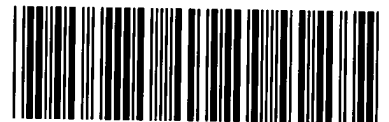


Company Registration Number: SC410041

**Cardenden Heat and Power Limited**  
**Consolidated Financial Statements**  
**For the Period Ended**  
**31 December 2017**

TUESDAY



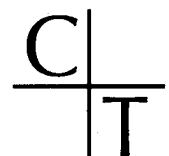
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COMPANIES HOUSE



# **Cardenden Heat and Power Limited**

## **Consolidated Financial Statements**

**Period from 1 April 2017 to 31 December 2017**

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# Cardenden Heat and Power Limited

## Officers and Professional Advisers

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### **The Board of Directors**

N Clark  
A W W Saunders  
T Dougan  
M McIntock

### **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

### Period from 1 April to 31 December 2017

The directors present their strategic report of the company for the period ended 31 December 2017.

#### REVIEW AND ANALYSIS OF THE BUSINESS DURING THE CURRENT YEAR

The principal activity of the company during the year was to conclude contracts to secure the funding from the European Energy Efficiency Fund (EEEF) and the Renewable Energy Investment Fund (REIF) to onlend to its two subsidiary companies; Ore Valley Energy Limited and Ore Valley Heating Limited, both of which operate as special purpose companies operating a single project.

Cardenden Heat and Power Limited is itself a special purpose company the sole purpose being the raising and administration of funding for the a single wind turbine & central heating replacement projects, delivered by Ore Valley Energy Limited and Ore Valley Heating Limited respectively. No further projects will be developed through this Company.

The sole shareholder in Cardenden Heat and Power Limited is Ore Valley Housing Association.

The company's objective during the year was to fund the projects delivered by its special purpose subsidiaries, this objective was achieved. The company receives payments from its subsidiaries to cover the costs of servicing the loans.

The projects have been developed on an ethical basis, adopting the same values as those developed by Ore Valley Housing Association, the overarching parent company.

The projects supported have resulted in energy and carbon savings, reduction in housing tenants fuel costs and a financial contribution towards community and regeneration activities.

#### Key performance indicators

The main performance indicators for the company was completion of the funding agreements, drawdown and onlending of funds to secure the delivery of the projects. These objectives have been achieved.

#### Development and financial performance during the year

The group profit for the period, after taxation, amounted to £4,184 (2017: loss of £46,900).

#### Financial position at the reporting date

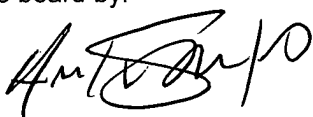
The balance sheet shows the group's net liabilities at the period end are £42,817 (31 March 2017: £47,001).

#### PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS

The principal risk for the company are :-

- Ore Valley Housing association defaults on its payments. - the risk of this is very low.
- catastrophic and/or prolonged failure of the wind turbine - The turbine provider Enercon is a market leader in the manufacture and maintenance of wind turbines, this combined with the strength of their warranty and maintenance agreements help to mitigate this risk.

This report was approved by the board of directors on 21<sup>st</sup> August 2018 and signed on behalf of the board by:



A W W Saunders  
Director

# **Cardenden Heat and Power Limited**

## **Directors' Report**

### **Period from 1 April to 31 December 2017**

---

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

#### **Directors**

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

N Clark  
A W W Saunders  
T Dougan  
M McLintock

#### **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)*

**Period from 1 April to 31 December 2017**

---

This report was approved by the board of directors on 21<sup>st</sup> August 2018 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**

**Period from 1 April to 31 December 2017**

---

### **Opinion**

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

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.

