

Cardenden Heat and Power Limited
Consolidated Financial Statements
For the year ended
31 March 2017



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Cardenden Heat and Power Limited

Consolidated Financial Statements

Year ended 31 March 2017

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Cardenden Heat and Power Limited

Officers and Professional Advisers

The Board of Directors	N Clark A W W Saunders T Dougan M McLintock
Company Secretary	A W W Saunders
Registered Office	114-116 Station Road Cardenden Fife KY5 0BW
Auditor	Bird Simpson & Co Chartered Accountants 144 Nethergate Dundee DD1 4EB
Bankers	The Royal Bank of Scotland 23/25 Rosslyn Street Kirkcaldy Fife KY1 3HW
Solicitors	Thorntons 2 Park Place Kirkcaldy KY1 1XL

Cardenden Heat and Power Limited

Strategic Report

Year ended 31 March 2017

The directors present their strategic report of the company for the year ended 31 March 2017.

REVIEW AND ANALYSIS OF THE BUSINESS DURING THE CURRENT YEAR

The principal activity of the company during the year was that of a holding company for its two new subsidiaries, Ore Valley Energy Limited and Over Valley Heating Limited.

This report presents a fair review of the business of the company including an analysis of its development and performance during the year. This is consistent with the size and complexity of the business.

Key performance indicators

There are no key performance indicators as the project is still in the planning stage.

Development and financial performance during the year

The group loss for the year, after taxation, amounted to £46,900 (2016: £72).

Financial position at the reporting date

The balance sheet shows the group's net liabilities at the year-end are £47,001 (2016: £101).

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS

The principal risk for the company is the project not coming to financial viability. The directors understand the risks involved in the business and continually monitor these risks and the impact on the company.

This report was approved by the board of directors on 22/8/17 and signed on behalf of the board by:



A W W Saunders
Director

Cardenden Heat and Power Limited

Directors' Report

Year ended 31 March 2017

The directors present their report and the financial statements of the group for the year ended 31 March 2017.

Directors

The directors who served the company during the year were as follows:

N Clark
A W W Saunders
T Dougan
M McLintock
G A Robotham (Resigned 25 July 2016)

Dividends

The directors do not recommend the payment of a dividend.

Disclosure of Information in the strategic report

The strategic report is set out on page 2.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Cardenden Heat and Power Limited

Directors' Report *(continued)*

Year ended 31 March 2017

This report was approved by the board of directors on ...22/8/17..... and signed on behalf of the board by:



A W W Saunders
Director

Cardenden Heat and Power Limited

Independent Auditor's Report to the Members of Cardenden Heat and Power Limited

Year ended 31 March 2017

We have audited the financial statements of Cardenden Heat and Power Limited and the group for the year ended 31 March 2017 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's and group's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Cardenden Heat and Power Limited

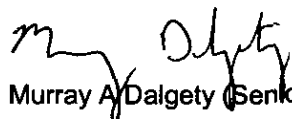
Independent Auditor's Report to the Members of Cardenden Heat and Power Limited *(continued)*

Year ended 31 March 2017

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; and
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.



Murray A Dalgety (Senior Statutory Auditor)

For and on behalf of
Bird Simpson & Co
Chartered accountants & statutory auditor
144 Nethergate
Dundee
DD1 4EB

1st November 2017

Cardenden Heat and Power Limited

Consolidated Statement of Income and Retained Earnings

Year ended 31 March 2017

	Notes	2017 £	Group 2016 £	2017 £	Company 2016 £
Administrative expenses		5,423	72	61	72
Operating loss		(5,423)	(72)	(61)	(72)
Interest Payable		41,477	-	18,156	-
Loss before taxation		(46,900)	(72)	(18,217)	(72)
Tax on loss		-	-	-	-
Loss for the financial year and total comprehensive income		(46,900)	(72)	(18,217)	(72)
Retained losses at the start of the year		(102)	(30)	(102)	(30)
Retained losses at the end of the year		(47,002)	(102)	(18,319)	(102)

All the activities of the group are from continuing operations.

Cardenden Heat and Power Limited
Consolidated Statement of Financial Position

As at 31 March 2017

	Notes	2017 £	Group 2016 £	2017 £	Company 2016 £
Fixed assets					
Tangible assets	4	2,085,310	-	-	-
Investments	5	-	-	2	-
		<u>2,085,310</u>	<u>-</u>	<u>2</u>	<u>-</u>
Current assets					
Debtors (amounts falling due within one year)	6	35,735	-	1,824,246	-
Debtors (amounts falling due after one year)	7	24,454	-	24,454	-
Cash at bank and in hand		238,468	19	201,536	19
		<u>298,657</u>	<u>19</u>	<u>2,050,236</u>	<u>19</u>
Creditors: amounts falling due within one year	8	452,428	120	90,016	120
Net current assets/(liabilities)		<u>(153,771)</u>	<u>(101)</u>	<u>1,960,220</u>	<u>(101)</u>
Total assets less current liabilities		<u>1,931,539</u>	<u>(101)</u>	<u>1,960,222</u>	<u>(101)</u>
Creditors: amounts falling due after more than one year	9	1,978,540	-	1,978,540	-
Net liabilities		<u>(47,001)</u>	<u>(101)</u>	<u>(18,318)</u>	<u>(101)</u>
Capital and reserves					
Called up share capital	10	1	1	1	1
Profit and loss account	11	(47,002)	(102)	(18,319)	(102)
Members deficit		<u>(47,001)</u>	<u>(101)</u>	<u>(18,319)</u>	<u>(101)</u>

