the board by:

Ruth Hann

R Hann
 Director

Company registration number: SC230617

The notes on pages 10 to 12 form part of these financial statements

BHA Enterprise Ltd**Statement of Changes in Equity****31 March 2023**

	Called up share capital £	Profit and loss account £	Total £
At 31 March 2021	1	466,144	466,145
Profit for the year	-	303,279	303,279
Other comprehensive income for the year:			
Distributions – gift aid	-	-	-
Total comprehensive income for the year	-	303,279	303,279
At 31 March 2022	1	769,423	769,424
Profit for the year	-	372,214	372,214
Other comprehensive income for the year:			
Distributions – gift aid	-	(720,000)	(720,000)
Total comprehensive income for the year	-	(347,786)	(347,786)
At 31 March 2023	1	421,637	421,638

The notes on pages 10 to 12 form part of these financial statements

BHA Enterprise Ltd

Notes to the Financial Statements

Year ended 31 March 2023

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is 55 Newtown Street, Duns, Berwickshire, TD11 3AU.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The financial statements have been prepared on a going concern basis. The current economic conditions present increased risks for all businesses. In response to such conditions, the directors have carefully considered these risks, including an assessment of the uncertainty on future operations for a period of at least 12 months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis. Based on this assessment, the directors consider that the Company maintains an appropriate level of liquidity, sufficient to meet the demands of the business. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents rents and service charges receivable. Revenue is recognised when the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Profit distributions from subsidiaries are measured at fair value of the consideration received and reported within other interest receivable and similar income. Distributions are recognised when the income is received as no obligation exists before this point.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Investments in subsidiaries

Investments in subsidiaries are recorded at cost less any accumulated impairment losses. The company does not prepare consolidated financial statements as its parent, Berwickshire Housing Association, prepares financial statements for the group as a whole. The company's share of the results arising from its 2/3rds share of Berwickshire Community Renewables LLP are included in the group consolidation and are not included in the company's income for the year.

BHA Enterprise Ltd**Notes to the Financial Statements** *(continued)***Year ended 31 March 2023****3. Accounting policies** *(continued)*¹⁰**Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. The company has only basic financial instruments such as trade debtors, cash and creditors and accruals. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost.

4. Auditor's remuneration

	2023 £	2022 £
Fees payable for the audit of the financial statements	<u>2,940</u>	<u>2,880</u>

5. Other interest receivable and similar income

	2023 £	2022 £
Interest on bank deposits	753	40
Profit distribution from Berwickshire Community Renewables LLP	<u>400,000</u>	<u>320,000</u>
	<u>400,753</u>	<u>320,040</u>

6. Investments

	Investment in subsidiary undertaking £
Cost – capital contribution	
At 1 Apr 2022 and 31 Mar 2023	<u>100,000</u>
Carrying amount	
At 31 March 2023	<u>100,000</u>
At 31 March 2022	<u>100,000</u>

The company controls Berwickshire Community Renewables LLP via a 2/3rds majority of the voting rights.

7. Debtors

	2023 £	2022 £
Trade Debtors	5,295	6,214
Accrued Income	<u>16,813</u>	<u>16,723</u>
	<u>22,108</u>	<u>22,937</u>

BHA Enterprise Ltd**Notes to the Financial Statements** *(continued)***Year ended 31 March 2023****8. Creditors: amounts falling due within one year**

	2023	2022
	£	£
Trade Creditors	-	-
Amounts owed to parent entity	-	-
Accruals and deferred income	6,065	6,000
Other tax and social security	190	190
	<u>6,255</u>	<u>6,190</u>

The amounts owed to group undertakings are unsecured, interest free and repayable on demand.

9. Share capital

	2023		2022	
	No	£	No	£
Allotted, called up and fully paid:				
Ordinary shares of £1	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

10. Controlling entity and related party transactions

BHA Enterprise Ltd is a wholly owned subsidiary of Berwickshire Housing Association Limited (registered address 55 Newtown Street, Duns). The company is using the exemptions on disclosing transactions within a 100% controlled group.

BHA Enterprise Ltd controls 2/3rds of Berwickshire Community Renewables LLP (BCR). There were no intercompany charges or balances during the current or prior year.