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 December 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **Cardenden Heat and Power Limited**

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

**Period from 1 April to 31 December 2017**

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### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

# Cardenden Heat and Power Limited

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

Period from 1 April to 31 December 2017

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### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Murray A Dalgety  
For and on behalf of:  
Bird Simpson & Co  
Chartered Accountants & Statutory Auditor  
144 Nethergate  
Dundee  
DD1 4EB

21st August 2018

# Cardenden Heat and Power Limited

## Consolidated Statement of Income and Retained Earnings

Period from 1 April to 31 December 2017

|                                                                            | Notes | Group<br>31<br>December<br>2017<br>£ | Group<br>31<br>March<br>2017<br>£ | Company<br>31<br>December<br>2017<br>£ | Company<br>31<br>March<br>2017<br>£ |
|----------------------------------------------------------------------------|-------|--------------------------------------|-----------------------------------|----------------------------------------|-------------------------------------|
| <b>Turnover</b>                                                            |       | 281,093                              | -                                 | -                                      | -                                   |
| <b>Cost of sales</b>                                                       |       | (21,188)                             | -                                 | -                                      | -                                   |
| <b>Gross Profit</b>                                                        |       | 259,905                              | -                                 | -                                      | -                                   |
| Administrative expenses                                                    |       | 134,559                              | 5,423                             | 12,369                                 | 61                                  |
| <b>Operating profit/(loss)</b>                                             |       | 125,346                              | (5,423)                           | (12,369)                               | (61)                                |
| Interest Receivable                                                        |       | -                                    | -                                 | 65,497                                 | -                                   |
| Interest Payable                                                           |       | (110,544)                            | (41,477)                          | (66,939)                               | (18,156)                            |
| <b>Profit/(loss) before taxation</b>                                       |       | 14,802                               | (46,900)                          | (13,811)                               | (18,217)                            |
| Tax on profit                                                              |       | 10,618                               | -                                 | -                                      | -                                   |
| <b>Profit/(Loss) for the financial year and total comprehensive income</b> |       | 4,184                                | (46,900)                          | (13,811)                               | (18,217)                            |
| Retained losses at the start of the period                                 |       | (47,002)                             | (102)                             | (18,319)                               | (102)                               |
| <b>Retained losses at the end of the period</b>                            |       | (42,818)                             | (47,002)                          | (32,130)                               | (18,319)                            |
|                                                                            |       | =====                                | =====                             | =====                                  | =====                               |

All the activities of the group are from continuing operations.

# Cardenden Heat and Power Limited

## Consolidated Statement of Financial Position

As at 31 December 2017

|                                                                | Notes | Group<br>31<br>December<br>2017<br>£ | Group<br>31<br>March<br>2017<br>£ | Company<br>31<br>December<br>2017<br>£ | Company<br>31<br>March<br>2017<br>£ |
|----------------------------------------------------------------|-------|--------------------------------------|-----------------------------------|----------------------------------------|-------------------------------------|
| <b>Fixed assets</b>                                            |       |                                      |                                   |                                        |                                     |
| Tangible assets                                                | 5     | 2,343,758                            | 2,085,310                         | -                                      | -                                   |
| Investments                                                    | 6     | -                                    | -                                 | 2                                      | 2                                   |
|                                                                |       | <u>2,343,758</u>                     | <u>2,085,310</u>                  | <u>2</u>                               | <u>2</u>                            |
| <b>Current assets</b>                                          |       |                                      |                                   |                                        |                                     |
| Debtors (amounts falling due within one year)                  | 7     | 59,909                               | 35,735                            | 155,910                                | 1,824,246                           |
| Debtors (amounts falling due after one year)                   | 8     | 22,707                               | 24,454                            | 1,614,641                              | 24,454                              |
| Cash at bank and in hand                                       |       | 358,526                              | 238,468                           | 193,159                                | 201,536                             |
|                                                                |       | <u>441,142</u>                       | <u>298,657</u>                    | <u>1,963,710</u>                       | <u>2,050,236</u>                    |
| <b>Creditors: amounts falling due within one year</b>          | 9     | <u>210,190</u>                       | <u>452,428</u>                    | <u>108,783</u>                         | <u>90,016</u>                       |
| <b>Net current assets/(liabilities)</b>                        |       | <u>230,952</u>                       | <u>(153,771)</u>                  | <u>1,854,927</u>                       | <u>1,960,220</u>                    |
| <b>Total assets less current liabilities</b>                   |       | <u>2,574,710</u>                     | <u>1,931,539</u>                  | <u>1,854,929</u>                       | <u>1,960,222</u>                    |
| <b>Creditors: amounts falling due after more than one year</b> | 10    | <u>2,617,527</u>                     | <u>1,978,540</u>                  | <u>1,887,058</u>                       | <u>1,978,540</u>                    |
| <b>Net liabilities</b>                                         |       | <u>(42,817)</u>                      | <u>(47,001)</u>                   | <u>(32,129)</u>                        | <u>(18,318)</u>                     |
| <b>Capital and reserves</b>                                    |       |                                      |                                   |                                        |                                     |
| Called up share capital                                        | 11    | 1                                    | 1                                 | 1                                      | 1                                   |
| Profit and loss account                                        | 12    | (42,818)                             | (47,002)                          | (32,130)                               | (18,319)                            |
| <b>Members deficit</b>                                         |       | <u>(42,817)</u>                      | <u>(47,001)</u>                   | <u>(32,129)</u>                        | <u>(18,318)</u>                     |

