Financial statements Dalry Community Wind Company Limited

For the year ended 30 November 2017

MONDAY

A7AB1X60
A08 16/07/2018 #105
COMPANIES HOUSE

Company No. SC269645

Officers and professional advisers

Company registration number	SC269645
Registered office	Lindsays Caledonian Exchange 19A Canning Street Edinburgh EH3 8HE
Directors	D A Wood R M H Wood
Secretary	D A Wood
Banker	Barclays Bank Plc Whetstone & Finchley London N20 0PB
Solicitor	Lindsays Caledonian Exchange 19A Canning Street Edinburgh EH3 8HE
Auditor	KPMG LLP 8 Princes Parade Liverpool L3 1QH

Contents

Directors' report

The directors present their report and the financial statements of Dalry Community Wind Company Limited ("the Company") for the year ended 30 November 2017.

Principal activity

The principal activity of the Company during the year was that of the operation of community renewable energy projects.

The Company has met the requirements in The Companies Act 2006 to obtain the exemption provided, based on its size, from the presentation of a strategic report.

Directors

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

D A Wood
R M H Wood

Results for the year

During the year, the Company made a profit of £2,320,916 *(2016: £1,680,089).*

The Company has paid a dividend of £2,000,000 *(2016: £790,000).*

Going concern

The directors consider the Company's performance on a semi-annual basis, in particular, liquidity, cash-flows, forecasted turnover, borrowings and business risks. The reviews performed during the year have confirmed that the business is well placed to manage future business risks despite the current economic outlook.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Provision of information to auditor

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

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- that the directors have taken all steps that they ought to have taken as directors in order to be aware of any information needed by the Company and the auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information

Directors' report *(continued)*

Auditor's reappointment

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the board

R.M.H. Wood
Director

Date: 23 May 2018

Statement of Directors' Responsibilities In Respect Of The Directors' Report And The Financial Statements

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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

KPMG

Independent Auditor's Report to the Members of Dalry Community Wind Farm Limited

We have audited the financial statements of Dalry Community Wind Farm Limited ("the Company") for the year ended 30 November 2017 which comprise the profit loss account and other comprehensive income, balance sheet and statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 November 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

KPMG

Independent Auditor's Report to the Members of Aikengall II Community Wind Company Limited *(continued)*

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Will Baker (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Princes Parade
Liverpool
L3 1QH

Date: 24 May 2018

Profit and loss account and other comprehensive income

For the year ended 30 November 2017

	Notes	2017 £	2016 £
Turnover		**4,731,893**	3,777,192
Cost of sales		**(1,219,274)**	(737,081)
Gross profit		**3,512,619**	3,040,111
Other operating charges	2	**(459,072)**	(784,271)
Operating profit	3	**3,053,547**	2,255,840
Interest receivable and similar income	5	**3,394**	3,582
Interest payable and similar charges	6	**(165,312)**	(207,687)
Profit on ordinary activities before taxation		**2,891,629**	2,051,735
Tax on profit on ordinary activities	7	**(570,713)**	(371,646)
Profit for the financial year		**2,320,916**	1,680,089
Other comprehensive income			
Effective portion of changes in fair value of cash flow hedges		**103,434**	98,115
Income tax on other comprehensive income	7	**(17,583)**	(19,942)
Other comprehensive income for the year, net of income tax		85,851	78,173
Total comprehensive income for the year		2,406,767	1,758,262

All of the activities of the Company are classed as continuing.

Balance sheet

At 30 November 2017

	Notes	30 November 2017 £	30 November 2016 £
Fixed assets			
Tangible assets	9	**5,569,619**	6,178,742
Current assets			
Debtors	10	**1,108,778**	751,694
Cash at bank		**2,692,431**	2,640,326
		3,801,209	3,392,020
Creditors: amounts falling due within one year	11	**(2,359,086)**	(1,755,835)
Net current assets		**1,442,123**	1,636,185
Total assets less current liabilities		**7,011,742**	7,814,927
Creditors: amounts falling due after more than one year	12	**(1,960,410)**	(3,172,599)
Provisions for liabilities			
Provision	13	**(51,826)**	-
Deferred tax liability	16	**(705,116)**	(754,705)
		(756,942)	(754,705)
Net assets		**4,294,390**	3,887,623
Capital and reserves			
Called-up equity share capital	15	**100,000**	100,000
Cashflow hedge reserve	15	**(103,448)**	(189,299)
Profit and loss account		**4,297,838**	3,976,922
Shareholders' funds		**4,294,390**	3,887,623

These financial statements were approved by the directors and authorised for issue on 23 May 2018, and are signed on their behalf by:

R.M.H.Wood
Director

Company Registration Number: SC269645

The accompanying accounting policies and notes form part of these financial statements.

