

Company Registration No. SC419022 (Scotland)

CLOFFRICKFORD RENEWABLE ENERGY COMPANY LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

PAGES FOR FILING WITH REGISTRAR

CLOFFRICKFORD RENEWABLE ENERGY COMPANY LIMITED

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CLOFFRICKFORD RENEWABLE ENERGY COMPANY LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	4	4,322,253		4,628,937	
Current assets					
Debtors	5	436,507		762,691	
Cash at bank and in hand		864,235		701,015	
		<u>1,300,742</u>		<u>1,463,706</u>	
Creditors: amounts falling due within one year	6	<u>(525,613)</u>		<u>(501,544)</u>	
Net current assets			775,129		962,162
Total assets less current liabilities			<u>5,097,382</u>		<u>5,591,099</u>
Creditors: amounts falling due after more than one year	7		(3,051,476)		(3,390,610)
Provisions for liabilities					
Provisions		55,000		55,000	
Deferred tax liability		<u>504,447</u>		<u>492,518</u>	
			<u>(559,447)</u>		<u>(547,518)</u>
Net assets			<u>1,486,459</u>		<u>1,652,971</u>
Capital and reserves					
Called up share capital	8		1,000		1,000
Profit and loss reserves			<u>1,485,459</u>		<u>1,651,971</u>
Total equity			<u>1,486,459</u>		<u>1,652,971</u>

CLOFFRICKFORD RENEWABLE ENERGY COMPANY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

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 2021 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 14 December 2021 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 2021

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 Going concern

The directors have confirmed that they believe the current situation in relation to COVID-19 is unlikely to have a detrimental impact on the continuation of the company.

1.3 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.

1.4 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

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 (2020 - £55,000) which is not depreciated.

1.5 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.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks

CLOFFRICKFORD RENEWABLE ENERGY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.7 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.

1.8 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.

1.9 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 2021

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.

1.10 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.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

1.12 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 in the period are included in profit or loss.

2 Exceptional item

	2021	2020
	£	£
Income		
Exceptional item - Sales	(299,000)	-

An adjustment of £299,000 has been made to reflect the settlement in respect of overpayment with a customer. This is a result of a customer incorrectly calculating embedded benefits and overpaying Cloffrickford, this was due to no fault by Cloffrickford. This sum is due for payment between January 2021 and December 2025 and a creditor for this is included in the balance sheet.

CLOFFRICKFORD RENEWABLE ENERGY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	7	7

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2020	6,301,864
Additions	8,000
At 31 March 2021	6,309,864
Depreciation and impairment	
At 1 April 2020	1,672,927
Depreciation charged in the year	314,684
At 31 March 2021	1,987,611
Carrying amount	
At 31 March 2021	4,322,253
At 31 March 2020	4,628,937

5 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	96,673	260,267
Other debtors	339,834	502,424
	436,507	762,691

CLOFFRICKFORD RENEWABLE ENERGY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	345,317	326,761
Trade creditors	-	2,703
Corporation tax	258	433
Other taxation and social security	80,154	109,871
Other creditors	99,884	61,776
	<u>525,613</u>	<u>501,544</u>

The bank loans are secured by a floating charge over the assets of the company and includes a share pledge in respect of the issued shares of the company.

Included in other creditors are amounts due in respect of the settlement agreement.

7 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans and overdrafts	2,417,278	2,859,884
Other creditors	634,198	530,726
	<u>3,051,476</u>	<u>3,390,610</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.

Included in other creditors are amounts which are subordinated to the bank debt and amounts owed in respect of the settlement agreement.

Creditors which fall due after five years are as follows:

	2021 £	2020 £
Payable by instalments	<u>914,180</u>	<u>1,540,319</u>

8 Called up share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

CLOFFRICKFORD RENEWABLE ENERGY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 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:

2021	2020
£	£
2,542,111	2,677,111
<u>2,542,111</u>	<u>2,677,111</u>

CLOFFRICKFORD RENEWABLE ENERGY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Related party transactions

The company operates a loan account with Skelmonae Windfarm Limited ("Skelmonae"). The directors are also directors of Skelmonae. During the year Cloffrickford Renewable Energy Company Limited repaid amounts totalling £90,000 (2020 - £90,000) and paid interest of £19,729 (2020 - £10,707). Included within accruals is a balance of £6,003 (2020 - £7,315) in respect of interest. Included in creditors at the year end is a balance of £394,414 (2020 - £484,407). Interest of £nil (2020 - £12,419) is included in the closing loan balance. Interest is charged at 4.5%.

During the year electricity of £15,544 (2020 - £18,121) has been charged by Skelmonae. At the year end, a balance of £5,172 (2020 - £6,246) is included within accruals due to Skelmonae.

The company also operates a loan account with Cardinghill Renewables Limited ("Cardinghill"). The directors are also directors of Cardinghill. Included in debtors at the year end is a balance of £24,714 due from Cardinghill. There is no interest charged on this.

11 Directors' transactions

During the year the company granted a loan to one of its directors. There are no fixed terms of repayment.

Description	% Rate	Opening balance £	Interest charged £	Amounts repaid £	Closing balance £
Director Loan	2.50	32,378	556	(29,984)	2,950
		<u>32,378</u>	<u>556</u>	<u>(29,984)</u>	<u>2,950</u>

12 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.