

Report of the Directors and
Unaudited Financial Statements for the Year Ended 31 May 2020
for
Lochbroom Community Renewables Ltd

Lochbroom Community Renewables Ltd

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for the Year Ended 31 May 2020

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Lochbroom Community Renewables Ltd

Company Information
for the Year Ended 31 May 2020

DIRECTORS:

K Donald
T Gauntlett
R Gibson
D Maxwell
A Osborne

TREASURER:

A Kaye

SECRETARY:

D Maxwell

REGISTERED OFFICE:

28 Argyll Street
Ullapool
IV26 2UB

REGISTERED NUMBER:

RS007126 (Scotland)

ACCOUNTANTS:

Mackay & Co CA
6 Bridgend Business Park
Bridgend Road
Dingwall
Ross-shire
IV15 9QF

Lochbroom Community Renewables Ltd

Report of the Directors for the Year Ended 31 May 2020

The directors present their report with the financial statements of the company for the year ended 31 May 2020.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2019 to the date of this report.

A Osborne
D Maxwell
K Donald
R Gibson
T Gauntlett

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws and regulations.

The law governing Co-operative and Community Benefit Societies requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, '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 society and of the profit or loss of the society for that period.

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

- select suitable accounting policies for the society's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Lochbroom Community Renewables Ltd

Report of the Directors
for the Year Ended 31 May 2020

ON BEHALF OF THE BOARD:

.....
R Gibson - Director

.....
D Maxwell - Director

.....
A Kaye - Treasurer

Lochbroom Community Renewables Ltd

Income Statement
for the Year Ended 31 May 2020

	Notes	31.5.20 £	31.5.19 £
TURNOVER		94,955	71,878
Administrative expenses		<u>45,344</u>	<u>51,796</u>
		49,611	20,082
Other operating income		<u>2,000</u>	<u>-</u>
OPERATING PROFIT	4	51,611	20,082
Interest receivable and similar income		<u>402</u>	<u>322</u>
		52,013	20,404
Interest payable and similar expenses		<u>25,777</u>	<u>27,516</u>
PROFIT/(LOSS) BEFORE TAXATION		26,236	(7,112)
Tax on profit/(loss)		<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>26,236</u>	<u>(7,112)</u>

The notes form part of these financial statements

Lochbroom Community Renewables Ltd (Registered number: RS007126)

Balance Sheet
31 May 2020

	Notes	31.5.20		31.5.19	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		771,503		773,262
CURRENT ASSETS					
Debtors	6	34,946		12,933	
Cash at bank		<u>105,260</u>		<u>111,128</u>	
		140,206		124,061	
CREDITORS					
Amounts falling due within one year	7	<u>3,175</u>		<u>3,325</u>	
NET CURRENT ASSETS			<u>137,031</u>		<u>120,736</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>908,534</u>		<u>893,998</u>
CAPITAL AND RESERVES					
Called up share capital			895,840		907,540
Capital redemption reserve			13,200		1,500
Retained earnings			<u>(506)</u>		<u>(15,042)</u>
			<u>908,534</u>		<u>893,998</u>

The directors consider that the society is entitled to exemption from audit under section 84 of the Co-operative and Community Benefit Societies Act 2014 ("the Act") and members have not required the society to obtain an audit for the year in question in accordance with the Act.

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

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of Section 1A 'Small Entities' of Financial Reporting Standard 102.

The notes form part of these financial statements

Lochbroom Community Renewables Ltd (Registered number: RS007126)

Balance Sheet - continued
31 May 2020

The financial statements were approved by the Board of Directors and authorised for issue on and were signed on its behalf by:

.....
R Gibson - Director

.....
D Maxwell - Director

.....
A Kaye - Treasurer

The notes form part of these financial statements

Lochbroom Community Renewables Ltd

Statement of Changes in Equity
for the Year Ended 31 May 2020

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 June 2018	-	(7,930)	1,500	(6,430)
Changes in equity				
Issue of share capital	907,540	-	-	907,540
Total comprehensive income	-	(7,112)	-	(7,112)
Balance at 31 May 2019	<u>907,540</u>	<u>(15,042)</u>	<u>1,500</u>	<u>893,998</u>
Changes in equity				
Issue of share capital	(11,700)	-	-	(11,700)
Total comprehensive income	-	14,536	11,700	26,236
Balance at 31 May 2020	<u>895,840</u>	<u>(506)</u>	<u>13,200</u>	<u>908,534</u>

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

The continuing activities of Lochbroom Community Renewables Limited is the development and operation of a hydro-electric scheme.

The society is a private company limited by shares and is incorporated in the United Kingdom and registered in Scotland. It is also registered with the FCA. Details of the registered office can be found on the company information page of these financial statements. The society's registered number is RS007126.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with applicable law and United Kingdom Account Standards including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

The preparation of financial statements in compliance with Section 1A 'Small Entities' of FRS 102 requires the use of certain critical accounting estimates. It also requires managements to exercise judgement in applying the company accounting policies.

