

Registration number: Industrial and Provident Societies Act 1965 and Friendly and Industrial and Provident Societies Act 1968 IP030503

Settle Hydro Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 March 2015

DSM CA Limited
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 11

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

Detailed Profit and Loss Account	12 to 13
--	----------

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 CA Limited
Station House
Station Road
Whalley
Lancashire
BB7 9RT

Settle Hydro Limited

Management Committee Report for the Year Ended 31 March 2015

The Management Committee present their report and the unaudited financial statements for the year ended 31 March 2015.

Management Committee

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

Ann Harding

Stephen Leslie Amphlett

James Tod

Principal activity

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

Business review

Fair review of the business

In response to the financial difficulties experienced during 2013/14 the Directors have formulated and are enacting a strategic plan designed to make the Society more operationally and financially robust. The first part of the plan was to raise additional funds through the launch of a Share Offer. The Share Offer was launched on 1st July 2014 and by 31st March 2015 had raised £38,600. These funds, as well as providing a healthy working capital, have enabled the Society to commit to the second part of the plan which is to implement an upgrade to the Hydro control system with the potential for increasing output by over 50%. The upgrade will be installed during July 2015.

In order to increase operational reliability and reduce the risk of downtime due to plant failure, the Society has contracted with Mann Power Consulting Ltd to perform regular maintenance checks.

A final part of the strategy was to improve both the Settle Hydro website and communication with Society members. A new website was launched in June 2014 and has proved very useful in attracting interest in the work of the Society. Eight newsletters were sent to members during the year and efforts have been made to re-establish contact with members with whom, for various reasons, we have lost touch.

Total generation during the financial year was 89000kWh. This was a reasonable result when compared with previous years, especially when taking into account that a month's generation was lost at the beginning of the year due to the faulty bearing problem.

The Abstraction Licence for Settle Hydro is due for renewal in March 2016. Without an Abstraction Licence we will be unable to operate and so this is a critical task during the next few months. The Directors are working closely with the Environment Agency to ensure that all issues and concerns are addressed in time for the renewal and that the new Abstraction Licence is realistic and 'fit for purpose'.

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 19 September 2015 and signed on its behalf by:

.....
Ann Harding
Director

Settle Hydro Limited

Management Committee Report for the Year Ended 31 March 2015

..... continued

.....
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 2015**

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 2015 set out on pages 5 to 11 from the accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/membershandbook.

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 profit 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 CA Limited
Station House
Station Road
Whalley
Lancashire
BB7 9RT
19 September 2015

Settle Hydro Limited
Income and Expenditure Account for the Year Ended 31 March 2015

	Note	2015 £	2014 £
Turnover		24,193	9,850
Administrative expenses		<u>(29,059)</u>	<u>(24,167)</u>
Operating loss	3	(4,866)	(14,317)
Other exceptional items	4	33,501	-
Other interest receivable and similar income		22	10
Interest payable and similar charges		<u>(9,818)</u>	<u>(9,512)</u>
Profit/(loss) on ordinary activities before taxation		<u>18,839</u>	<u>(23,819)</u>
Profit/(loss) for the financial year	10	<u><u>18,839</u></u>	<u><u>(23,819)</u></u>

The notes on pages 8 to 11 form an integral part of these financial statements.

Settle Hydro Limited
(Registration number: IP030503)
Balance Sheet at 31 March 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible fixed assets	5	342,379	317,155
Current assets			
Debtors	6	7,788	470
Cash at bank and in hand		34,004	3,034
		41,792	3,504
Creditors: Amounts falling due within one year	7	(7,863)	(9,613)
Net current assets/(liabilities)		33,929	(6,109)
Total assets less current liabilities		376,308	311,046
Creditors: Amounts falling due after more than one year	8	(134,986)	(126,543)
Net assets		241,322	184,503
Capital and reserves			
Called up share capital	9	179,235	141,255
Profit and loss account	10	62,087	43,248
Shareholders' funds		241,322	184,503

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 2015 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 19 September 2015 and signed on its behalf by:

.....
Ann Harding
Director

Settle Hydro Limited
(Registration number: IP030503)
Balance Sheet at 31 March 2015

..... *continued*

.....
Stephen Leslie Amphlett
Director

Settle Hydro Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

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

The previous years depreciation was calculated on a straightline basis at 10% for 'Other Equipment', 2.5% for the 'Screw with Trough' and 5% for the 'Sluice Gate with Hydraulics'. At the 2014 AGM it was agreed that the life of the assets needed to be extended in line with other Hydro schemes.

