

Registration number: 31251R

Low Carbon Gordano Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 March 2019

Alanbrookes Limited
Chartered Accountants
PO Box 258
Stroud
Gloucestershire
GL6 8WZ

Low Carbon Gordano Limited

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Low Carbon Gordano Limited

Society Information

Directors	Mr B J Titley Dr J M Gething Dr E A Bossanyi Mr P G Thurston Dr R J Langton Dr S A Cayzer Ms H P Rumford Mr R J Bate Mrs M Milnes Mr S Crocker Ms H A Sudbury Mr C J Stuart-Bennett
Society secretary	Ms H A Sudbury
Registered office	The Coach House 2 Upper York Street Bristol BS2 8QN
Auditors	Alanbrookes Limited Chartered Accountants PO Box 258 Stroud Gloucestershire GL6 8WZ

Low Carbon Gordano Limited

Directors' Report for the Year Ended 31 March 2019

The directors present their report and the for the year ended 31 March 2019.

Directors of the group

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

Mr B J Titley

Dr J M Gething

Dr E A Bossanyi

Mr P G Thurston

Dr R J Langton

Mr R P Lamoon (resigned 21 September 2018)

Dr S A Cayzer

Ms H P Rumford

Mr R J Bate

Mr C C Funnell (resigned 27 October 2018)

Mrs M Milnes(appointed 27 October 2018)

Mr S Crocker(appointed 27 October 2018)

Ms H A Sudbury(appointed 27 October 2018)

Mr C J Stuart-Bennett(appointed 24 April 2018)

Society secretary

Mr C C Funnell (resigned 27 October 2018)

Ms H A Sudbury (appointed 27 October 2018)

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 society's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 23 September 2019 and signed on its behalf by:

.....
Ms H A Sudbury
Society secretary and director

Low Carbon Gordano Limited

Directors' Report for the Year Ended 31 March 2019

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 promote low carbon lifestyles.

BUSINESS REVIEW

The main activity during the year was the management of the society's ground mounted solar arrays at Moorhouse Farm, Hallen, Bristol, and at Ham Farm, Kingston Seymour, North Somerset and the smaller roof schemes at Church House and Northleaze School in Long Ashton and at the YMCA in Clevedon. In all the Society now has 2.8MW of solar PV installed.

The ground mounted arrays have now been operating for nearly four years and are performing around 7.5% above their originally predicted performance with few problems reported.

The 3 roof-mounted schemes have been operating for more than three years with no problems reported.

Members were paid 5.5% interest for the full 12 months to March 2018.

100 new shares were issued in the year.

Three new projects were started during the year. 195kW have been installed on Churchill School roofs. Two 50kW sites have been purchased from Solarsense next to their Brockley Lane offices.

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 has continued to lead to very significant reductions in the rates payable. In the view of the directors, this change will, for the foreseeable future, rule out any further ground-mounted solar arrays, not directly linked to a significant consumer of electricity. However, work is proceeding to identify potential sites for solar PV systems 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. Possible schemes of this sort are being actively pursued at the moment.

INTEREST AND TRANSFER TO RESERVES

The directors are paying interest on members' shares during 2018-19 of 5.5% pa.

COMMUNITY BENEFIT PAYMENTS

At the AGM in September 2017, a donation of £15,000 was set aside for the Community Benefit Fund to be paid during 2018-19. £1,500 was paid to Mend The Gap. The remaining £13,500 was paid over to Transition Portishead, a registered charity that has undertaken to administer the distribution of the fund to community-based energy conservation projects.

At the AGM in September 2018, a donation of £15,000 was set aside for the Community Benefit Fund to be paid out during 2019-20. £1,500 was set to be given directly to projects in the developing world and £13,500 was set to be given to Quartet to administer the grant funding process with input from Low Carbon Gordano members. An additional £7,015 grant money held from previous awards was paid at the end of 2018-19 from Transition Portishead to Quartet via Low Carbon Gordano to boost the funds available for 2019-20.

Low Carbon Gordano Limited

Directors' Report for the Year Ended 31 March 2019

The directors are also recommending to the September 2019 AGM that a further £15,000 is donated to the Community Benefit Fund. This money will be paid out during 2020-21. The belief is that this reflects a fair balance between the interests of shareholders and those of the communities we depend upon. The long-term health of the community benefit society sector depends on the wider community recognising the value that such societies bring to the communities which they serve.