These financial statements were approved by the board of directors and authorised for issue on 21<sup>st</sup> August 2018, 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

Period from 1 April to 31 December 2017

|                                                             | Group<br>31<br>December<br>2017<br>£ | Group<br>31<br>March<br>2017<br>£ | Company<br>31<br>December<br>2017<br>£ | Company<br>31<br>March<br>2017<br>£ |
|-------------------------------------------------------------|--------------------------------------|-----------------------------------|----------------------------------------|-------------------------------------|
| <b>Cash flows from operating activities</b>                 |                                      |                                   |                                        |                                     |
| Profit/(Loss) for the financial period                      | 4,184                                | (46,900)                          | (13,811)                               | (18,217)                            |
| <i>Adjustments for non-cash items</i>                       |                                      |                                   |                                        |                                     |
| Depreciation                                                | 105,384                              | -                                 | -                                      | -                                   |
| <i>Changes in:</i>                                          |                                      |                                   |                                        |                                     |
| Debtors                                                     | (22,427)                             | (60,189)                          | 78,149                                 | (1,848,700)                         |
| Creditors                                                   | 396,749                              | 2,430,848                         | (72,715)                               | 2,068,436                           |
| Cash generated from operations                              | 483,890                              | 2,323,759                         | (8,377)                                | 201,519                             |
| Net cash from/(used in) operating activities                | 483,890                              | 2,323,759                         | (8,377)                                | 201,519                             |
| <b>Cash flows from investing activities</b>                 |                                      |                                   |                                        |                                     |
| Purchase of tangible fixed assets                           | (363,832)                            | (2,085,310)                       | -                                      | -                                   |
| Acquisition of subsidiaries                                 | -                                    | -                                 | -                                      | (2)                                 |
| Net cash used in investing activities                       | (363,832)                            | (2,085,310)                       | -                                      | (2)                                 |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | 120,058                              | 238,449                           | (8,377)                                | 201,517                             |
| Cash and cash equivalents at beginning of period            | 238,468                              | 19                                | 201,536                                | 19                                  |
| <b>Cash and cash equivalents at end of period</b>           | 358,526                              | 238,468                           | 193,159                                | 201,536                             |

# Cardenden Heat and Power Limited

## Notes to the Consolidated Financial Statements

Period from 1 April to 31 December 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.

The company amended its year-end to 31 December 2017 during the period to align with funding requirements.

#### 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)

Period from 1 April to 31 December 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.

|              |   |                                        |
|--------------|---|----------------------------------------|
| Wind Turbine | - | over 20 years on a straight line basis |
| Boilers      | - | over 15 years on a straight line basis |

#### 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. Reconciliation of tax expense

Tax on profit/(loss) on ordinary activities for the year is higher (31 March 2017: higher) than the standard rate of corporation tax in the UK of 19% (31 March 2017: 19%). The differences are reconciled below.

