

Registration number: Industrial and Provident Societies Act 1965 and Friendly and Industrial and Provident Societies Act 1968 30503R

# Settle Hydro Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 March 2014

DSM Chartered Accountants  
Station House  
Station Road  
Whalley  
Lancashire  
BB7 9RT

**Settle Hydro Limited**  
**Contents**

Company Information .....	1
Directors' Report .....	2 to 3
Accountants' Report .....	4
Profit and Loss Account .....	5
Balance Sheet .....	6 to 7
Notes to the Financial Statements .....	8 to 10

The following pages do not form part of the statutory financial statements:

Detailed Profit and Loss Account .....	11 to 12
--	----------

**Settle Hydro Limited**  
**Company Information**

**Management  
Committee** Ann Harding  
Stephen Leslie Amphlett  
James Tod

**Registered office** 2 Grove Park Gardens  
Settle  
North Yorkshire  
BD24 9QS

**Accountants** DSM Chartered Accountants  
Station House  
Station Road  
Whalley  
Lancashire  
BB7 9RT

## Settle Hydro Limited

### Management Committee Report for the Year Ended 31 March 2014

The Management Committee present their report and the unaudited financial statements for the year ended 31 March 2014.

#### Management Committee

The Management Committee who held office during the year were as follows:

Ann Harding

Stephen Leslie Amphlett

James Tod (appointed 7 September 2013)

#### Principal activity

The principal activity of the company is environmental and ecological production of electricity.

#### Business review

##### *Fair review of the business*

It has been a very challenging year for Settle Hydro. The lower bearing of the Archimedean Screw failed (for the second time!) in early November 2013. Difficulties experienced in sourcing a suitable replacement bearing meant that we were unable to operate throughout the winter and spring months and take advantage of the extensive period of higher rainfall and river level. We eventually started generating again in May 2014. The Financial challenge of dealing with the bearing failure was twofold. Firstly, we had insufficient reserves with which to pay for a replacement bearing and secondly we faced the prospect of running out of cash through our inability to generate any income for a prolonged period.

The Directors addressed the first challenge by working very closely with the Charity Bank and negotiating additional funding and a restructuring of the existing bank loans. The cash-flow issues was addressed by agreeing the deferral of a number of payments with creditors and raising invaluable short term funding through an appeal for help to society members. The Directors wish to express their thanks for the great support they have received from The Charity Bank, creditors and members, which undoubtedly has enabled the Society to continue operating and given some breathing space within which to develop a Strategic Plan to make the Society more operationally and financially robust.

The Directors have continued to work closely with the Environment Agency (EA) to explore concerns raised by Anglers about the potentially negative impact of the hydro on the movement of salmon through the adjacent fish pass. An independent detailed study organised by the EA was unable to demonstrate any detrimental effect.

Finally, Sandy Tod, a retired Civil Engineer with extensive experience of large scale hydroelectric schemes, was elected to the board of Directors at the last AGM. Sandy is a very welcome addition to the Management Team and will undoubtedly be making a valuable contributions towards the development and delivery of the Strategic Plan.

#### Small company provisions

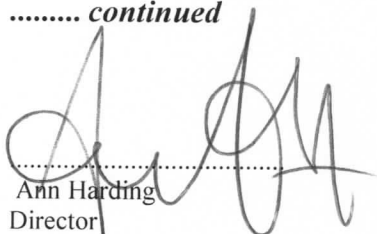
This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on ..... and signed on its behalf by:


**Settle Hydro Limited**

**Management Committee Report for the Year Ended 31 March 2014**

..... *continued*



.....  
Ann Harding  
Director



.....  
Stephen Leslie Amphlett  
Director

**Accountants' Report to the Committee of Management on the Unaudited Financial  
Statements of  
Settle Hydro Limited  
for the Year Ended 31 March 2014**

In accordance with the engagement letter dated 1st December 2010 and in order to assist you to fulfil your duties under the Industrial and Provident Societies Act 1965 and the Friendly and Industrial and Provident Societies Act 1968, we have compiled the financial statements of Settle Hydro Limited which comprise of the Income and Expenditure Accounts, the Balance Sheet and the related notes for Settle Hydro Limited for the year ended 31 March 2014 set out on pages 5 to 10 from the accounting records and from information and explanations you have given us.