Low Carbon Gordano Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 society and of the profit or loss of the society 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 society will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society 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 society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Low Carbon Gordano Limited

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

Opinion

We have audited the financial statements of Low Carbon Gordano Limited (the 'parent society') and its subsidiaries (the 'group') for the year ended 31 March 2019, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the society'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 society'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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent society's affairs as at 31 March 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent society's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Low Carbon Gordano Limited

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent society and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept by the parent society, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent society 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 5], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Low Carbon Gordano Limited

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

PO Box 258
Stroud
Gloucestershire
GL6 8WZ

23 September 2019

Low Carbon Gordano Limited

Consolidated Profit and Loss Account for the Year Ended 31 March 2019

	Note	2019 £	2018 £
Turnover	3	390,889	324,398
Cost of sales		<u>(85,665)</u>	<u>(95,171)</u>
Gross profit		305,224	229,227
Administrative expenses		<u>(229,219)</u>	<u>(212,356)</u>
Operating profit	4	<u>76,005</u>	<u>16,871</u>
Other interest receivable and similar income	5	576	56
Interest payable and similar expenses	6	<u>(194,074)</u>	<u>(174,115)</u>
		<u>(193,498)</u>	<u>(174,059)</u>
Loss before tax		<u>(117,493)</u>	<u>(157,188)</u>
Loss for the financial year		<u>(117,493)</u>	<u>(157,188)</u>
Profit/(loss) attributable to:			
Owners of the company		<u>(117,493)</u>	<u>(157,188)</u>

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

Low Carbon Gordano Limited
(Registration number: 31251R)
Consolidated Balance Sheet as at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	8	2,888,519	2,704,010
Other financial assets	10	<u>9,864</u>	<u>-</u>
		<u>2,898,383</u>	<u>2,704,010</u>
Current assets			
Debtors	11	162,332	90,657
Cash at bank and in hand	12	<u>93,711</u>	<u>105,106</u>
		256,043	195,763
Creditors: Amounts falling due within one year	13	<u>(96,443)</u>	<u>(35,287)</u>
Net current assets		<u>159,600</u>	<u>160,476</u>
Total assets less current liabilities		3,057,983	2,864,486
Creditors: Amounts falling due after more than one year	13	<u>(447,000)</u>	<u>-</u>
Net assets		<u>2,610,983</u>	<u>2,864,486</u>
Capital and reserves			
Called up share capital	14	3,048,490	3,184,500
Profit and loss account		<u>(437,507)</u>	<u>(320,014)</u>
Equity attributable to owners of the company		<u>2,610,983</u>	<u>2,864,486</u>
Total equity		<u>2,610,983</u>	<u>2,864,486</u>

Approved and authorised by the Board on 23 September 2019 and signed on its behalf by:

.....
Mr B J Titley
Director

.....
Dr R J Langton
Director

.....
Mr R J Bate
Director

Low Carbon Gordano Limited
(Registration number: 31251R)
Balance Sheet as at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	8	403,774	65,994
Investments	9	101	101
Other financial assets	10	9,864	-
		<u>413,739</u>	<u>66,095</u>
Current assets			
Debtors	11	2,332,704	2,529,613
Cash at bank and in hand	12	52,574	68,523
		2,385,278	2,598,136
Creditors: Amounts falling due within one year	13	<u>(59,620)</u>	<u>(10,757)</u>
Net current assets		<u>2,325,658</u>	<u>2,587,379</u>
Total assets less current liabilities		2,739,397	2,653,474
Creditors: Amounts falling due after more than one year	13	<u>(447,000)</u>	-
Net assets		<u>2,292,397</u>	<u>2,653,474</u>
Capital and reserves			
Called up share capital		3,048,490	3,184,500
Profit and loss account		<u>(756,093)</u>	<u>(531,026)</u>
Total equity		<u>2,292,397</u>	<u>2,653,474</u>

The company made a loss after tax for the financial year of £225,067 (2018 - loss of £227,303).