The directors have considered a period of at least 12 months from the date on which the accounts have been signed and consider that the society can continue to trade for at least this period and consequently these financial statements have been prepared on a going concern basis.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Turbines - 2.5% on cost

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 31 May 2020

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

3. **EMPLOYEES AND DIRECTORS**

The average number of employees, including directors, during the year was 5 (2019 - 8).

4. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.5.20	31.5.19
	£	£
Depreciation - owned assets	<u>20,819</u>	<u>20,275</u>

5. **TANGIBLE FIXED ASSETS**

	Plant and machinery etc £
COST	
At 1 June 2019	811,010
Additions	<u>19,060</u>
At 31 May 2020	<u>830,070</u>
DEPRECIATION	
At 1 June 2019	37,748
Charge for year	<u>20,819</u>
At 31 May 2020	<u>58,567</u>
NET BOOK VALUE	
At 31 May 2020	<u>771,503</u>
At 31 May 2019	<u>773,262</u>

Lochbroom Community Renewables Ltd

Notes to the Financial Statements - continued
for the Year Ended 31 May 2020

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	31.5.20	31.5.19
	£	£
Other debtors	<u>34,946</u>	<u>12,933</u>
7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	31.5.20	31.5.19
	£	£
Taxation and social security	1,175	-
Other creditors	<u>2,000</u>	<u>3,325</u>
	<u>3,175</u>	<u>3,325</u>

Chartered Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
Lochbroom Community Renewables Ltd

In order to assist you to fulfil your duties under the Co-operative and Community Benefit Societies Act 2014, we have prepared for your approval the financial statements of Lochbroom Community Renewables Limited for the year ended 31 May 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the company's accounting records and from information and explanations you have given to us.

As a member of the the Institute of Chartered Accountants of Scotland (ICAS), we are subject to ethical and other professional requirements which are details at <http://icas.com/professional-resources/ethics/icas-code-of-ethics>.

This report is made solely to the Board of Directors of Lochbroom Community Renewable Limited, as a body. in accordance with the terms of our engagement letter dated 19th February 2020. Our work has been undertaken solely to prepare for your approval the financial statements of Lochbroom Community Renewables Limited and state those matters that we have agreed to state to the Board of Directors of Lochbroom Community Renewables Limited. To the fullest extent permitted by law, we not accept or assume responsibility to anyone other than Lochbroom Community Renewables Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Lochbroom Community Renewables Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Lochbroom Community Renewables Limited. You consider that Lochbroom Renewables Limited is exempt from the statutory audit requirement for the year.

In our opinion:

- the income statement and balance sheet for the year ended 31 May 2020 as in agreement with the books of account kept by the company under section 75 of the Co-operative and Community Benefit Societies Act 2014;
- having regard to, and on the basis of the information contained in the books of account, the income statement and balance sheet for the year ended 31 May 2020 comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- the company met the financial criteria enabling it to disapply the requirement to have an audit of the accounts for the year specified in section 84 of the Cop-operative and Community Benefit Societies Act 2014.

Mackay & Co CA
6 Bridgend Business Park
Bridgend Road
Dingwall
Ross-shire
IV15 9QF

Date:

This page does not form part of the statutory financial statements

Lochbroom Community Renewables Ltd

Detailed Profit and Loss Account
for the Year Ended 31 May 2020

	31.5.20		31.5.19	
	£	£	£	£
Turnover				
Sales	26,049		16,966	
Feed in tariff	<u>68,906</u>		<u>54,912</u>	
		94,955		71,878
Other income				
Grants received	2,000		-	
Deposit account interest	<u>402</u>		<u>322</u>	
		<u>2,402</u>		<u>322</u>
		97,357		72,200
Expenditure				
Other establishment costs	326		178	
Insurance	6,327		5,694	
Light and heat	421		1,330	
Telephone	240		220	
Advertising	127		97	
Other community benefit cost	2,000		-	
Community benefit admin cost	900		-	
Room hire	-		125	
Repairs and renewals	293		-	
Community benefit donations	8,247		8,590	
Engineering consulting	-		80	
Grid connection services	194		194	
Site costs	-		1,416	
Lease of land	2,133		1,267	
Tax consultancy	-		7,550	
Sundry expenses	-		175	
Accountancy	2,104		3,324	
Subscriptions	500		408	
Legal fees	-		800	
Depreciation of tangible fixed assets	20,819		20,275	
Project management expenses	<u>600</u>		<u>-</u>	
		<u>45,231</u>		<u>51,723</u>
Carried forward		52,126		20,477

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Lochbroom Community Renewables Ltd

Detailed Profit and Loss Account
for the Year Ended 31 May 2020

	31.5.20		31.5.19	
	£	£	£	£
Brought forward		51,126		20,477
Finance costs				
Bank charges	113		73	
Shareholder interest payments	<u>25,777</u>		<u>27,516</u>	
		<u>25,890</u>		<u>27,589</u>
NET PROFIT/(LOSS)		<u>26,236</u>		<u>(7,112)</u>

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