This report is made solely to the Committee of Management of Settle Hydro Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile for Settle Hydro Limited report to the Committee of Management that we have done so, and state those matters that we have agreed to state to them, as a body, in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Settle Hydro Limited and its Committee of Management as a body for our work or for this report.

We have carried out the engagement in accordance with the technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the Balance Sheet at 31st March 2014 that it is your duty to ensure that Settle Hydro Limited has kept proper accounting records and to prepare financial statements that give a true and fair view under the requirements of the Industrial and Provident Societies Act 1965 and the Friendly and Industrial and Provident Societies Act 1968 of the assets, liabilities, financial position and loss of Settle Hydro Limited. You consider that Settle Hydro Limited is exempt from the statutory audit requirement for the year. You consider that Settle Hydro Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Settle Hydro Limited. In our opinion the financial criteria for the substitution of the Accountant's report in place of a full audit have been met, the Income and Expenditure Account and the Balance Sheet are in agreement with the books of account kept by the Company and they comply with the requirements of the Industrial and Provident Societies Act 1968 and the Friendly and Industrial and Provident Societies Act 1968.

*DSM Chartered Accountants*

DSM Chartered Accountants  
Station House  
Station Road  
Whalley  
Lancashire  
BB7 9RT

Date: *17/6/2014*

**Settle Hydro Limited**  
**Income and Expenditure Account for the Year Ended 31 March 2014**

	Note	2014 £	2013 £
Turnover		9,850	23,928
Cost of sales		-	(3,000)
Gross profit		9,850	20,928
Administrative expenses		(24,167)	(25,502)
Operating loss	3	(14,317)	(4,574)
Other interest receivable and similar income		10	18
Interest payable and similar charges		(9,512)	(9,920)
Loss on ordinary activities before taxation		(23,819)	(14,476)
Loss for the financial year	9	(23,819)	(14,476)

**Settle Hydro Limited**  
**(Registration number: 30503R)**  
**Balance Sheet at 31 March 2014**

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Tangible fixed assets	4	317,155	332,347
<b>Current assets</b>			
Debtors	5	470	4,159
Cash at bank and in hand		3,034	9,548
		3,504	13,707
Creditors: Amounts falling due within one year	6	(9,613)	(800)
Net current (liabilities)/assets		(6,109)	12,907
Total assets less current liabilities		311,046	345,254
Creditors: Amounts falling due after more than one year	7	(126,543)	(136,932)
Net assets		184,503	208,322
<b>Capital and reserves</b>			
Called up share capital	8	141,255	141,255
Profit and loss account	9	43,248	67,067
Shareholders' funds		184,503	208,322

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008).

For the year ending 31 March 2014 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 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 accounts.

Approved and authorised for issue by the Board on ..... and signed on its behalf by:

.....  
 Ann Harding  
 Director



**Settle Hydro Limited**  
**(Registration number: 30503R)**  
**Balance Sheet at 31 March 2014**

..... *continued*



.....  
Stephen Leslie Amphlett  
Director

## Settle Hydro Limited

### Notes to the Financial Statements for the Year Ended 31 March 2014

#### 2 Accounting policies

##### Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

##### Turnover

Income represents the total amount receivable, net of value added tax, in respect of grants and donations received and the sale of goods and services to customers.

##### Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Other equipment	10% straight line
Screw with Trough	2.5% straight line
Sluice Gate with Hydraulics	5% straight line

##### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as 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. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

#### 3 Operating loss

Operating loss is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets	<u>15,192</u>	<u>15,192</u>

**Settle Hydro Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2014**

..... *continued*

**4 Tangible fixed assets**

	<b>Other Equipment £</b>	<b>Sluice Gate &amp; Hydraulics £</b>	<b>Screw with Trough £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 April 2013	53,371	55,541	283,129	392,041
<b>Depreciation</b>				
At 1 April 2013	20,488	11,108	28,098	59,694
Charge for the year	5,337	2,777	7,078	15,192
At 31 March 2014	25,825	13,885	35,176	74,886
<b>Net book value</b>				
At 31 March 2014	27,546	41,656	247,953	317,155
At 31 March 2013	32,883	44,433	255,031	332,347

