

Registration number: 31251R

Low Carbon Gordano Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 March 2016

Alanbrookes Limited
PO Box 258
Stroud
Gloucestershire
GL6 8WZ

Low Carbon Gordano Limited
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The following pages do not form part of the statutory financial statements:

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Low Carbon Gordano Limited
Company Information

Directors	Dr Jonathan Michael Gething Mr Paul Graham Thurston Mr Brian Titley Dr Ervin Ashoka Bossanyi Dr Robert John Langton Mr Robert Paul Lamoon Mr Graham John Watkins Dr Stephen Andrew Cayzer Mr Christopher John Crookall-Fallon Miss Helen Rumford Mr Richard Bate
Registered office	32 Eastcliff Portishead BS20 7AB
Auditors	Alanbrookes Limited PO Box 258 Stroud Gloucestershire GL6 8WZ

Low Carbon Gordano Limited

Directors' Report for the Year Ended 31 March 2016

The directors present their report and the consolidated financial statements for the year ended 31 March 2016.

Directors of the company

The directors who held office during the year were as follows:

Dr Jonathan Michael Gething

Mr Paul Graham Thurston

Mr Brian Titley

Dr Ervin Ashoka Bossanyi

Dr Robert John Langton

Mr Jeff Kenna (Cessation 30 April 2015)

Mr Robert Paul Lamoon

Mr Graham John Watkins

Dr Stephen Andrew Cayzer

Mr Christopher John Crookall-Fallon (appointed 30 April 2015)

Mr Richard Bate (appointed 23 September 2015)

The following director was appointed after the year end:

Miss Helen Rumford (appointed 26 May 2016)

PRINCIPAL ACTIVITIES

The society's principal trading activity during the year was to develop and manage solar arrays funded through members' share investment and to offer an energy advice service in order to promote low carbon lifestyles.

BUSINESS REVIEW

The main activity during the year was the management of the society's solar array at Moorhouse Farm, Moorhouse, and the construction and management of a further solar array at Ham Farm, Kingston Seymour.

The 1.836MW solar array at Hallen began to operate during April 2015 and performed above expectations through its first year of generation. The company also raised almost £1.0 million through a second share offer to fund the construction of a 0.933MW solar array at Ham Farm, Kingston Seymour. This was successfully constructed by Solarsense and began generating in November 2015. As at Moorhouse, generation has exceeded expectations to date.

The society also developed 3 roof-mounted schemes, using existing funds, that were successfully installed in time for the FiT regime that pertained before the Government's review reduced the rates payable drastically at the start of 2016. These were schemes of 50kW at Northleaze School in Long Ashton, 9.8kW at Church House, Long Ashton, and 5.4kW at the YMCA in Clevedon. In addition, an agreement has been reached with Solarsense for the society to acquire a 50 or 75kW system that Solarsense has developed at its headquarters outside Backwell, once the necessary official permits have been obtained.

The EASY team visited a significant number of domestic properties during the winter and offered energy advice, in part, based on the information obtained using the infra-red camera.

Members who held shares over the accounting period to 31st March 2015 were paid 7% interest for the 7-month period during 2014-15 from the date that the share applications relating to the Moorhouse share offer were approved in September 2014.

Low Carbon Gordano Limited
Directors' Report for the Year Ended 31 March 2016

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PLANS FOR FUTURE PERIODS

The Board of Directors will continue to seek other opportunities for constructing renewable energy schemes. The Government's review of the FiT scheme supporting renewable energy projects led to very significant reductions in the rates payable. In the view of the directors, this change will rule out any further ground-mounted solar arrays, not directly linked to a significant consumer of electricity, for the foreseeable future. However, work is proceeding in partnership with Solarsense to identify potential sites for solar systems under the ROO-FIT scheme which we believe might be viable: such schemes will usually be on roofs belonging to organisations, including schools, that will use the great majority of the generated electricity.

Relationships with Mongoose Energy Limited (transferred from Bath & West Community Energy Limited) will continue to be developed. Mongoose is a co-operative company in which member community benefit societies like our own society have a majority shareholding. Mongoose is now providing a range of asset management services to us at affordable rates, and we are working with them closely in the development of an energy company that will sell renewable energy to consumers in direct competition with the Big 6 energy companies and others. Two of our directors are directly involved in the oversight of Mongoose.

INTEREST AND TRANSFER TO RESERVES

The directors are paying interest on members' shares during 2015-16 of 5.5% pa. This decision reflects the current and ongoing low level of the Retail Price Index and the collapse in global energy prices which has greatly reduced our income from the sale of electricity. Neither situation seems likely to change significantly soon. The retained loss for the year is set against reserves.