|                                      | Group<br>31<br>December<br>2017<br>£ | Group<br>31<br>March<br>2017<br>£ | Company<br>31<br>December<br>2017<br>£ | Company<br>31<br>March<br>2017<br>£ |
|--------------------------------------|--------------------------------------|-----------------------------------|----------------------------------------|-------------------------------------|
| Profit/(loss) on ordinary activities | 4,184                                | (18,217)                          | (13,811)                               | (18,217)                            |
| Income tax calculated at 19%-        | (2,599)                              | (3,461)                           | (2,624)                                | (3,461)                             |
| Expenses not deductible              | 3,193                                | -                                 | -                                      | -                                   |
| Deferred tax not recognised          | 10,024                               | 3,461                             | 2,624                                  | 3,461                               |
| Tax charge for the period            | 10,618                               | -                                 | -                                      | -                                   |

# Cardenden Heat and Power Limited

## Notes to the Consolidated Financial Statements *(continued)*

### Period from 1 April to 31 December 2017

#### Factors affecting the tax charge

A reduction from 20% to 19% was enacted in November 2015 and took effect from 1 April 2017. A further reduction from 19% to 17% was also enacted and will take effect from 1 April 2020.

The company has an unrecognised deferred tax asset of £6,085 (31 March 2017: £NIL) which arises from unused losses.

The company has carried forward losses amounting to £32,028 which can be utilised against future profits. There is no expiry date for these losses.

#### 5. Tangible assets - group

|                            | Wind<br>Turbine<br>£ | Boilers<br>£   | Total<br>£       |
|----------------------------|----------------------|----------------|------------------|
| <b>Cost</b>                |                      |                |                  |
| At 1 April 2017            | 1,604,826            | 480,484        | 2,085,310        |
| Additions                  | 325,995              | 37,837         | 363,832          |
| <b>At 31 December 2017</b> | <u>1,930,821</u>     | <u>518,321</u> | <u>2,449,142</u> |
| <b>Depreciation</b>        |                      |                |                  |
| At 1 April 2017            | -                    | -              | -                |
| Charge for the period      | 70,829               | 34,555         | 105,384          |
| <b>At 31 December 2017</b> | <u>70,829</u>        | <u>34,555</u>  | <u>105,384</u>   |
| <b>Carrying amount</b>     |                      |                |                  |
| <b>At 31 December 2017</b> | <u>1,859,992</u>     | <u>483,766</u> | <u>2,343,758</u> |
| At 31 March 2017           | <u>1,604,826</u>     | <u>480,484</u> | <u>2,085,310</u> |

#### 6. Investments - company

|                            | 31<br>December<br>2017<br>£ | 31<br>March<br>2017<br>£ |
|----------------------------|-----------------------------|--------------------------|
| <b>Cost</b>                |                             |                          |
| At 1 April 2017            | 2                           | -                        |
| Additions                  | -                           | 2                        |
| <b>At 31 December 2017</b> | <u>2</u>                    | <u>2</u>                 |

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.

