

AWESOME ENERGY (DALRIADA) LIMITED

UNAUDITED  
FINANCIAL STATEMENTS

30 NOVEMBER 2018

**ArmstrongWatson<sup>®</sup>**

Accountants, Business & Financial Advisers

# AWESOME ENERGY (DALRIADA) LIMITED

## SOCIETY INFORMATION

<b>Directors</b>	C Sugden E Foy M Odomuso C Thomas S Clark (Executive officer) A B Swann (Executive officer) P Thomas A Shaw (appointed 1 April 2018) S Marshall (appointed 1 April 2018)(Executive officer)
<b>DIG Directors</b>	I Mclounnan C Auty A Fleming
<b>Registered number</b>	RS007240
<b>Registered office</b>	Dalavich Post Office Dalavich Argyll PA35 1HN
<b>Accountants</b>	Armstrong Watson LLP Chartered Accountants 1st Floor 24 Blythswood Square Glasgow G2 4BG

# AWESOME ENERGY (DALRIADA) LIMITED

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**AWESOME ENERGY (DALRIADA) LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2018**

The directors present their report and the financial statements for the year ended 30 November 2018.

**Directors**

Three directors are required to resign from the board annually. The directors who are eligible will resign and offer themselves for re-election at the forthcoming AGM.

The elected Directors as at 30 November 2018 are as follows:

C Sugden

E Foy

M Odomuso

C Thomas

S Clark

A B Swann

P Thomas

A Shaw (appointed 1 April 2018)

S Marshall (appointed 1 April 2018)

**Executive Officers:** S Clark - Chair  
(included above) A B Swann - Treasurer  
S Marshall - Secretary

**DIG Directors:** I Mclounnan  
C Auty  
A Fleming

This report has been prepared in accordance with sections 79 and 80 of the Co-operative and Community Benefit Societies Act 2014.

**ON BEHALF OF THE BOARD:**

.....  
**S Clark**  
Chair

.....  
**A B Swann**  
Treasurer

.....  
**S Marshall**  
Secretary  
Date: 4 May 2019

## **AWESOME ENERGY (DALRIADA) LIMITED**

### **CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF AWESOME ENERGY (DALRIADA) LIMITED FOR THE YEAR ENDED 30 NOVEMBER 2018**

In order to assist you to fulfil your duties under the Co-operative and Community Benefit Societies Act 2014, we have prepared for your approval the financial statements of Awesome Energy (Dalriada) Limited for the year ended 30 November 2018 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the Company's 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 Awesome Energy (Dalriada) 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 financial statements of Awesome Energy (Dalriada) Limited and state those matters that we have agreed to state to the Board of Directors of Awesome Energy (Dalriada) Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Awesome Energy (Dalriada) Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Awesome Energy (Dalriada) Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Awesome Energy (Dalriada) Limited. You consider that Awesome Energy (Dalriada) Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Awesome Energy (Dalriada) 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 financial statements.

**Armstrong Watson LLP**  
Chartered Accountants  
Glasgow  
4 May 2019

**AWESOME ENERGY (DALRIADA) LIMITED**

**REVENUE ACCOUNT  
FOR THE YEAR ENDED 30 NOVEMBER 2018**

	<b>Note</b>	<b>2018</b> £	As restated 2017 £
Turnover		<b>201,359</b>	1,095
Cost of sales		<b>(26,359)</b>	-
<b>Gross profit</b>		<b>175,000</b>	1,095
Administrative expenses		<b>(182,073)</b>	(23,292)
<b>Operating loss</b>		<b>(7,073)</b>	(22,197)
<b>Loss after tax</b>		<b>(7,073)</b>	(22,197)
Retained earnings at the beginning of the year		<b>(22,197)</b>	-
		<b>(22,197)</b>	-
Loss for the year		<b>(7,073)</b>	(22,197)
Members interest declared		<b>(11,885)</b>	-
<b>Retained earnings at the end of the year</b>		<b>(41,155)</b>	(22,197)

There were no recognised gains and losses for 2018 or 2017 other than those included in the revenue account .

The notes on pages 7 to 15 form part of these financial statements.