Statement of changes in equity

	Called up share capital	Cash flow hedge reserve	Profit & loss account	Total s/holders' fund
	£	£	£	£
Balance at 1 December 2015	100,000	(267,472)	3,086,833	2,919,361
Total comprehensive income for the year				
Profit	-	-	1,680,089	1,680,089
Other comprehensive income	-	78,173	-	78,173
Total comprehensive income for the year	-	78,173	1,680,089	1,758,262
Transactions with owners				
Dividends	-	-	(790,000)	(790,000)
Balance at 30 November 2016	100,000	(189,299)	3,976,922	3,887,623
Balance at 1 December 2016	**100,000**	**(189,299)**	**3,976,922**	**3,887,623**
Total comprehensive income for the year				
Profit	**-**	**-**	**2,320,916**	**2,320,916**
Other comprehensive income	**-**	**85,851**	**-**	**85,851**
Total comprehensive income for the year	**-**	**85,851**	**2,320,916**	**2,406,767**
Transactions with owners				
Dividends	**-**	**-**	**(2,000,000)**	**(2,000,000)**
Balance at 30 November 2017	**100,000**	**(103,448)**	**4,297,838**	**4,294,390**

Notes to the financial statements

1 Principal accounting policies

Basis of accounting

Dalry Community Wind Company Limited ("the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*'FRS 102'*). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

The Company's ultimate parent undertaking, Community Wind Power (Holdings) Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Community Wind Power (Holdings) Limited are prepared under FRS 102 and are available to the public and may be obtained from The Registrar, Companies House, Crown Way, Cardiff, CF4 3UZ. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the year;
- Cash flow statement with related notes is included; and
- Key management personnel compensation.

As the consolidated financial statements of Community Wind Power (Holdings) Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The directors do not believe there are any judgements in the application of these accounting policies that have a significant effect on the financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments.

Going concern

The directors consider the Company's performance on a semi-annual basis, in particular, liquidity, cash-flows, forecasted turnover, borrowings and business risks. The reviews performed during the year have confirmed that the business is well placed to manage future business risks despite the current economic outlook.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Notes to the financial statements (continued)

1 Principal accounting policies *(continued)*

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax. Turnover is recognised at the point at which the electricity is provided. All revenue was generated in the UK relating to electricity.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Plant & machinery	-	5% straight line per annum
Furniture & Fittings	-	20% straight line per annum
Short leasehold land	-	5% straight line per annum

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Operating lease agreements

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference.

Notes to the financial statements (continued)

1 Principal accounting policies *(continued)*

Taxation (continued)

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account except for differences arising on the retranslation of qualifying cash flow hedges and items which are fair valued with changes taken to other comprehensive income, which are recognised in other comprehensive income.

Classifications of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Notes to the financial statements (continued)

1 Principal accounting policies *(continued)*

Classifications of financial instruments issued by the Company

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- hedging instruments in a designated hedging relationship shall be recognised as set out below.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Any ineffective portion of the hedge is recognised immediately in profit or loss.

For cash flow hedges, where the forecast transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in OCI is included in the initial cost or other carrying amount of the asset or liability. Alternatively, when the hedged item is recognised in profit or loss the hedging gain or loss is reclassified to profit or loss.

When a hedging instrument expires, or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative

Notes to the financial statements (continued)

1 Principal accounting policies *(continued)*

Other financial instruments (continued)

unrealised gain or loss recognised in equity is recognised in the income statement immediately.

Expenses

Interest receivable and interest payable

Interest payable and similar charges include interest payable.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

2 Other operating charges

	2017	2016
	£	£
Administrative expenses	**459,072**	784,271

3 Operating profit

Operating profit is stated after charging:

	2017	2016
	£	£
Depreciation of owned fixed assets	**679,201**	651,716
Auditor's fees		
- Audit	**6,525**	5,500
- Tax	**2,678**	2,600

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Community Wind Power (Holdings) Limited.