COMMUNITY BENEFIT PAYMENTS

At the previous AGM in September 2015, a donation of £25,000 was set aside for the Community Benefit Fund. Of this, £2,500 was given directly to a project in Madagascar, whilst at year end the remaining £22,500 was set to be given to Transition Portishead, a registered charity that has undertaken to administer the distribution of the fund to community-based energy conservation projects.

The directors are also recommending to the AGM that a further £25 000 is donated to the Community Fund. This money will be paid out during 2017-18. The belief is that this reflects a fair balance between the interests of shareholders and those of the communities we depend upon, but also that the long-term health of the Community Benefit Society sector depends on the wider community recognising the value that such societies bring.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

Approved by the Board on 23 September 2016 and signed on its behalf by:

.....
Mr Brian Titley
Director

Low Carbon Gordano Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Low Carbon Gordano Limited

We have audited the financial statements of Low Carbon Gordano Limited for the year ended 31 March 2016, set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Consolidated Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Opinion on other matter prescribed by the Co-operative and Community Benefit Societies Act 2014

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's Report to the Members of
Low Carbon Gordano Limited**

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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

.....
Andrew Fisher FCA (Senior Statutory Auditor)
For and on behalf of Alanbrookes Limited, Statutory Auditor

PO Box 258
Stroud
Gloucestershire
GL6 8WZ

23 September 2016

Low Carbon Gordano Limited
Consolidated Profit and Loss Account for the Year Ended 31 March 2016

	Note	2016 £	2015 £
Turnover	2	268,765	21
Cost of sales		<u>(65,575)</u>	<u>-</u>
Gross profit		203,190	21
Administrative expenses		(136,162)	(5,787)
Other operating income		<u>-</u>	<u>370</u>
Group operating profit/(loss)	3	67,028	(5,396)
Other interest receivable and similar income	4	649	1,188
Interest payable and similar charges	5	<u>(88,818)</u>	<u>(291)</u>
Loss on ordinary activities before taxation		<u>(21,141)</u>	<u>(4,499)</u>
Loss for the financial year attributable to members of the parent company	11	<u><u>(21,141)</u></u>	<u><u>(4,499)</u></u>

Turnover and operating profit derive wholly from continuing operations.

The group has no recognised gains or losses for the year other than the results above.

The notes on pages 10 to 15 form an integral part of these financial statements.

Low Carbon Gordano Limited
Consolidated Balance Sheet at 31 March 2016

		2016		2015	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	6		3,016,874		-
Current assets					
Debtors	8	224,859		1,930,259	
Cash at bank and in hand		88,639		286,116	
		<u>313,498</u>		<u>2,216,375</u>	
Creditors: Amounts falling due within one year	9	<u>(164,088)</u>		<u>(3,000)</u>	
Net current assets			<u>149,410</u>		<u>2,213,375</u>
Net assets			<u><u>3,166,284</u></u>		<u><u>2,213,375</u></u>
Capital and reserves					
Called up share capital	10	3,196,220		2,222,170	
Profit and loss account	11	<u>(29,936)</u>		<u>(8,795)</u>	
Shareholders' funds	12		<u><u>3,166,284</u></u>		<u><u>2,213,375</u></u>

Approved and authorised for issue by the Board on 23 September 2016 and signed on its behalf by:

.....
Mr Brian Titley
Director

Low Carbon Gordano Limited
(Registration number: 31251R)
Balance Sheet at 31 March 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible fixed assets	6	72,149	-
Investments	7	101	100
		72,250	100
Current assets			
Debtors	8	3,068,905	1,930,159
Cash at bank and in hand		74,396	286,116
		3,143,301	2,216,275
Creditors: Amounts falling due within one year	9	(128,136)	(3,000)
Net current assets		3,015,165	2,213,275
Net assets		3,087,415	2,213,375
Capital and reserves			
Called up share capital	10	3,196,220	2,222,170
Profit and loss account	11	(108,805)	(8,795)
Shareholders' funds	12	3,087,415	2,213,375

Approved and authorised for issue by the Board on 23 September 2016 and signed on its behalf by:

.....
Mr Brian Titley
Director

Low Carbon Gordano Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2016.

Subsidiary undertakings are included using the acquisitions method of accounting. Under this method the group profit and loss account and statement of cashflows include the results and cashflows of subsidiaries from the date of acquisition and to the date of sale outside the group in the case of disposals of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. Its loss for the financial year was £100,010 (2015 - £4,499).

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of 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
Solar Installations	5% Straight Line

2 Turnover

An analysis of turnover is given below:

	2016 £	2015 £
Sales - UK	266,168	-
Other sales income	2,597	21
Group turnover	<u>268,765</u>	<u>21</u>

Sales-UK income includes liquidated damages of £37,419 from the delay in construction of the solar array at Moorhouse and this income relates to the year 2014-15.