**AWESOME ENERGY (DALRIADA) LIMITED**  
**REGISTERED NUMBER: RS007240**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 NOVEMBER 2018**

	Note	2018 £	As restated 2017 £
<b>Fixed assets</b>			
Tangible assets	4	<b>1,505,086</b>	1,256,446
		<u>1,505,086</u>	<u>1,256,446</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	<b>143,539</b>	143,672
Cash at bank and in hand	6	<b>194,645</b>	132,065
		<u>338,184</u>	<u>275,737</u>
Creditors: amounts falling due within one year	7	<b>(356,526)</b>	(173,063)
<b>Net current (liabilities)/assets</b>		<b>(18,342)</b>	102,674
<b>Total assets less current liabilities</b>		<b>1,486,744</b>	1,359,120
Creditors: amounts falling due after more than one year	8	<b>(1,226,244)</b>	(1,181,932)
<b>Provisions for liabilities</b>			
Other provisions	12	<b>(4,550)</b>	-
		<u>(4,550)</u>	-
<b>Net assets</b>		<b>255,950</b>	177,188

**AWESOME ENERGY (DALRIADA) LIMITED**  
**REGISTERED NUMBER: RS007240**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 30 NOVEMBER 2018**

	Note	2018 £	As restated 2017 £
<b>Capital and reserves</b>			
Called up share capital	13	<b>297,105</b>	199,385
Profit and loss account		<b>(41,155)</b>	(22,197)
		<u><b>255,950</b></u>	<u>177,188</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....  
**S Clark**  
Director

.....  
**A B Swann**  
Director

Date: 4 May 2019

The notes on pages 7 to 15 form part of these financial statements.



**AWESOME ENERGY (DALRIADA) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 NOVEMBER 2018**

	Called up share capital £	As restated Profit and loss account £	Total equity £
<b>At 1 December 2016</b>	<b>199,385</b>	<b>-</b>	<b>199,385</b>
<b>Comprehensive income for the year</b>			
Loss for the year	-	(22,197)	(22,197)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(22,197)</b>	<b>(22,197)</b>
<b>At 1 December 2017</b>	<b>199,385</b>	<b>(22,197)</b>	<b>177,188</b>
<b>Comprehensive income for the year</b>			
Loss for the year	-	(7,073)	(7,073)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(7,073)</b>	<b>(7,073)</b>
Membership interest: Equity capital	-	(11,885)	(11,885)
Shares issued during the year	97,720	-	97,720
<b>Total transactions with owners</b>	<b>97,720</b>	<b>(11,885)</b>	<b>85,835</b>
<b>At 30 November 2018</b>	<b>297,105</b>	<b>(41,155)</b>	<b>255,950</b>

The notes on pages 7 to 15 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2018**

**1. General information**

Awesome Energy (Dalriada) Limited is a Community Benefit Society, registered in Scotland. The Society's registered number is RS007240 and the registered office address is Dalavich Post Office, Dalavich, Argyll, PA35 1HN.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Co-operative and Community Benefit Societies Act 2014. .

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Society's accounting policies.

The following principal accounting policies have been applied:

**Estimation Uncertainty**

**Useful life of plant and equipment**

The Society assesses the useful life of its plant and equipment and estimates the annual charge to be depreciated based on this.

**Recoverability of Debtors**

The society assesses the recoverability of Debtors on an individual basis, taking into consideration payment history, and perceived liquidity. Where it is considered that there is a higher than normal risk to the recoverability of these, provision is made against the recoverability of these debts.

**Financial instruments**

**Classification**

The Society believes all financial instruments are Basic Financial Instruments, therefore, the Society recognises these in accordance with Section 11 of the Financial Reporting Standard.

**Recognition and measurement**

The Society's debt instruments are measured at amortised cost using the effective interest rate method.

**Impairment**

Financial instruments are reviewed annually for impairment.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2018**

**2. Accounting policies (continued)**

**2.2 Foreign currency translation**

**Functional and presentation currency**

The Society's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Revenue Account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Revenue Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Revenue Account within 'other operating income'.

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Society and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Society will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 Operating leases: the Society as lessee**

Rentals paid under operating leases are charged to the Revenue Account on a straight line basis over the lease term.