4 Particulars of employees

During the year, the Company had nil *(2016: nil)* employees.

Remuneration in respect of directors was as follows:

	2017	2016
	£	£
Remuneration	**247,945**	203,450

Notes to the financial statements (continued)

4 Particulars of employees (continued)

The remuneration of the Directors disclosed above relates to their services to this and other companies in the Community Wind Power (Holdings) Limited Group. Remuneration of the directors was paid by Community Windpower Limited during the year.

No director accrued benefits towards pension entitlements during the year *(2016: no directors).*

5 Interest receivable and similar income

	2017	2016
	£	£
Bank interest receivable	**3,394**	3,582

6 Interest payable and similar income

	2017	2016
	£	£
Bank borrowings	**159,381**	199,667
Payable to group undertakings	**5,931**	8,020
	165,312	207,687

7 Taxation

Total tax expense recognised in the profit and loss account and other comprehensive income.

	2017		2016	
	£	£	£	£
Current tax				
Current tax on income for the year	**-**		244,211	
Group relief payable	**638,050**		235,484	
Adjustment in respect of prior periods	**(165)**		-	
Total current tax charge		**637,885**		479,695
Deferred tax				
Origination and reversal of timing differences	**(49,730)**		134,930	
Change in tax rate	**-**		(46,823)	
Adjustments in respect of prior periods	**141**		-	
Total deferred tax credit		**(49,589)**		(88,107)
Total tax		**588,296**		391,588

Notes to the financial statements (continued)

7 Taxation (continued)

	2017			2016		
	£ Current tax	£ Deferred tax	£ Total tax	£ Current tax	£ Deferred tax	£ Total tax
Recognised in profit and loss account	**637,885**	**(67,172)**	**570,713**	479,695	(108,049)	371,646
Recognised in other comprehensive income	**-**	**17,583**	**17,583**	-	19,942	19,942
Total tax	**637,885**	**(49,589)**	**588,296**	479,695	(88,107)	391,588

Reconciliation of effective tax rate

	2017 £	2016 £
Profit for the year	**2,320,916**	1,680,089
Total tax expense	**570,713**	371,646
Profit excluding taxation	**2,891,629**	2,051,735
Tax using the UK corporation tax rate of *19.33% (2016: 20%)*	**558,995**	410,347
Group relief claimed	**(638,050)**	(235,484)
Payment for group relief	**638,050**	235,484
Fixed asset differences	**2,510**	1,155
Timing differences relating to FV adjustment	**19,995**	19,623
Deferred tax charged to Comprehensive income	**(17,583)**	(19,942)
Adjustments in respect of average rate of tax	**6,820**	(39,537)
Adjustments in respect of previous periods - deferred tax	**141**	-
Adjustments in respect of previous periods - current tax	**(165)**	-
Total tax expense included in profit or loss	**570,713**	371,646

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was substantially enacted on 6 September 2016.

Notes to the financial statements (continued)

8 Dividends

	2017	2016
	£	£
Paid during the year:		
Dividends of £20.00 per share (*2016: £7.90 per share*)	**2,000,000**	790,000
Proposed after the year end (not recognised as a liability):		
Dividends of £10.00 per share (*2016: 9.00 per share*)	**1,000,000**	900,000

9 Tangible fixed assets

	Freehold and Leasehold land	Fixtures & Fittings	Plant & Machinery	Total
	£	£	£	£
Cost				
At 1 December 2016	115,551	29,728	12,803,206	12,948,485
Additions	-	18,252	51,826	70,078
At 30 November 2017	**115,551**	**47,980**	**12,855,032**	**13,018,563**
Depreciation				
At 1 December 2016	60,184	16,280	6,693,279	6,769,743
Charge for the year	5,778	9,596	663,827	679,201
At 30 November 2017	**65,962**	**25,876**	**7,357,106**	**7,448,944**
Net book value				
At 30 November 2017	**49,589**	**22,104**	**5,497,926**	**5,569,619**
At 30 November 2016	55,367	13,448	6,109,927	6,178,742

10 Debtors

	2017	2016
	£	£
Accrued income	**830,112**	607,142
Other debtors	**278,666**	144,552
	1,108,778	751,694

Notes to the financial statements (continued)

10 Debtors (continued)

All other debtors are due within one year.

