

Registration number: IP030503

Settle Hydro Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 March 2017

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
Statement of Income and Retained Earnings	5
Balance Sheet	6 to 7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 to 13

Settle Hydro Limited

Company Information

Management Committee
Stephen Leslie Amphlett
Ann Harding
James Alexander 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 2017

The Management Committee present their report and the unaudited financial statements for the year ended 31 March 2017.

Management Committee

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

Stephen Leslie Amphlett

Ann Harding

James Alexander Tod

Principal activity

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

Business Review

Cash in our Current Account at 31st March 2017 was £17,352. In addition we have £6,500 deposited in a Charity Bank Debt Reserve Account which remains unchanged from 31st March 2016. It is a requirement of the Charity Bank that, as funds allow, we build this deposit to £13,000 before we are permitted to award any interest payments to shareholders or grants to community projects.

Total generation for 2016/17 was a disappointing 73,255kWh, the lowest since 2010/11 (apart from 2013/14 when we experienced a major breakdown!). The poor generation was due to lower than average river levels compounded by the ongoing problem of the upstream shoal of boulders which is compromising the flow of water through both the fish pass and the hydro (particularly at lower river levels).

Regarding the shoal of boulders, a Permit Application has been submitted to the Environment Agency for their removal but even if the permit is granted the work can only be done with the permission of the local Angling Club who own the river bed upstream of the weir. As of the date of this report the Angling Club has not granted us permission. A further problem that has recently developed is the partial collapse of the weir boards which is allowing more water to flow over the weir to the detriment of the hydro and fish pass. Discussions are taking place with the weir owner and the Environment Agency with a view to agreeing an acceptable method for fixing the problem.

Our Abstraction Licence, which was due for renewal in March 2016, was successfully renewed in December 2016. The delay was solely due to resource issues within the Environment Agency. The new Abstraction Licence expires in March 2028.

Due to concerns about the on-going reliability of the hydraulic system that opens and closes the sluice gate, the Directors made the decision to upgrade the hydraulic power pack at a total cost of £4,320. The new system was commissioned in June 2017 and is operating satisfactorily.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Settle Hydro Limited

Management committee report for the Year Ended 31 March 2017

Approved by the Board on 16 September 2017 and signed on its behalf by:

.....
Stephen Leslie Amphlett
Director

.....
Ann Harding
Director

.....
James Alexander Tod
Director

**Chartered Accountants' Report to the Board of Directors on the Preparation of the
Unaudited Statutory Accounts of
Settle Hydro Limited
for the Year Ended 31 March 2017**

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 Provident Societies Act 1968, we have compiled the financial statement 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 2017 set out in 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 <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Settle Hydro Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Settle Hydro Limited and state those matters that we have agreed to state to the Board of Directors of Settle Hydro Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Settle Hydro Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Settle Hydro Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view 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.

We have not been instructed to carry out an audit or a review of the accounts of Settle Hydro Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

.....

DSM CA Limited
Station House
Station Road
Whalley
Lancashire
BB7 9RT
16 September 2017

Settle Hydro Limited

Statement of Income and Retained Earnings for the Year Ended 31 March 2017

	Note	2017 £	2016 £
Turnover		19,995	29,267
Administrative expenses		<u>(27,721)</u>	<u>(17,147)</u>
Operating (loss)/profit		<u>(7,726)</u>	<u>12,120</u>
Other interest receivable and similar income		35	21
Interest payable and similar charges		<u>(9,316)</u>	<u>(9,729)</u>
		<u>(9,281)</u>	<u>(9,708)</u>
(Loss)/profit before tax		<u>(17,007)</u>	<u>2,412</u>
(Loss)/profit for the financial year		(17,007)	2,412
Retained earnings brought forward		<u>64,499</u>	<u>62,087</u>
Retained earnings carried forward		<u><u>47,492</u></u>	<u><u>64,499</u></u>

The notes on pages 9 to 13 form an integral part of these financial statements.

Settle Hydro Limited
(Registration number: IP030503)
Balance Sheet as at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	3	344,843	355,876
Current assets			
Debtors	4	8,770	15,840
Cash at bank and in hand		23,911	28,272
		<u>32,681</u>	<u>44,112</u>
Creditors: Amounts falling due within one year	5	<u>(7,553)</u>	<u>(7,143)</u>
Net current assets		<u>25,128</u>	<u>36,969</u>
Total assets less current liabilities		369,971	392,845
Creditors: Amounts falling due after more than one year	5	<u>(123,224)</u>	<u>(129,641)</u>
Net assets		<u>246,747</u>	<u>263,204</u>
Capital and reserves			
Called up share capital		199,255	198,705
Profit and loss account		47,492	64,499
Total equity		<u>246,747</u>	<u>263,204</u>

For the financial year ending 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

The notes on pages 9 to 13 form an integral part of these financial statements.

Settle Hydro Limited
(Registration number: IP030503)
Balance Sheet as at 31 March 2017

Approved and authorised by the Board on 16 September 2017 and signed on its behalf by:

.....
Stephen Leslie Amphlett
Director

.....
Ann Harding
Director

.....
James Alexander Tod
Director

Settle Hydro Limited

Statement of Changes in Equity for the Year Ended 31 March 2017

	Share capital	Profit and loss	Total
	£	£	£
At 1 April 2016	198,705	64,499	263,204
Loss for the year	-	(17,007)	(17,007)
Total comprehensive income	-	(17,007)	(17,007)
New share capital subscribed	550	-	550
At 31 March 2017	199,255	47,492	246,747
	Share capital	Profit and loss	Total
	£	£	£
At 1 April 2015	179,955	62,087	242,042
Profit for the year	-	2,412	2,412
Total comprehensive income	-	2,412	2,412
New share capital subscribed	18,750	-	18,750
At 31 March 2016	198,705	64,499	263,204

The notes on pages 9 to 13 form an integral part of these financial statements.

