

Company Registration No. SC419022 (Scotland)

**CLOFFRICKFORD RENEWABLE ENERGY
COMPANY LIMITED**

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

PAGES FOR FILING WITH REGISTRAR

CLOFFRICKFORD RENEWABLE ENERGY COMPANY LIMITED

CONTENTS

	Page
Balance sheet	1 - 2
Notes to the financial statements	3 - 8

CLOFFRICKFORD RENEWABLE ENERGY COMPANY LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	3		4,959,538		5,264,629
Current assets					
Debtors	4	411,333		417,766	
Cash at bank and in hand		535,581		406,155	
		<u>946,914</u>		<u>823,921</u>	
Creditors: amounts falling due within one year	5	<u>(406,715)</u>		<u>(463,076)</u>	
Net current assets			540,199		360,845
Total assets less current liabilities			<u>5,499,737</u>		<u>5,625,474</u>
Creditors: amounts falling due after more than one year	6		(3,935,928)		(4,473,757)
Provisions for liabilities					
Provisions		55,000		55,000	
Deferred tax liability		<u>304,037</u>		<u>222,557</u>	
			<u>(359,037)</u>		<u>(277,557)</u>
Net assets			<u>1,204,772</u>		<u>874,160</u>
Capital and reserves					
Called up share capital	7		1,000		1,000
Profit and loss reserves			<u>1,203,772</u>		<u>873,160</u>
Total equity			<u>1,204,772</u>		<u>874,160</u>

CLOFFRICKFORD RENEWABLE ENERGY COMPANY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2019

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors and authorised for issue on 24 July 2019 and are signed on its behalf by:

Mr David Smith
Director

Mrs Valerie Smith
Director

Company Registration No. SC419022

CLOFFRICKFORD RENEWABLE ENERGY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

Cloffrickford Renewable Energy Company Limited is a private company limited by shares incorporated in Scotland. The registered office is Cloffrickford, Auchnagatt, ELLON, AB41 8YD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents amounts invoiced for renewable energy generated net of VAT. Turnover is recognised on generation of electricity. Income is recognised on an accruals basis where it is capable of being reliably measured. Where no reliable estimate is possible, income is recognised on a receipt basis.

1.3 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	- 5% straight line and 20% reducing balance
Motor vehicles	- 25% reducing balance
Other assets	- nil

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Included in plant & machinery is a decommissioning provision of £55,000 (2018 - £55,000) which is not depreciated.

Included in other assets are costs of £24,714 (2018 - £16,064) which are not depreciated as the assets are still under construction.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.5 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

CLOFFRICKFORD RENEWABLE ENERGY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

CLOFFRICKFORD RENEWABLE ENERGY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.12 Decommissioning costs

Decommissioning costs have been provided in respect of the anticipated cost to the company for the removal of the wind turbines at the end of their useful life.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 0 (2018 - 0).

CLOFFRICKFORD RENEWABLE ENERGY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

3 Tangible fixed assets

	Plant and Other assets machinery etc		Total
	£	£	£
Cost			
At 1 April 2018	6,292,864	16,064	6,308,928
Additions	-	8,650	8,650
At 31 March 2019	6,292,864	24,714	6,317,578
Depreciation and impairment			
At 1 April 2018	1,044,299	-	1,044,299
Depreciation charged in the year	313,741	-	313,741
At 31 March 2019	1,358,040	-	1,358,040
Carrying amount			
At 31 March 2019	4,934,824	24,714	4,959,538
At 31 March 2018	5,248,565	16,064	5,264,629

4 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	4,500	75,292
Other debtors	406,833	342,474
	411,333	417,766

5 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	266,511	247,315
Corporation tax	363	274
Other taxation and social security	85,312	95,215
Other creditors	54,529	120,272
	406,715	463,076

CLOFFRICKFORD RENEWABLE ENERGY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

6 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loans and overdrafts	3,327,621	3,746,637
Other creditors	608,307	727,120
	<u>3,935,928</u>	<u>4,473,757</u>

The bank loan is secured by a first bond and floating charge over the assets of the company and includes a share pledge in the respect of the issued shares of the company.

Other creditors represents amounts of £608,307 (2018 - £727,120) which are subordinated to the bank debt.

Creditors which fall due after five years are as follows:

	2019 £	2018 £
Payable by instalments	<u>1,704,237</u>	<u>2,239,885</u>

7 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<u>1,000</u>	<u>1,000</u>

8 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable long term operating leases, as follows:

	2019 £	2018 £
	<u>2,602,111</u>	<u>2,727,111</u>

CLOFFRICKFORD RENEWABLE ENERGY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

9 Related party transactions

The company operates a loan account with Skelmonae Windfarm Limited ("Skelmonae"). The directors are also directors of Skelmonae. During the year Skelmonae paid amounts of £nil (2018 - £14,734) on behalf of Cloffrickford and the company repaid amounts totalling £92,039 (2018 - £10,196) to Skelmonae. Included in creditors at the year end is a balance of £561,988 (2018 - £654,027). Interest is charged at 4.5%.

During the year interest of £25,423 (2018 - £29,307) and electricity of £18,746 (2018 - £19,094) has been charged by Skelmonae. At the year end, a balance of £16,280 (2018 - £17,299) is included within accruals due to Skelmonae.

10 Directors' transactions

Dividends totalling £50,000 (2018 - £160,000) were paid in the year in respect of shares held by the company's directors.

Included within sundry expenses is a total value of £48,550 (2018 - £17,250) which was paid to directors for services provided to the company. This year's expense includes £23,800 which relates to the 2018 year end.

During the year the company made foreign exchange transactions with a business owned by one of the directors. At the year end £4,500 (2018 - £nil) was due to the company.

11 Controlling party

The shares in issue are held by Triodos Bank N.V. under a share pledge arrangement. The day to day operations of the company are managed and controlled by the directors, subject to the provisions of the share pledge agreement.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.