

**Report of the Directors and
Financial Statements for the Year Ended 31 May 2017
for
Whalley Community Hydro Limited**

Whalley Community Hydro Limited

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for the Year Ended 31 May 2017**

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Whalley Community Hydro Limited

**Society Information
for the Year Ended 31 May 2017**

DIRECTORS:

T Ashworth
G H Sowter
C Gathercole
W W Wilkinson

SECRETARY:

J D Lynch

REGISTERED OFFICE:

26 Delph Mount
Great Harwood
Blackburn
Lancashire
BB6 7QF

REGISTERED NUMBER:

IP031253 (England and Wales)

ACCOUNTANTS:

Towers & Gornall
Chartered Certified Accountants
Suites 5 & 6 The Printworks
Hey Road
Barrow
Clitheroe
Lancashire
BB7 9WB

Whalley Community Hydro Limited

**Report of the Directors
for the Year Ended 31 May 2017**

The directors present their report with the financial statements of the society for the year ended 31 May 2017.

PRINCIPAL ACTIVITY

The principal activity in the year under review was the provision of hydro electric energy.

CONSTITUTION

Whalley Community Hydro Limited is an incorporated Registered Society under the Co-operative and Community Benefit Societies Act 2014.

FUTURE DEVELOPMENTS

The directors fully intend to use surplus funds for the benefit of the community in accordance with the rules of the society, and are working to identify appropriate projects.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2016 to the date of this report.

- T Ashworth
- G H Sowter
- C Gathercole
- W W Wilkinson

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

.....
J D Lynch - Secretary

Date:

**Chartered Certified Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
Whalley Community Hydro Limited**

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 Whalley Community Hydro Limited for the year ended 31 May 2017 which comprise the Income and Expenditure Account, the Balance Sheet, and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <http://rulebook.accaglobal.com>.

This report is made solely to the Board of Directors of Whalley Community Hydro Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Whalley Community Hydro Limited and state those matters that we have agreed to state to the Board of Directors of Whalley Community Hydro Limited, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at <http://www.accaglobal.com/factsheet163>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Whalley Community Hydro 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 profit of Whalley Community Hydro Limited. You consider that Whalley Community Hydro Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Whalley Community Hydro Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Towers & Gornall
Chartered Certified Accountants
Suites 5 & 6 The Printworks
Hey Road
Barrow
Clitheroe
Lancashire
BB7 9WB

Date:

Whalley Community Hydro Limited

**Income and Expenditure Account
for the Year Ended 31 May 2017**

	Notes	31.5.17 £	31.5.16 £
TURNOVER		103,810	102,819
Administrative expenses		<u>47,149</u>	<u>44,411</u>
OPERATING SURPLUS	3	56,661	58,408
Interest receivable and similar income		<u>816</u>	<u>26</u>
		57,477	58,434
Interest payable and similar expenses		<u>39,750</u>	<u>29,350</u>
SURPLUS FROM ORDINARY ACTIVITIES BEFORE TAXATION		17,727	29,084
Tax on surplus from ordinary activities	4	<u>3,424</u>	<u>6,538</u>
SURPLUS FOR THE FINANCIAL YEAR		<u><u>14,303</u></u>	<u><u>22,546</u></u>

The notes form part of these financial statements

Whalley Community Hydro Limited (Registered number: IP031253)

Balance Sheet
31 May 2017

	Notes	31.5.17 £	£	31.5.16 £	£
FIXED ASSETS					
Tangible assets	5		687,454		706,954
CURRENT ASSETS					
Debtors	6	28,630		50,976	
Cash at bank		<u>225,774</u>		<u>185,298</u>	
		254,404		236,274	
CREDITORS					
Amounts falling due within one year	7	<u>57,920</u>		<u>76,305</u>	
NET CURRENT ASSETS			<u>196,484</u>		<u>159,969</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			883,938		866,923
CREDITORS					
Amounts falling due after more than one year	8		(92,310)		(92,860)
PROVISIONS FOR LIABILITIES	9		<u>(9,795)</u>		<u>(6,533)</u>
NET ASSETS			<u>781,833</u>		<u>767,530</u>
CAPITAL AND RESERVES					
Called up share capital			750,000		750,000
Income and expenditure reserve	10		<u>31,833</u>		<u>17,530</u>
SHAREHOLDERS' FUNDS			<u>781,833</u>		<u>767,530</u>

The members have resolved not to require the company to obtain an audit of its financial statements for the year ended 31 May 2017 in accordance with powers conferred by Section 84 of the Co-operative and Community Benefit Societies Act 2014.

