Company Registration No. SC463113 (Scotland)

IPOWER MICRO CHP LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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IPOWER MICRO CHP LIMITED

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IPOWER MICRO CHP LIMITED

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Current assets					
Debtors	**2**	4,355		27,857	
Cash at bank and in hand		809		49,981	
		5,164		77,838	
Creditors: amounts falling due within one year	**3**	(1,750)		(1,703)	
Net current assets			3,414		76,135
Capital and reserves					
Called up share capital	**4**		1		1
Profit and loss reserves	**5**		3,413		76,134
Total equity			3,414		76,135

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

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 26 October 2018 and are signed on its behalf by:

Mr Jonathan Cape
Director

Company Registration No. SC463113

1 Accounting policies

Company information

iPower Micro CHP Limited is a private company limited by shares incorporated in Scotland. The registered office is 17 Kenilworth Road, Bridge of Allan, Stirling, FK9 4DU.

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 a mounts in these financial statements are rounded to the nearest £.

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

1.2 Going concern

Due to the issue encountered with the liquidation of a supplier to whom a deposit was paid, the company is not in a position to meet the repayment terms of a loan from Social Growth Fund LLP. Social Investment Scotland, who manage the Social Growth Fund LLP's lending, has indicated that it does not intend to enforce the loan repayment terms in their current form, and has confirmed its willingness to restructure the loan into a form which would not jeopardise the continued trading of the company, or its associates, as going concerns.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for 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.

1.4 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 Accounting policies **(Continued)**

1.5 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 balance sheet 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 and cash and bank balances, 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.

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.

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.

2 Debtors

	2018	2017
Amounts falling due within one year:	**£**	**£**
Other debtors	4,355	27,857

3 Creditors: amounts falling due within one year

	2018	2017
	£	**£**
Other taxation and social security	-	238
Other creditors	1,750	1,465
	1,750	1,703

4 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
1 Ordinary Share of £1 each	1	1
	1	1

5 Profit and loss reserves

	2018	2017
	£	£
At the beginning of the year	76,134	(455,304)
(Loss)/profit for the year	(72,721)	531,438
At the end of the year	3,413	76,134

6 Financial commitments, guarantees and contingent liabilities

iPower Micro CHP Limited and iPower Energy Limited have a cross guarantee detailing that each party to the guarantee undertakes to settle any liability of the other company should that other company be unable to pay its creditors. The SIS loan of £531,521 (2017: £531,521) taken out by iPower Micro CHP is cross guaranteed between both iPower Micro CHP and iPower Energy Limited. The SIS loan is no longer repayable under the terms of the original loan agreement. The loan will now only become repayable based on the performance and future profitability of the Company.

7 Related party transactions

iPower Energy Limited, the parent company, supplied £27,856 (2017: £Nil) of services to the company during the period. These services were supplied on normal commercial terms.

During the year the company made loans to and received loans from iPower Energy, the parent company. At the year end the balance due from iPower Energy was £Nil (2017: £27,856) which is included within debtors.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.