# Cardenden Heat and Power Limited

## Notes to the Consolidated Financial Statements (continued)

Period from 1 April to 31 December 2017

|                                                                    | Group<br>31<br>December<br>2017<br>£ | Group<br>31<br>March<br>2017<br>£ | Company<br>31<br>December<br>2017<br>£ | Company<br>31<br>March<br>2017<br>£ |
|--------------------------------------------------------------------|--------------------------------------|-----------------------------------|----------------------------------------|-------------------------------------|
| <b>7. Debtors: amounts falling due within one year</b>             |                                      |                                   |                                        |                                     |
| Trade debtors                                                      | 32,763                               | -                                 | -                                      | -                                   |
| Other debtors and prepayments                                      | 21,485                               | 35,735                            | 67,244                                 | 1,747                               |
| VAT                                                                | 5,661                                | -                                 | -                                      | -                                   |
| Amounts owed by group undertakings                                 | -                                    | -                                 | 88,666                                 | 1,822,499                           |
|                                                                    | 59,909                               | 35,735                            | 155,910                                | 1,824,246                           |
|                                                                    | =====                                | =====                             | =====                                  | =====                               |
| <b>8. Debtors: amounts falling due after more than one year</b>    |                                      |                                   |                                        |                                     |
| Other debtors                                                      | 22,707                               | 24,454                            | 22,707                                 | 24,454                              |
| Amounts owed by group undertakings                                 | -                                    | -                                 | 1,591,934                              | -                                   |
|                                                                    | 22,707                               | 24,454                            | 1,614,641                              | 24,454                              |
|                                                                    | =====                                | =====                             | =====                                  | =====                               |
| <b>9. Creditors: amounts falling due within one year</b>           |                                      |                                   |                                        |                                     |
| Trade creditors                                                    | 547                                  | -                                 | -                                      | -                                   |
| Accruals                                                           | 70,085                               | 52,714                            | 4,473                                  | -                                   |
| Social security and taxation                                       | 3,201                                | -                                 | -                                      | -                                   |
| Other creditors                                                    | 136,357                              | 399,714                           | 104,310                                | 90,016                              |
|                                                                    | 210,190                              | 452,428                           | 108,783                                | 90,016                              |
|                                                                    | =====                                | =====                             | =====                                  | =====                               |
| <b>10. Creditors: amounts falling due after more than one year</b> |                                      |                                   |                                        |                                     |
| Other creditors                                                    | 2,606,909                            | 1,978,540                         | 1,887,058                              | 1,978,540                           |
| Deferred tax                                                       | 10,618                               | -                                 | -                                      | -                                   |
|                                                                    | 2,617,527                            | 1,978,540                         | 1,887,058                              | 1,978,540                           |
|                                                                    | =====                                | =====                             | =====                                  | =====                               |

Included within Creditors: amounts falling due after more than one year is an amount of £1,510,722 in respect of a loan which falls due for payment after more than five years from the reporting date. Interest is charged at 6% and the loan is due for repayment in 15 years.

# Cardenden Heat and Power Limited

## Notes to the Consolidated Financial Statements *(continued)*

### Period from 1 April to 31 December 2017

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#### 10. Creditors: amounts falling due after more than one year (continued)

Loans are secured against the wind turbine and heating project, a floating charge covers all property or undertaking of the company.

|                                         | Group<br>31<br>December<br>2017<br>No. | Group<br>31<br>March<br>2017<br>No. | Company<br>31<br>December<br>2017<br>No. | Company<br>31<br>March<br>2017<br>No. |
|-----------------------------------------|----------------------------------------|-------------------------------------|------------------------------------------|---------------------------------------|
| <b>11. Called up share capital</b>      |                                        |                                     |                                          |                                       |
| <b>Issued, called up and fully paid</b> |                                        |                                     |                                          |                                       |
| Ordinary shares of £1 each              | <u>1</u>                               | <u>1</u>                            | <u>1</u>                                 | <u>1</u>                              |

#### 12. Reserves

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

#### 13. Related party transactions

At 31 December 2017, there was amount due to Ore Valley Housing Association Limited of £170 (31 March 2017: £170) which related to an intercompany loan.

At 31 December 2017, there was an amount due from Ore Valley Energy Limited of £1,172,675 (31 March 2017: £1,594,499) which relates to an intercompany loan. Interest is charged at 6% and repayment is due within 15 years.

Also at 31 December 2017 there was an amount due from Ore Valley Heating of £507,925 (31 March 2017: £228,000) which also relates to an intercompany loan. Interest is charged at 6% and repayment is due within 15 years.

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

Director, Andrew Saunders, is also a director of Ore Valley Energy Limited and Ore Valley Heating Limited.

Director, Nick Clark, is also a director of Ore Valley Energy Limited and Ore Valley Heating Limited.

#### 14. Controlling party

The immediate and ultimate parent company is Ore Valley Housing Association Limited. The Financial Conduct Authority has granted Ore Valley Housing Association Limited exemption from preparing group accounts, the company's results will no longer be included within the parent company's financial statements.

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

#### 15. Going Concern

At 31 December 2017, the group had negative reserves. The directors have prepared a financial model which shows the group will become profitable in the near future. With the continued support of the ultimate 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