

Company Registration No. SC246746 (Scotland)

Midfearn Renewables Limited

**Unaudited financial statements
for the year ended 31 March 2017**

Pages for filing with the Registrar

Saffery Champness
CHARTERED ACCOUNTANTS

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Midfearn Renewables Limited

Company information

Directors	Charles Brooke Jock Brooke	(Appointed 22 November 2016)
Company number	SC246746	
Registered office	Midfearn Lodge Ardgay Ross-shire IV24 3DL	
Accountants	Saffery Champness LLP Kintail House Beechwood Park Inverness IV2 3BW	
Bankers	The Royal Bank of Scotland plc 29 Harbour Road Inverness IV1 1NU	

Midfearn Renewables Limited

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Midfearn Renewables Limited

**Statement of financial position
As at 31 March 2017**

	Notes	£	2017 £	£	2016 £
Fixed assets					
Investment properties	2		833,319		893,637
Investments	3		1,252,498		551,444
			<u>2,085,817</u>		<u>1,445,081</u>
Current assets					
Debtors	4	1,339,109		1,719,970	
Cash at bank and in hand		188,458		20,272	
		<u>1,527,567</u>		<u>1,740,242</u>	
Creditors: amounts falling due within one year	5	(188,527)		(97,630)	
Net current assets			<u>1,339,040</u>		<u>1,642,612</u>
Total assets less current liabilities			<u>3,424,857</u>		<u>3,087,693</u>
Provisions for liabilities			<u>(141,473)</u>		<u>(153,446)</u>
Net assets			<u><u>3,283,384</u></u>		<u><u>2,934,247</u></u>
Capital and reserves					
Called up share capital	6		100		100
Share premium account			58,173		58,173
Capital redemption reserve			100		100
Other reserves			744,776		744,776
Profit and loss reserves			2,480,235		2,131,098
Total equity			<u><u>3,283,384</u></u>		<u><u>2,934,247</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

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

Statement of financial position (continued)
As at 31 March 2017

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 20.12.17 and are signed on its behalf by:



.....
Charles Brooke
Director

Company Registration No. SC246746

Midfearn Renewables Limited

**Statement of changes in equity
For the year ended 31 March 2017**

	Share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss reserves	Total
Notes	£	£	£	£	£	£
Balance at 1 April 2015	100	58,173	100	744,776	1,805,532	2,608,681
Year ended 31 March 2016:						
Profit and total comprehensive income for the year	-	-	-	-	404,497	404,497
Dividends	-	-	-	-	(78,931)	(78,931)
Balance at 31 March 2016	100	58,173	100	744,776	2,131,098	2,934,247
Year ended 31 March 2017:						
Profit and total comprehensive income for the year	-	-	-	-	354,137	354,137
Dividends	-	-	-	-	(5,000)	(5,000)
Balance at 31 March 2017	100	58,173	100	744,776	2,480,235	3,283,384

1 Accounting policies

Company information

Midfearn Renewables Limited is a private company limited by shares incorporated in Scotland. The registered office is Midfearn Lodge, Ardgay, Ross-shire, IV24 3DL.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2017 are the first financial statements of Midfearn Renewables Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 10.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the income statement.

Notes to the financial statements (continued)
For the year ended 31 March 2017

1 Accounting policies (continued)

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.5 Cash at bank and in hand

Cash at bank and in hand 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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 statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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.

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue 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 income statement 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.

Notes to the financial statements (continued)
For the year ended 31 March 2017

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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. 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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. 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.

2 Investment property

	2017
	£
Fair value	
At 1 April 2016	893,637
Revaluations	(60,318)
At 31 March 2017	833,319

Investment property comprises the windfarm site. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 March 2017 by the directors. The valuation was made on an open market value basis.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2017	2016
	£	£
Cost	64,247	64,247
Accumulated depreciation	(29,652)	(27,181)
Carrying amount	34,595	37,066

Midfearn Renewables Limited

Notes to the financial statements (continued)
For the year ended 31 March 2017

3 Fixed asset investments

	2017	2016
	£	£
Investments	1,252,498	551,444

Movements in fixed asset investments

	Shares in group undertakings and participating interests £
Cost or valuation	
At 1 April 2016	551,444
Additions	701,054
At 31 March 2017	1,252,498
Carrying amount	
At 31 March 2017	1,252,498
At 31 March 2016	551,444

4 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Other debtors	1,339,109	1,719,970

5 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	1,020	2,520
Corporation tax	93,361	93,670
Other creditors	94,146	1,440
	188,527	97,630

Midfearn Renewables Limited

Notes to the financial statements (continued)

For the year ended 31 March 2017

6 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
100 ordinary A shares of £1 each	100	100
	<u>100</u>	<u>100</u>

7 Operating lease commitments

Lessor

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

2017	2016
£	£
49,000	52,500
<u>49,000</u>	<u>52,500</u>

8 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Rent received		Share of profits received
	2017	2016	2017
	£	£	£
			2016
			£
Entities over which the entity has control, joint control or significant influence	3,500	3,500	420,513
	<u>3,500</u>	<u>3,500</u>	<u>460,514</u>

Notes to the financial statements (continued)

For the year ended 31 March 2017

8 Related party transactions (continued)

The following amounts were outstanding at the reporting end date:

	2017
	Balance
	£
Amounts owed by related parties	
Entities over which the entity has control, joint control or significant influence	2,036,663
	<u><u> </u></u>
	2016
	Balance
	£
Amounts owed in previous period	
Entities over which the entity has control, joint control or significant influence	1,710,070
	<u><u> </u></u>

Notes to the financial statements (continued)
For the year ended 31 March 2017

9 Directors' transactions

Dividends totalling £5,000 (2016 - £78,931) were paid in the year in respect of shares held by the company's directors.

Interest free loans have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Interest charged £	Amounts repaid £	Closing balance £
Loan to Midfearn Farm	3.00	9,900	402	(46,517)	(36,215)
		<u>9,900</u>	<u>402</u>	<u>(46,517)</u>	<u>(36,215)</u>

Charles Brooke is the sole proprietor of Midfearn Farm.

10 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

Reconciliation of equity

	Notes	1 April 2015 £	31 March 2016 £
Equity as reported under previous UK GAAP		2,774,302	3,087,693
Adjustments arising from transition to FRS 102:			
Deferred tax provision		(165,621)	(153,446)
Equity reported under FRS 102		<u>2,608,681</u>	<u>2,934,247</u>

Notes to the financial statements (continued)
For the year ended 31 March 2017

10 Reconciliations on adoption of FRS 102 (continued)

Reconciliation of profit for the financial period

	Notes	2016 £
Profit as reported under previous UK GAAP		455,053
Adjustments arising from transition to FRS 102:		
Change in fair value of investment property		(62,731)
Movement in deferred tax provision		12,175
Profit reported under FRS 102		<u>404,497</u>