Approved and authorised by the Board on 23 September 2019 and signed on its behalf by:

.....
Mr B J Titley
Director

.....
Dr R J Langton
Director

.....
Mr R J Bate
Director

Low Carbon Gordano Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 March 2019 Equity attributable to the parent company

	Share capital £	Profit and loss account £	Total £	Total equity £
At 1 April 2018	3,184,500	(320,014)	2,864,486	2,864,486
Loss for the year	<u>-</u>	<u>(117,493)</u>	<u>(117,493)</u>	<u>(117,493)</u>
Total comprehensive income	-	(117,493)	(117,493)	(117,493)
New share capital subscribed	1,000	-	1,000	1,000
Purchase of own share capital	<u>(137,010)</u>	<u>-</u>	<u>(137,010)</u>	<u>(137,010)</u>
At 31 March 2019	<u><u>3,048,490</u></u>	<u><u>(437,507)</u></u>	<u><u>2,610,983</u></u>	<u><u>2,610,983</u></u>

	Share capital £	Profit and loss account £	Total £	Total equity £
At 1 April 2017	3,195,500	(162,826)	3,032,674	3,032,674
Loss for the year	<u>-</u>	<u>(157,188)</u>	<u>(157,188)</u>	<u>(157,188)</u>
Total comprehensive income	-	(157,188)	(157,188)	(157,188)
Purchase of own share capital	<u>(11,000)</u>	<u>-</u>	<u>(11,000)</u>	<u>(11,000)</u>
At 31 March 2018	<u><u>3,184,500</u></u>	<u><u>(320,014)</u></u>	<u><u>2,864,486</u></u>	<u><u>2,864,486</u></u>

The notes on pages 14 to 23 form an integral part of these financial statements.

Low Carbon Gordano Limited

Statement of Changes in Equity for the Year Ended 31 March 2019

	Share capital	Profit and loss	Total
	£	£	£
At 1 April 2018	3,184,500	(531,026)	2,653,474
Loss for the year	-	(225,067)	(225,067)
	<hr/>	<hr/>	<hr/>
Total comprehensive income	-	(225,067)	(225,067)
New share capital subscribed	1,000	-	1,000
Purchase of own share capital	(137,010)	-	(137,010)
	<hr/>	<hr/>	<hr/>
At 31 March 2019	<u>3,048,490</u>	<u>(756,093)</u>	<u>2,292,397</u>

	Share capital	Profit and loss	Total
	£	£	£
At 1 April 2017	3,195,500	(303,723)	2,891,777
Loss for the year	-	(227,303)	(227,303)
	<hr/>	<hr/>	<hr/>
Total comprehensive income	-	(227,303)	(227,303)
Purchase of own share capital	(11,000)	-	(11,000)
	<hr/>	<hr/>	<hr/>
At 31 March 2018	<u>3,184,500</u>	<u>(531,026)</u>	<u>2,653,474</u>

The notes on pages 14 to 23 form an integral part of these financial statements.

Low Carbon Gordano Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

1 General information

The entity is a Community Benefit Society limited by shares under the Co-operative and Community Benefit Societies Act 2014.

The address of its registered office is:

The Coach House
2 Upper York Street
Bristol
BS2 8QN

These financial statements were authorised for issue by the Board on 23 September 2019.

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.

Low Carbon Gordano Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the society and its subsidiary undertakings drawn up to 31 March 2019.

A subsidiary is an entity controlled by the society. Control is achieved where the society has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the society and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

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 group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group 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 group'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:

Low Carbon Gordano Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

Asset class	Depreciation method and rate
Solar installations	20 years straight line

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

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.

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 group will not be able to collect all amounts due according to the original terms of the receivables.

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 group 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.

Low Carbon Gordano Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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.

Low Carbon Gordano Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2019	2018
	£	£
Sale of electricity	390,092	324,398
Other revenue	797	-
	<u>390,889</u>	<u>324,398</u>

4 Operating profit

Arrived at after charging/(crediting)

	2019	2018
	£	£
Depreciation expense	161,111	156,836
Research and development cost	8,107	3,438
	<u>169,218</u>	<u>160,274</u>

5 Other interest receivable and similar income

	2019	2018
	£	£
Interest income on bank deposits	576	56
	<u>576</u>	<u>56</u>

6 Interest payable and similar expenses

	2019	2018
	£	£
Interest on bank overdrafts and borrowings	6	3
Interest payable on members' shares	194,068	174,112
	<u>194,074</u>	<u>174,115</u>

7 Auditors' remuneration

	2019	2018
	£	£
Audit of these financial statements	2,635	2,635
	<u>2,635</u>	<u>2,635</u>

Low Carbon Gordano Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

8 Tangible assets

Group

	Land and buildings £	Solar installations £	Total £
Cost or valuation			
At 1 April 2018	-	3,139,482	3,139,482
Additions	14,940	330,680	345,620
At 31 March 2019	14,940	3,470,162	3,485,102
Depreciation			
At 1 April 2018	-	435,472	435,472
Charge for the year	-	161,111	161,111
At 31 March 2019	-	596,583	596,583
Carrying amount			
At 31 March 2019	14,940	2,873,579	2,888,519
At 31 March 2018	-	2,704,010	2,704,010

Included within the net book value of land and buildings above is £14,940 (2018 - £Nil) in respect of freehold land.