Settle Hydro Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

1 General information

Settle Hydro Limited is a Industrial and Provident Society registered in England and Wales.

The address of its registered office is:

2 Grove Park Gardens

Settle

North Yorkshire

BD24 9QS

These financial statements were authorised for issue by the Board on 16 September 2017.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Other equipment	5% Straight line
Screw with trough	1% Straight line
Sluice gate with hydraulics	4% Straight line

Settle Hydro Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

The company is controlled by its 194 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 society rules.

Settle Hydro Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

3 Tangible assets

	Screw with trough £	Sluice Gate and Hydraulics £	Other Equipment £	Total £
Cost or valuation				
At 1 April 2016	283,129	55,541	76,452	415,122
Additions	-	2,328	524	2,852
Disposals	(6,990)	-	-	(6,990)
At 31 March 2017	<u>276,139</u>	<u>57,869</u>	<u>76,976</u>	<u>410,984</u>
Depreciation				
At 1 April 2016	19,820	19,439	19,987	59,246
Charge for the year	2,831	2,222	3,939	8,992
Eliminated on disposal	(2,097)	-	-	(2,097)
At 31 March 2017	<u>20,554</u>	<u>21,661</u>	<u>23,926</u>	<u>66,141</u>
Carrying amount				
At 31 March 2017	<u>255,585</u>	<u>36,208</u>	<u>53,050</u>	<u>344,843</u>
At 31 March 2016	<u>263,309</u>	<u>36,102</u>	<u>56,465</u>	<u>355,876</u>

4 Debtors

	2017 £	2016 £
Trade debtors	6,626	14,208
Prepayments, VAT and accrued income	<u>2,144</u>	<u>1,632</u>
Total current trade and other debtors	<u>8,770</u>	<u>15,840</u>

5 Creditors

	Note	2017 £	2016 £
Due within one year			
Bank loans and overdrafts	6	6,673	6,013
Taxation and social security		-	280
Accruals		<u>880</u>	<u>850</u>
		<u>7,553</u>	<u>7,143</u>
Due after one year			
Loans and borrowings	6	<u>123,224</u>	<u>129,641</u>

Settle Hydro Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

6 Loans and borrowings

	2017	2016
	£	£
Non-current loans and borrowings		
Bank borrowings	<u>123,224</u>	<u>129,641</u>

	2017	2016
	£	£
Current loans and borrowings		
Bank borrowings	<u>6,673</u>	<u>6,013</u>

7 Dividends

As a requirement of the bank, no interest or dividends are to be paid to shareholders until a balance of £13,000 is held in the Charity Bank reserve account. Balance as at 31 March 2017: £6,500.

Settle Hydro Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

8 Transition to FRS 102

The transition to FRS102 Section 1A for small entities has resulted in no changes to these accounts.

Settle Hydro Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2017

	2017 £	2016 £
Turnover (analysed below)	<u>19,995</u>	<u>29,267</u>
Administrative expenses		
Establishment costs (analysed below)	10,981	5,196
General administrative expenses (analysed below)	2,855	2,368
Depreciation costs (analysed below)	8,992	9,583
Other expenses (analysed below)	<u>4,893</u>	<u>-</u>
	<u>27,721</u>	<u>17,147</u>
Operating (loss)/profit	<u>(7,726)</u>	<u>12,120</u>
Other interest receivable and similar income (analysed below)	35	21
Interest payable and similar charges (analysed below)	<u>(9,316)</u>	<u>(9,729)</u>
	<u>(9,281)</u>	<u>(9,708)</u>
(Loss)/profit before tax	<u><u>(17,007)</u></u>	<u><u>2,412</u></u>

Settle Hydro Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2017

	2017 £	2016 £
Turnover		
Sales	<u>19,995</u>	<u>29,267</u>
Establishment costs		
Rent and rates	4,000	4,000
Insurance	536	543
Repairs and renewals	<u>6,445</u>	<u>653</u>
	<u>10,981</u>	<u>5,196</u>
General administrative expenses		
Telephone and fax	615	563
Printing, postage and stationery	41	67
Environment agency extraction licence	150	150
Trade subscriptions	255	255
Website	180	303
Accountancy fees	880	850
Bookkeeping fees	180	180
Legal fees in relation to the Environment Agency	<u>554</u>	<u>-</u>
	<u>2,855</u>	<u>2,368</u>
Depreciation costs		
Depreciation of other equipment	3,939	3,975
Depreciation of sluice gate with hydraulics	2,222	2,777
Depreciation of screw with trough	<u>2,831</u>	<u>2,831</u>
	<u>8,992</u>	<u>9,583</u>
Other expenses		
(Profit)/loss on disposal of tangible fixed assets	<u>4,893</u>	<u>-</u>
Other interest receivable and similar income		
Bank interest receivable	<u>35</u>	<u>21</u>
Interest payable and similar expenses		
Loan interest	<u>9,316</u>	<u>9,729</u>

This page does not form part of the statutory financial statements.