Depreciation is provided on a 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	5% straight line
Screw with Trough	1% 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:

	2015 £	2014 £
Depreciation of tangible fixed assets	<u>8,277</u>	<u>15,192</u>

4 Exceptional items

	2015 £	2014 £
Exceptional- Prior Year Depreciation write back (See Note 5)	<u>(33,501)</u>	<u>-</u>

Settle Hydro Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

5 Tangible fixed assets

	Other Equipment £	Sluice Gate & Hydraulics £	Screw with Trough £	Total £
Cost or valuation				
At 1 April 2014	53,371	55,541	283,129	392,041
Depreciation				
At 1 April 2014	25,825	13,885	35,176	74,886
Charge for the year	2,669	2,777	2,831	8,277
Writeback to recoverable amount	(12,482)	-	(21,019)	(33,501)
At 31 March 2015	16,012	16,662	16,988	49,662
Net book value				
At 31 March 2015	37,359	38,879	266,141	342,379
At 31 March 2014	27,546	41,656	247,953	317,155

6 Debtors

	2015 £	2014 £
Trade debtors	7,777	-
VAT debtor	11	470
	7,788	470

7 Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	-	1,485
Bank loans and overdrafts	6,013	6,528
Other loans	1,000	-
Accruals and deferred income	850	1,600
	7,863	9,613

Settle Hydro Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

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

	2015 £	2014 £
Charity Bank loan	<u>6,013</u>	<u>6,528</u>

8 Creditors: Amounts falling due after more than one year

	2015 £	2014 £
Bank loans and overdrafts	<u>134,986</u>	<u>126,543</u>

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

	2015 £	2014 £
Charity Bank Loan	-	116,412
Charity Bank Loan 2	-	10,131
Charity Bank Consolidated Loan	<u>134,985</u>	<u>-</u>
	<u>134,985</u>	<u>126,543</u>

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

	2015 £	2014 £
After more than five years by instalments	<u>110,933</u>	<u>100,431</u>

9 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	179,995	179,995	81,805	81,805
Enterprise Investment Scheme Shares of £1 each	-	-	59,450	59,450
	<u>179,995</u>	<u>179,995</u>	<u>141,255</u>	<u>141,255</u>

Settle Hydro Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

..... *continued*

New shares allotted

During the year 38,600 Ordinary shares having an aggregate nominal value of £38,600 were allotted for an aggregate consideration of £38,600. share issue.

10 Reserves

	Profit and loss account £	Total £
At 1 April 2014	43,248	43,248
Profit for the year	<u>18,839</u>	<u>18,839</u>
At 31 March 2015	<u><u>62,087</u></u>	<u><u>62,087</u></u>

11 Control

The company is controlled by its 192 members overall. No one private individual holds more than 5% of the shares. Key Funds Yorkshire holds 11% of the shares, however each shareholder only holds one voting right each, regardless of the amount of shares held in accordance with the society rules..

Settle Hydro Limited
Detailed Profit and Loss Account for the Year Ended 31 March 2015

	2015		2014	
	£	£	£	£
Turnover (analysed below)		24,193		9,850
Gross profit (%)		100.00%		100.00%
Administrative expenses				
Establishment costs (analysed below)	(18,858)		(5,977)	
General administrative expenses (analysed below)	(1,914)		(2,998)	
Finance charges (analysed below)	(10)		-	
Depreciation costs (analysed below)	(8,277)		(15,192)	
		(29,059)		(24,167)
Operating loss		(4,866)		(14,317)
Non-operating exceptional items				
Other exceptional items (analysed below)		33,501		-
Other interest receivable and similar income (analysed below)		22		10
Interest payable and similar charges (analysed below)		(9,818)		(9,512)
Profit/(loss) on ordinary activities before taxation		18,839		(23,819)

Settle Hydro Limited
Detailed Profit and Loss Account for the Year Ended 31 March 2015

	2015 £	2014 £
Turnover		
Sales	24,193	9,850
	<u>24,193</u>	<u>9,850</u>
Establishment costs		
Rent and rates	3,364	4,000
Insurance	532	501
Repairs and renewals	14,962	1,476
	<u>18,858</u>	<u>5,977</u>
General administrative expenses		
Telephone and fax	496	487
Printing, postage and stationery	24	-
Trade subscriptions	235	235
Sundry expenses	-	27
Accountancy fees	974	800
Consultancy fees	-	1,225
Legal and professional fees	-	224
Website	185	-
	<u>1,914</u>	<u>2,998</u>
Finance charges		
Bank charges	10	-
	<u>10</u>	<u>-</u>
Depreciation costs		
Depreciation of other equipment	2,669	5,337
Depreciation of Sluice Gate with Hydraulics	2,777	2,777
Depreciation of Screw with Trough	2,831	7,078
	<u>8,277</u>	<u>15,192</u>
Other exceptional items		
Exceptional- Prior year Depreciation write back (See Note 5)	(33,501)	-
	<u>(33,501)</u>	<u>-</u>
Other interest receivable and similar income		
Bank interest receivable	22	10
	<u>22</u>	<u>10</u>
Interest payable and similar charges		
Loan interest	9,818	9,512
	<u>9,818</u>	<u>9,512</u>