11 Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loan less deferred arrangement costs	**1,008,754**	942,533
Trade creditors	**203,459**	229,123
Amounts owed to group undertaking	**738,050**	336,080
Other taxation	**237,749**	161,462
Other creditors	**171,074**	86,637
	2,359,086	1,755,835

Included within amounts owed to group undertaking are loan notes 2019 totalling £100,000 (*2016: £100,000*). The loan notes pay a rate of interest on the principal amount outstanding at the rate of 2% per annum and are redeemable at par at the option of the Noteholder on 30 June and 31 December in any of the years commencing 30 June 2008 up to 30 June 2018, after which time any outstanding balance will be redeemed by the Company.

The following liabilities disclosed under creditors falling due within one year are secured by the Company.

	2017	2016
	£	£
Bank loan (excluding deferred arrangement fee)	**1,047,779**	981,561

12 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Bank loan less deferred arrangement costs	**1,734,761**	2,743,515
Amounts owed to group undertaking	**101,013**	201,014
Interest rate swap financial liability	**124,636**	228,070
	1,960,410	3,172,599

The bank loan is secured by a fixed and floating charge over all of the assets held by the Company by Barclays Bank.

Notes to the financial statements (continued)

12 Creditors: amounts falling due after more than one year (continued)

The following liabilities disclosed under creditors falling due after one year are secured over the fixed assets by the Company.

	2017	2016
	£	£
Bank loan (excluding deferred arrangement fee)	**1,734,761**	2,782,540

13 Provisions for liabilities

The Restoration Provision is for decommissioning and restoration costs for which the Company is liable.

	2017	2016
	£	£
Restoration provision	**51,826**	-
	51,826	-

14 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

Secured bank loans

	2017	2016
	£	£
Amounts repayable:		
In one year or less or on demand	**1,047,779**	981,561
In more than one year but not more than two years	**1,120,926**	1,047,779
In more than two years but not more than five years	**613,835**	1,734,761
	2,782,540	3,764,101

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2017	2016
					£	£
Bank loan	GBP	LIBOR	2019	Six-monthly	**2,782,540**	3,764,101
					2,782,540	3,764,101

Notes to the financial statements (continued)

15 Capital and reserves

Share capital

Allotted, called up and fully paid:

	2017		2016	
	No	£	No	£
100 Ordinary shares of £1 each	**100,000**	**100,000**	100,000	100,000

All shares are classified in shareholders' funds.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Cash flow hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

16 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2017	2016	**2017**	2016	**2017**	2016
	£	£	£	£	£	£
Accelerated capital allowances	-	-	**726,446**	793,850	**726,446**	793,850
Fair value on swap (not in computation)	**(21,330)**	(38,722)	-	-	**(21,330)**	(38,722)
Other	-	(423)	-	-	-	(423)
Tax (assets) / liabilities	**(21,330)**	(39,145)	**726,446**	793,850	-	-
Net of tax liabilities/(assets)	-	-	-	-	**705,116**	754,705
Net tax (assets) / liabilities	**(21,330)**	(39,145)	**726,446**	793,850	**705,116**	754,705

The deferred tax liability will reduce further during the next reporting period by approximately £64,931 which represents the tax impact of the amount by which depreciation will exceed capital allowances.

The deferred tax asset will also reduce during the next reporting period by approximately £15,300 which represents the tax impact of the amount by which the provision for the interest rate swap will reduce.

Notes to the financial statements (continued)

17 Fair values

The amounts for all financial assets and financial liabilities carried at fair value are as follows:

	Fair value 2017 £	Fair value 2016 £
Interest rate SWAP	**(124,636)**	(228,070)

18 Financial instruments

Financial instruments measured at fair value

Derivative financial instruments

The fair value of interest rate swaps is based on broker quotes.

Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

The interest rates used to discount estimated cash flows, where applicable, are based on LIBOR.

19 Controlling party and related party transactions

The immediate parent undertaking of this company is Dalry Community Wind Farm (Holdings) Limited, a company incorporated in Scotland. The ultimate parent undertaking of this company is Community Wind Power (Holdings) Limited, a company incorporated in Scotland.

R M H Wood and D A Wood are the controlling parties of the ultimate parent company.

As the Company is a wholly owned subsidiary of Community Wind Power (Holdings) Limited, the Company has taken advantage of the exemption contained in FRS 102.33.1A and therefore has not disclosed transactions or balances with wholly owned subsidiaries which form part of the group headed by Community Wind Power (Holdings) Limited.