Rental payments are subject to a percentage of the gross revenue earned therefore if no revenue is earned no liability will arise.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2018**

**2. Accounting policies (continued)**

**2.5 Borrowing costs**

During the period of asset construction, all borrowing costs were capitalised. When the assets became operational in February 2018, all borrowing costs from that date were recognised in the Revenue Account in the year they were incurred.

**2.6 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Turbine	- 20 years
Civils	- 40 years
Active Network Management	- 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Revenue Account.

**2.7 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.8 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.9 Creditors**

Short term 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2018**

**2. Accounting policies (continued)**

**2.10 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Society a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Revenue Accounts in the year that the Society becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**2.11 Financial instruments**

The Society only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments ,typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Revenue Accounts..

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Society would receive for the asset if it were to be sold at the reporting date.

**2.12 Interest on share capital**

Members interest is recognised when it becomes legally payable.

**3. Employees**

The average monthly number of employees, including directors, during the year was 12 (2017 - 10). No salaries are paid to any director or employee.

**AWESOME ENERGY (DALRIADA) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2018**

**4. Tangible fixed assets**

	Turbine £	Civils £	Active Network Management £	As restated Assets Under Constructio n £	Total £
<b>Cost or valuation</b>					
At 1 December 2017	-	-	-	1,256,446	1,256,446
Additions	-	61,564	-	237,074	298,638
Transfers between classes	269,518	1,032,950	191,052	(1,493,520)	-
At 30 November 2018	<u>269,518</u>	<u>1,094,514</u>	<u>191,052</u>	<u>-</u>	<u>1,555,084</u>
<b>Depreciation</b>					
Charge for the year on owned assets	11,230	22,847	15,921	-	49,998
At 30 November 2018	<u>11,230</u>	<u>22,847</u>	<u>15,921</u>	<u>-</u>	<u>49,998</u>
<b>Net book value</b>					
At 30 November 2018	<u>258,288</u>	<u>1,071,667</u>	<u>175,131</u>	<u>-</u>	<u>1,505,086</u>
At 30 November 2017	<u>-</u>	<u>-</u>	<u>-</u>	1,256,446	1,256,446

**5. Debtors**

	2018 £	As restated 2017 £
Trade debtors	42,179	-
Other debtors	35,000	64,036
Prepayments and accrued income	66,360	79,636
	<u>143,539</u>	<u>143,672</u>

**AWESOME ENERGY (DALRIADA) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2018**

**6. Cash and cash equivalents**

	<b>2018</b>	As restated
	£	2017
		£
Cash at bank and in hand	<b>194,645</b>	132,065
	<u><b>194,645</b></u>	<u>132,065</u>

**7. Creditors: Amounts falling due within one year**

	<b>2018</b>	As restated
	£	2017
		£
Other loans	<b>280,372</b>	4,022
Trade creditors	<b>8,664</b>	167,541
Other taxation and social security	<b>3,573</b>	-
Other creditors	<b>17,669</b>	-
Accruals and deferred income	<b>46,248</b>	1,500
	<u><b>356,526</b></u>	<u>173,063</u>

**8. Creditors: Amounts falling due after more than one year**

	<b>2018</b>	As restated
	£	2017
		£
Other loans	<b>1,186,249</b>	1,181,932
Other creditors	<b>38,023</b>	-
Accruals and deferred income	<b>1,972</b>	-
	<u><b>1,226,244</b></u>	<u>1,181,932</u>

**AWESOME ENERGY (DALRIADA) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2018**

**9. Loans**

Analysis of the maturity of loans is given below:

	<b>2018</b>	As restated
	£	2017
		£
<b>Amounts falling due within one year</b>		
Other loans	<b>280,372</b>	4,022
	<u><b>280,372</b></u>	<u>4,022</u>
<b>Amounts falling due after more than one year</b>		
Other loans	<b>1,186,249</b>	1,181,932
	<u><b>1,186,249</b></u>	<u>1,181,932</u>
	<u><u><b>1,466,621</b></u></u>	<u><u>1,185,954</u></u>

**10. Operating leases**

The Society has entered into a non cancellable operating rental agreement, which runs for a period of 40 years, and the charge payable each year is based on income earned by the company each year. The figures below are based on cashflow forecasts representing the directors current estimate of the income receivable over the next 20 years.