3 Operating profit/(loss)

Operating profit/(loss) is stated after charging:

Low Carbon Gordano Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

..... *continued*

	2016 £	2015 £
Depreciation of owned assets	121,800	-
4 Other interest receivable and similar income		
	2016 £	2015 £
Bank interest receivable	649	1,188
5 Interest payable and similar charges		
	2016 £	2015 £
Interest on bank borrowings	-	291
Other interest payable	88,818	-
Group interest payable and similar charges	88,818	291
6 Tangible fixed assets		
Group		
	Solar installations £	Total £
Cost or valuation		
Additions	3,138,674	3,138,674
Depreciation		
Charge for the year	121,800	121,800
Net book value		
At 31 March 2016	3,016,874	3,016,874

Low Carbon Gordano Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

..... continued

Company

	Solar installations £	Total £
Cost or valuation		
Additions	73,045	73,045
Depreciation		
Charge for the year	896	896
Net book value		
At 31 March 2016	72,149	72,149

The fixed assets are analysed as follows:

Fixed assets constructed during 2015/16:

	Ham Lane	Moorhouse	Northleaze School	Clevedon YMCA	Church House	Total for all schemes
Project Development	£88,895					£88,895
Accountancy and Legal	£4,000	£7,247				£11,247
Surveys and Connections	£29,564		£725	£385	£385	£31,059
Share Offer	£36,055	£536				£36,591
Construction	£829,905	£135,206	£50,985	£7,365	£13,200	£1,036,661
Land Management	£8,415					£8,415
Interest paid on debt related to installation						£0
Total construction costs	£996,834	£142,989	£51,710	£7,750	£13,585	£1,212,868

Assets in the course of construction during 2014/15:

	Ham Lane	Moorhouse	Northleaze School	Clevedon YMCA	Church House	Total for all schemes
Project Development		£187,500				£187,500
Accountancy and Legal		£30,433				£30,433
Surveys and Connections		£20,272				£20,272
Share Offer		£102,308				£102,308
Construction	£2,000	£1,580,683				£1,582,683
Land Management						£0
Interest paid on debt related to installation		£2,610				£2,610
Total construction costs	£2,000	£1,923,806	£0	£0	£0	£1,925,806

	Ham Lane	Moorhouse	Northleaze School	Clevedon YMCA	Church House	Total
Total construction costs for both years	£998,834	£2,066,795	£51,710	£7,750	£13,585	£3,138,674

Low Carbon Gordano Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

..... *continued*

7 Investments held as fixed assets

Group

Company

	2016 £	2015 £
Shares in group undertakings and participating interests	101	100
Shares in group undertakings and participating interests		
	Subsidiary undertakings £	Total £
Cost		
At 1 April 2015	100	100
Additions	1	1
At 31 March 2016	101	101
Net book value		
At 31 March 2016	101	101
At 31 March 2015	100	100

8 Debtors

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Trade debtors	9,544	-	-	-
Amounts owed by group undertakings	-	-	3,034,818	-
Amounts recoverable on assets in the course of construction	-	1,925,806	-	1,925,806
Other debtors	9,545	3,336	10,052	3,236
Prepayments and accrued income	205,770	1,117	24,035	1,117
	224,859	1,930,259	3,068,905	1,930,159

Low Carbon Gordano Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

..... *continued*

9 Creditors: Amounts falling due within one year

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Trade creditors	27,564	600	24,336	600
Other creditors	500	500	500	500
Accruals and deferred income	136,024	1,900	103,300	1,900
	<u>164,088</u>	<u>3,000</u>	<u>128,136</u>	<u>3,000</u>

10 Share capital

Allotted, called up and fully paid shares

	2016		2015	
	No.	£	No.	£
Ordinary of £10.00 each	<u>319,622</u>	<u>3,196,220</u>	<u>222,217</u>	<u>2,222,170</u>

11 Reserves

Group

	Profit and loss account £	Total £
At 1 April 2015	(8,795)	(8,795)
Loss for the year	<u>(21,141)</u>	<u>(21,141)</u>
At 31 March 2016	<u>(29,936)</u>	<u>(29,936)</u>

Company

	Profit and loss account £	Total £
At 1 April 2015	(8,795)	(8,795)
Loss for the year	<u>(100,010)</u>	<u>(100,010)</u>
At 31 March 2016	<u>(108,805)</u>	<u>(108,805)</u>