Low Carbon Gordano Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

Company

	Land and buildings £	Solar installations £	Total £
Cost or valuation			
At 1 April 2018	-	74,058	74,058
Additions	14,940	330,680	345,620
At 31 March 2019	14,940	404,738	419,678
Depreciation			
At 1 April 2018	-	8,064	8,064
Charge for the year	-	7,840	7,840
At 31 March 2019	-	15,904	15,904
Carrying amount			
At 31 March 2019	14,940	388,834	403,774
At 31 March 2018	-	65,994	65,994

Included within the net book value of land and buildings above is £14,940 (2018 - £Nil) in respect of freehold land.

9 Investments

Company

	2019 £	2018 £
Investments in subsidiaries	101	101

Subsidiaries

Cost or valuation

At 1 April 2018	101
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Provision

Carrying amount

At 31 March 2019	101
At 31 March 2018	101

Low Carbon Gordano Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

10 Other financial assets

Group

	Financial assets at cost less impairment £	Total £
Non-current financial assets		
Cost or valuation		
Additions	9,864	9,864
At 31 March 2019	9,864	9,864
Impairment		
Carrying amount		
At 31 March 2019	9,864	9,864

Company

	Financial assets at cost less impairment £	Total £
Non-current financial assets		
Cost or valuation		
Additions	9,864	9,864
At 31 March 2019	9,864	9,864
Impairment		
Carrying amount		
At 31 March 2019	9,864	9,864

The other financial assets represent a minority investment in the ordinary shares of Community Owned Asset Management Limited, an unquoted company.

Low Carbon Gordano Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

11 Debtors

	Note	Group		Company	
		2019 £	2018 £	2019 £	2018 £
Trade debtors		31,637	10,784	6,278	9,387
Amounts owed by related parties		-	-	2,240,208	2,486,614
Other debtors		27,147	2,183	27,147	2,080
Prepayments		65,395	41,305	43,531	30,869
Accrued income		38,153	36,385	15,540	663
		<u>162,332</u>	<u>90,657</u>	<u>2,332,704</u>	<u>2,529,613</u>

Group trade debtors are stated after providing £2,624 for a potential bad debt and group accrued income is stated after providing £17,886 in respect of the same customer. It is expected that a further sum of £16,804 will require provision in respect of income accrued during the year to 31st March 2020.

12 Cash and cash equivalents

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Cash at bank	<u>93,711</u>	<u>105,106</u>	<u>52,574</u>	<u>68,523</u>

13 Creditors

	Note	Group		Company	
		2019 £	2018 £	2019 £	2018 £
Due within one year					
Trade creditors		66,669	21,614	37,379	9,789
Other payables		1,168	467	1,168	468
Accruals		28,606	13,206	21,073	500
		<u>96,443</u>	<u>35,287</u>	<u>59,620</u>	<u>10,757</u>
Due after one year					
Loans and borrowings	15	<u>447,000</u>	<u>-</u>	<u>447,000</u>	<u>-</u>

Low Carbon Gordano Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

14 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary of £10 each	<u>304,849</u>	<u>3,048,490</u>	<u>318,450</u>	<u>3,184,500</u>

The board has approved an interest payment on members' shares of 5.5% in respect of the year ended 31 March 2019 (2018 - 5.5%).

15 Loans and borrowings

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Non-current loans and borrowings				
April 2018 issue 5 year bonds	<u>447,000</u>	<u>-</u>	<u>447,000</u>	<u>-</u>

16 Non adjusting events after the financial period

In addition to the community benefit fund payments amounting to £15,000 made during the period in pursuance of a commitment at the 2017 AGM, the 2018 AGM approved a further payment of £15,000 which is to be made during the period ended 31st March 2020. A payment of £15,000 for the period ended 31st March 2021 is to be proposed to members at the forthcoming September 2019 AGM.