	<b>2018</b>	As restated
	£	2017
		£
Within one year	<b>10,104</b>	-
Between 1-5 years	<b>56,112</b>	-
Over 5 years	<b>194,820</b>	-
	<u><b>261,036</b></u>	<u>-</u>
	<u><u><b>261,036</b></u></u>	<u><u>-</u></u>



**AWESOME ENERGY (DALRIADA) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2018**

**11. Financial instruments**

	<b>2018</b>	As restated 2017
	£	£
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	<b>194,645</b>	132,065
	<u>                    </u>	<u>                    </u>

Financial assets measured at fair value through profit or loss comprise cash in hand and bank.

**12. Provisions**

	<b>Major Repairs Sinking Fund Provision £</b>
Charged to profit or loss	<b>4,550</b>
<b>At 30 November 2018</b>	<b>4,550</b>
	<u>                    </u>

**13. Share capital**

	<b>2018</b>	As restated 2017
	£	£
<b>Allotted, called up and fully paid</b>		
297,105 (2017 - 199,385) Ordinary A shares of £1.00 each	<b>297,105</b>	199,385
	<u>                    </u>	<u>                    </u>

During the year 97,720 Ordinary shares were issued.

**14. Prior year adjustment**

The 2017 Profit & Loss Account and Balance Sheet have been restated.

A prior year adjustment has been made in the balance sheet to reclassify an amount of £26,700, previously included within 'Tangible assets', to 'Debtors: Amounts falling due within one year'. This represents a service support agreement which had previously been capitalised.

A prior year adjustment has been made to reclassify profit and loss expenditure, totalling £134,275, previously included in Consultancy, Finance costs and Legal & professional to Tangible assets and Prepayments to more accurately reflect the nature of the expenditure.

**AWESOME ENERGY (DALRIADA) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2018**

**15. Related party transactions**

During the year, Awesome Energy (Dalriada) Limited paid out a total of £5,757 to directors for consultancy services provided to the company.

AWESOME ENERGY (DALRIADA) LIMITED

DETAILED ACCOUNTS - UNAUDITED  
FOR THE YEAR ENDED 30 NOVEMBER 2018  
THIS SCHEDULE IS NOT FOR PUBLICATION

**AWESOME ENERGY (DALRIADA) LIMITED**

**DETAILED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 NOVEMBER 2018**

	<b>Note</b>	<b>2018</b>	As restated 2017
		<b>£</b>	<b>£</b>
Turnover		<b>201,358</b>	1,095
Cost Of Sales		<b>(26,359)</b>	-
<b>Gross profit</b>		<b>174,999</b>	1,095
<b>Gross profit %</b>		<b>86.9 %</b>	100.0 %
<b>Less: overheads</b>			
Administration expenses		<b>(182,072)</b>	(23,292)
<b>Operating loss</b>		<b>(7,073)</b>	(22,197)
<b>Loss for the year</b>		<b>(7,073)</b>	(22,197)

**AWESOME ENERGY (DALRIADA) LIMITED**

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 30 NOVEMBER 2018**

	2018 £	As restated 2017 £
<b>Turnover</b>		
Sales	198,637	-
Grant Income	2,721	1,095
	<u>201,358</u>	<u>1,095</u>
	2018 £	2017 £
<b>Cost of sales</b>		
Cost of Goods Sold	354	-
ANM Service Agreement	19,325	-
Civils and Turbine Service Costs	6,680	-
	<u>26,359</u>	<u>-</u>
	2018 £	2017 £
<b>Administration expenses</b>		
Entertainment	565	80
Consultancy	3,626	271
Printing, postage and stationary	41	28
Telephone	1,146	-
Advertising and promotion	1,445	5,538
Trade subscriptions	989	43
Legal and professional	879	-
Accountancy fees	6,333	4,380
Bank charges	73	79
Difference on foreign exchange	144	2,185
Sundry expenses	605	857
Insurances	6,298	9,250
Depreciation	49,998	-
Bookkeeping	1,858	581
Finance costs	3,392	-
Operations	1,848	-
Cares Interest	21,438	-
SIS Interest	66,743	-
Major Sinking Repairs	4,550	-
Metering and utility cost	212	-
Operating lease payments	9,889	-
	<u>182,072</u>	<u>23,292</u>