Low Carbon Gordano Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

..... *continued*

12 Reconciliation of movement in shareholders' funds

Group

	2016	2015
	£	£
Loss attributable to the members of the group	(21,141)	(4,499)
New share capital subscribed	974,050	2,215,760
Net addition to shareholders' funds	952,909	2,211,261
Shareholders' funds at 1 April	2,213,375	2,114
Shareholders' funds at 31 March	<u>3,166,284</u>	<u>2,213,375</u>

Company

	2016	2015
	£	£
Loss attributable to the members of the company	(100,010)	(4,499)
New share capital subscribed	974,050	2,215,760
Net addition to shareholders' funds	874,040	2,211,261
Shareholders' funds at 1 April	2,213,375	2,114
Shareholders' funds at 31 March	<u>3,087,415</u>	<u>2,213,375</u>

13 Post balance sheet events

The AGM held during the year approved a community benefit payment of £25,000 of which £2,500 was paid out during the year leaving £22,500 still to pay at the balance sheet date. The directors will recommend to the forthcoming AGM that a further £25,000 is donated to the community benefit fund.

14 Control

In the opinion of the directors, there is no controlling party.

Low Carbon Gordano Limited

Detailed Consolidated Profit and Loss Account for the Year Ended 31 March 2016

	2016		2015	
	£	£	£	£
Turnover				
Feed in tariff		149,995		-
Energy sales		111,796		-
Levy exemption certificates		4,377		-
Other income		2,597		21
		268,765		21
Cost of sales				
Site security and maintenance	16,613		-	
Rent	9,511		-	
Direct operating costs	4,530		-	
Other direct costs	604		-	
Management charges	20,100		-	
Rates	10,500		-	
Insurance	3,717		-	
		(65,575)		-
Gross profit		203,190		21
Administrative expenses				
Establishment costs	(854)		(371)	
General administrative expenses	(13,075)		(5,416)	
Finance charges	(433)		-	
Depreciation costs	(121,800)		-	
		(136,162)		(5,787)
Other operating income				
Other income		-		370
Group operating profit/(loss)		67,028		(5,396)
Other interest receivable and similar income				
Bank interest receivable		649		1,188
Interest payable and similar charges		(88,818)		(291)
Loss on ordinary activities before taxation		(21,141)		(4,499)

Low Carbon Gordano Limited
Detailed Consolidated Profit and Loss Account for the Year Ended 31 March 2016

	2016	2015
	£	£
Establishment costs		
Insurance	854	371
	<u>2016</u>	<u>2015</u>
	£	£
General administrative expenses		
Trade subscriptions	320	125
Charitable donations	2,500	-
Governance	115	136
Accountancy fees	7,900	3,900
Legal and professional fees	740	1,255
Advertising	1,500	-
	<u>13,075</u>	<u>5,416</u>
	<u>2016</u>	<u>2015</u>
	£	£
Finance charges		
Bank charges	433	-
	<u>2016</u>	<u>2015</u>
	£	£
Depreciation costs		
Depreciation of other tangible assets	121,800	-
	<u>121,800</u>	<u>-</u>

Low Carbon Gordano Limited
Detailed Company Profit and Loss Account for the Year Ended 31 March 2016

	2016		2015	
	£	£	£	£
Turnover				
Feed in tariff		818		-
Energy sales		37		-
Other income		2,500		21
		3,355		21
Administrative expenses				
Establishment costs (analysed below)	(854)		(371)	
General administrative expenses (analysed below)	(13,073)		(5,416)	
Finance charges (analysed below)	(353)		-	
Depreciation costs (analysed below)	(896)		-	
		(15,176)		(5,787)
Other operating income				
Other income		-		370
Operating loss		(11,821)		(5,396)
Loss on ordinary activities before investment income and interest		(11,821)		(5,396)
Other interest receivable and similar income				
Bank interest receivable		629		1,188
Interest payable and similar charges				
Bank interest payable	-		291	
Other interest payable	88,818		-	
		(88,818)		(291)
Loss on ordinary activities before taxation		(100,010)		(4,499)

Low Carbon Gordano Limited
Detailed Company Profit and Loss Account for the Year Ended 31 March 2016

	2016	2015
	£	£
Establishment costs		
Insurance	854	371
	<u>2016</u>	<u>2015</u>
	£	£
General administrative expenses		
Trade subscriptions	320	125
Charitable donations	2,500	-
Accountancy fees	7,900	3,900
Legal and professional fees	740	1,255
Advertising	1,498	-
Governance costs	115	136
	<u>13,073</u>	<u>5,416</u>
	2016	2015
	£	£
Finance charges		
Bank charges	353	-
	<u>2016</u>	<u>2015</u>
	£	£
Depreciation costs		
Depreciation of other tangible assets	896	-
	<u>896</u>	<u>-</u>