Balance Sheet - continued
31 May 2017

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

.....
T Ashworth - Director

.....
G H Sowter - Director

.....
C Gathercole - Director

.....
W W Wilkinson - Director

1. **STATUTORY INFORMATION**

Whalley Community Hydro Limited is an incorporated Registered Society under the Co-operative and Community Benefit Societies Act 2014. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards and the Co-operative and Community Benefit Societies Act 2014.

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.

Hydro-electric plant - Straight line over 40 years

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.

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 surpluses.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to income and expenditure on a straight line basis over the period of the lease.

3. **OPERATING SURPLUS**

The operating profit is stated after charging:

	31.5.17	31.5.16
	£	£
Depreciation - owned assets	<u>18,345</u>	<u>18,375</u>

4. **TAXATION**

Analysis of the tax charge

The tax charge on the surplus for the year was as follows:

	31.5.17 £	31.5.16 £
Current tax:		
UK corporation tax	162	5
Deferred tax	<u>3,262</u>	<u>6,533</u>
Tax on surplus	<u>3,424</u>	<u>6,538</u>

5. **TANGIBLE FIXED ASSETS**

COST

At 1 June 2016

Disposals

At 31 May 2017

DEPRECIATION

At 1 June 2016

Charge for year

Eliminated on disposal

At 31 May 2017

NET BOOK VALUE

At 31 May 2017

At 31 May 2016

Hydro-electric
plant
£

734,999

(1,200)

733,799

28,045

18,345

(45)

46,345

687,454

706,954

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.5.17 £	31.5.16 £
Trade debtors	25,383	46,294
Other debtors	1,502	500
Prepayments	<u>1,745</u>	<u>4,182</u>
	<u>28,630</u>	<u>50,976</u>

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.5.17 £	31.5.16 £
Corporation tax	162	5
VAT	836	4
Other loans	-	2,500
Directors' loan accounts	7,690	7,140
Accrued expenses	<u>49,232</u>	<u>66,656</u>
	<u>57,920</u>	<u>76,305</u>

Whalley Community Hydro Limited

Notes to the Financial Statements - continued
for the Year Ended 31 May 2017

8. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.5.17	31.5.16
	£	£
Directors' loan accounts	<u>92,310</u>	<u>92,860</u>

9. **PROVISIONS FOR LIABILITIES**

	31.5.17	31.5.16
	£	£
Deferred tax	<u>9,795</u>	<u>6,533</u>

	Deferred tax £
Balance at 1 June 2016	6,533
Provided during year	<u>3,262</u>
Balance at 31 May 2017	<u>9,795</u>

10. **RESERVES**

	Income and expenditure reserve £
At 1 June 2016	17,530
Profit for the year	<u>14,303</u>
At 31 May 2017	<u>31,833</u>

11. **OTHER FINANCIAL COMMITMENTS**

In accordance with the Society rules, the directors are required to use funds for the benefit of the community which total at least one third of the interest paid upon share capital. The directors fully intend to comply with this requirement and are working to identify appropriate projects.

12. **ULTIMATE CONTROLLING PARTY**

There is no ultimate controlling party.

Whalley Community Hydro Limited**Income and Expenditure Account
for the Year Ended 31 May 2017**

	31.5.17		31.5.16	
	£	£	£	£
Sales		103,810		102,819
Other income				
Deposit account interest		<u>816</u>		<u>26</u>
		104,626		102,845
Expenditure				
Rent	12,864		9,679	
Rates and water	280		349	
Insurance	2,761		2,068	
Light and heat	194		508	
Telephone	746		648	
Printing, postage and stationery	-		94	
Advertising	110		132	
Warranty	2,591		2,593	
Repairs and maintenance	1,730		4,371	
Sundry expenses	373		20	
Community benefit donation	5,225		-	
Accountancy fees	550		550	
Legal and professional fees	1,425		5,024	
Depreciation of tangible fixed assets				
Hydro-electric plant	<u>18,300</u>		<u>18,375</u>	
		<u>47,149</u>		<u>44,411</u>
		57,477		58,434
Finance costs				
Bank charges	-		(4,000)	
Loan interest	6,000		7,100	
Interest on share capital	<u>33,750</u>		<u>26,250</u>	
		<u>39,750</u>		<u>29,350</u>
NET SURPLUS		<u>17,727</u>		<u>29,084</u>

This page does not form part of the statutory financial statements