These financial statements were approved by the board of directors and authorised for issue on 22/8/17, and are signed on behalf of the board by:



A W W Saunders
 Director

Company registration number: SC410041

Cardenden Heat and Power Limited

Consolidated Statement of Cash Flows

Year ended 31 March 2017

	2017 £	Group 2016 £	2017 £	Company 2016 £
Cash flows from operating activities				
Loss for the financial year	(46,900)	(72)	(18,217)	(72)
<i>Changes in:</i>				
Trade and other debtors	(60,189)	-	(1,848,700)	-
Trade and other creditors	2,430,848	50	2,068,436	50
Cash generated from operations	2,323,759	(22)	201,519	(22)
Net cash from/(used in) operating activities	2,323,759	(22)	201,519	(22)
Cash flows from investing activities				
Purchase of tangible fixed assets	(2,085,310)	-	-	-
Acquisition of subsidiaries	-	-	(2)	-
Net cash used in investing activities	238,449	-	(2)	-
Net increase/(decrease) in cash and cash equivalents	238,449	(22)	201,517	(22)
Cash and cash equivalents at beginning of year	19	41	19	41
Cash and cash equivalents at end of year	238,468	19	201,536	19

Cardenden Heat and Power Limited

Notes to the Consolidated Financial Statements

Year ended 31 March 2017

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is 114-116 Station Road, Cardenden, Fife, KY5 0BW.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The financial statements have been prepared on a going concern basis. The directors have assessed the Company's ability to continue as a going concern and have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiary undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively.

Investments

Investments in subsidiaries are stated at cost less provision for any permanent diminution in value.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Cardenden Heat and Power Limited

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Tangible assets

All fixed assets are recorded at acquisition cost.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset.

Assets in the course of construction are not depreciated.

Debtors and creditors

Short term debtors are measured at transaction price, less any impairment. Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Cash at bank and in hand

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand.

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

4. Tangible assets

	Wind Turbine £	Bollers £	Total £
Cost			
At 1 April 2016	-	-	-
Additions	1,604,826	480,484	2,085,310
At 31 March 2017	1,604,826	480,484	2,085,310
Depreciation			
At 1 April 2016	-	-	-
Charge for the year	-	-	-
At 31 March 2017	-	-	-
Carrying amount			
At 31 March 2017	1,604,826	480,484	2,085,310
At 31 March 2016	-	-	-

Cardenden Heat and Power Limited

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 March 2017

5. Investments

	2017 £	2016 £
Cost		
At 1 April 2016	-	-
Additions	2	-
	<u>2</u>	<u>-</u>
At 31 March 2017	2	-

Cardenden Heat and Power Limited owns one share which is 100% of the share capital of Ore Valley Energy Limited. The company also owns one share which is 100% of the share capital of Ore Valley Heating Limited.

6. Debtors: amounts falling due within one year	2017 £	Group 2016 £	2017 £	Company 2016 £
Amounts owed by group undertakings	35,735	-	1,824,246	-
	<u>35,735</u>	<u>-</u>	<u>1,824,246</u>	<u>-</u>

7. Debtors: amounts falling due after more than one year	2017 £	Group 2016 £	2017 £	Company 2016 £
Amounts owed by group undertakings	24,454	-	24,454	-
	<u>24,454</u>	<u>-</u>	<u>24,454</u>	<u>-</u>

8. Creditors: amounts falling due within one year	Group 2017 £	2016 £	Company 2017 £	2016 £
Other creditors	452,428	120	90,016	120
	<u>452,428</u>	<u>120</u>	<u>90,016</u>	<u>120</u>

9. Creditors: amounts falling due after more than one year	2017 £	Group 2016 £	2017 £	Company 2016 £
Other creditors	1,978,540	-	1,978,540	-
	<u>1,978,540</u>	<u>-</u>	<u>1,978,540</u>	<u>-</u>

10. Called up share capital	2017	Group 2016	2017	Company 2016
Issued, called up and fully paid				
Ordinary shares of £1 each	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

11. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

12. Related party transactions

At 31 March 2017 there was amount due to Ore Valley Housing Association Limited of £309,868 which relates to an intercompany loan.

12. Related party transactions *(continued)*

Cardenden Heat and Power Limited

Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 March 2017

At 31 March 2017 there was an amount due from Ore Valley Energy of £1,594,499 which relates to an intercompany loan.

Also at 31 March 2017 there was an amount due from Ore Valley Heating of £228,000 which also relates to an intercompany loan.

Director, Andrew Saunders, is also the Chief Executive of Ore Valley Housing Association Limited.

13. Controlling party

The immediate and ultimate parent company is Ore Valley Housing Association Limited.

In the opinion of the directors no individual has ultimate control.

14. Going concern

At 31 March 2017 the company had negative reserves. With the continued support of the parent company (Ore Valley Housing Association Limited) the company will be able to meet its liabilities as they fall due and therefore the financial statements have been prepared on a going concern basis.