**5 Debtors**

	<b>2014 £</b>	<b>2013 £</b>
Trade debtors	-	3,851
Other debtors	470	308
	470	4,159

**6 Creditors: Amounts falling due within one year**

	<b>2014 £</b>	<b>2013 £</b>
Trade creditors	1,485	-
Bank loans and overdrafts	6,528	-
Accruals and deferred income	1,600	800
	9,613	800

**7 Creditors: Amounts falling due after more than one year**

	<b>2014 £</b>	<b>2013 £</b>
Bank loans and overdrafts	126,543	136,932

**Settle Hydro Limited**

**Notes to the Financial Statements for the Year Ended 31 March 2014**

..... *continued*

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the company:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Charity Bank Loan	116,412	124,932
Charity Bank additional Loan	10,131	12,000
	126,543	136,932

Included in the creditors are the following amounts due after more than five years:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
After more than five years by instalments	100,431	105,445

**8 Share capital**

**Allotted, called up and fully paid shares**

	<b>2014</b>		<b>2013</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	81,805	81,805	81,805	81,805
Enterprise Investment Scheme shares of £1 each	59,450	59,450	59,450	59,450
	141,255	141,255	141,255	141,255

**9 Reserves**

	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
At 1 April 2013	67,067	67,067
Loss for the year	(23,819)	(23,819)
At 31 March 2014	43,248	43,248

**10 Control**

The company is controlled by its 175 members overall. The society has 130 ordinary share members and 45 members hold Enterprise Investment Scheme shares. No one person holds more than 5% of the shares.

**Settle Hydro Limited**  
**Detailed Profit and Loss Account for the Year Ended 31 March 2014**

	2014		2013	
	£	£	£	£
Turnover (analysed below)		9,850		23,928
Cost of sales (analysed below)		-		(3,000)
Gross profit		9,850		20,928
Gross profit (%)		100.00%		87.46%
<b>Administrative expenses</b>				
Establishment costs (analysed below)	(5,977)		(8,565)	
General administrative expenses (analysed below)	(2,998)		(1,745)	
Depreciation costs (analysed below)	(15,192)		(15,192)	
		(24,167)		(25,502)
Other interest receivable and similar income (analysed below)		10		18
Interest payable and similar charges (analysed below)		(9,512)		(9,920)
Loss on ordinary activities before taxation		(23,819)		(14,476)

**Settle Hydro Limited**  
**Detailed Profit and Loss Account for the Year Ended 31 March 2014**

	2014 £	2013 £
<b>Turnover</b>		
Sales	9,850	23,779
Grants and subsidies	-	149
	<u>9,850</u>	<u>23,928</u>
<b>Cost of sales</b>		
NYCC Grant refunded	-	3,000
	<u>-</u>	<u>3,000</u>
<b>Establishment costs</b>		
Rent and rates	4,000	4,000
Insurance	501	497
Repairs and renewals	1,476	4,068
	<u>5,977</u>	<u>8,565</u>
<b>General administrative expenses</b>		
Telephone and fax	487	465
Printing, postage and stationery	-	6
Trade subscriptions	235	235
Sundry expenses	27	64
Accountancy fees	800	800
Consultancy fees	1,225	-
Legal and professional fees	224	175
	<u>2,998</u>	<u>1,745</u>
<b>Depreciation costs</b>		
Depreciation of other equipment	5,337	5,337
Depreciation of Sluice Gate with Hydraulics	2,777	2,777
Depreciation of Screw with Trough	7,078	7,078
	<u>15,192</u>	<u>15,192</u>
<b>Other interest receivable and similar income</b>		
Bank interest receivable	10	18
	<u>10</u>	<u>18</u>
<b>Interest payable and similar charges</b>		
Loan interest	9,512	9,920
	<u>9,512</u>	<u>9,920</u>