Low Carbon Gordano Limited

Detailed Consolidated Profit and Loss Account for the Year Ended 31 March 2019

	2019 £	2018 £
Turnover (analysed below)	390,889	324,398
Cost of sales (analysed below)	<u>(85,665)</u>	<u>(95,171)</u>
Gross profit	<u>305,224</u>	<u>229,227</u>
Gross profit (%)	78.08%	70.66%
Administrative expenses		
Establishment costs (analysed below)	890	875
General administrative expenses (analysed below)	66,811	54,199
Finance charges (analysed below)	407	446
Depreciation costs (analysed below)	<u>161,111</u>	<u>156,836</u>
	<u>229,219</u>	<u>212,356</u>
Operating profit	<u>76,005</u>	<u>16,871</u>
Other interest receivable and similar income (analysed below)	576	56
Interest payable and similar expenses (analysed below)	<u>(194,074)</u>	<u>(174,115)</u>
	<u>(193,498)</u>	<u>(174,059)</u>
Loss before tax	<u><u>(117,493)</u></u>	<u><u>(157,188)</u></u>

Low Carbon Gordano Limited

Detailed Consolidated Profit and Loss Account for the Year Ended 31 March 2019

	2019 £	2018 £
Turnover		
Feed in tariff	220,564	184,788
Energy export income	165,109	138,158
On site usage	3,489	1,452
Grant income	930	-
Other revenue	797	-
	390,889	324,398
Cost of sales		
Asset management charges	21,679	26,400
Communications	2,369	1,983
Power supply	3,893	4,754
Metering and monitoring	409	2,394
Rent	16,255	15,464
Rates	(3,568)	8,573
Insurance	3,242	3,572
Operations and maintenance	33,587	28,980
Ecological improvement and monitoring	690	1,450
Data collection	765	105
Security	6,344	1,496
	85,665	95,171
Establishment costs		
Insurance	890	875
General administrative expenses		
Printing, postage and stationery	-	219
Trade subscriptions	579	620
Charitable donations	15,000	26,672
Sundry expenses	150	-
Research and development	8,107	3,438
Governance costs	313	121
Advertising	537	357
Accountancy fees	12,000	15,000
Auditor's remuneration - The audit of the company's annual accounts	2,635	2,635
Legal and professional fees	6,980	5,137
Provision for bad debts	20,510	-
	66,811	54,199
Finance charges		
Bank charges	407	446

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

Low Carbon Gordano Limited

Detailed Consolidated Profit and Loss Account for the Year Ended 31 March 2019

	2019 £	2018 £
Depreciation costs		
Depreciation of other tangible (owned)	<u>161,111</u>	<u>156,836</u>
Other interest receivable and similar income		
Bank interest receivable	<u>576</u>	<u>56</u>
Interest payable and similar expenses		
Bank interest payable	6	3
Other interest payable	<u>194,068</u>	<u>174,112</u>
	<u>194,074</u>	<u>174,115</u>

Low Carbon Gordano Limited

Detailed Consolidated Income Statement for the Year Ended 31 March 2019

	2019 £	2018 £
Turnover (analysed below)	390,889	324,398
Cost of sales (analysed below)	<u>(85,665)</u>	<u>(95,171)</u>
Gross profit	<u>305,224</u>	<u>229,227</u>
Gross profit (%)	78.08%	70.66%
Administrative expenses		
Establishment costs (analysed below)	890	875
General administrative expenses (analysed below)	66,811	54,199
Finance charges (analysed below)	407	446
Depreciation costs (analysed below)	<u>161,111</u>	<u>156,836</u>
	<u>229,219</u>	<u>212,356</u>
Operating profit	<u>76,005</u>	<u>16,871</u>
Other interest receivable and similar income (analysed below)	576	56
Interest payable and similar expenses (analysed below)	<u>(194,074)</u>	<u>(174,115)</u>
	<u>(193,498)</u>	<u>(174,059)</u>
Loss before tax	<u><u>(117,493)</u></u>	<u><u>(157,188)</u></u>

Low Carbon Gordano Limited

Detailed Consolidated Income Statement for the Year Ended 31 March 2019

	2019 £	2018 £
Turnover		
Feed in tariff	220,564	184,788
Energy export income	165,109	138,158
On site usage	3,489	1,452
Grant income	930	-
Other revenue	797	-
	390,889	324,398
Cost of sales		
Asset management charges	21,679	26,400
Communications	2,369	1,983
Power supply	3,893	4,754
Metering and monitoring	409	2,394
Rent	16,255	15,464
Rates	(3,568)	8,573
Insurance	3,242	3,572
Operations and maintenance	33,587	28,980
Ecological improvement and monitoring	690	1,450
Data collection	765	105
Security	6,344	1,496
	85,665	95,171
Establishment costs		
Insurance	890	875
General administrative expenses		
Printing, postage and stationery	-	219
Trade subscriptions	579	620
Charitable donations	15,000	26,672
Sundry expenses	150	-
Research and development	8,107	3,438
Governance costs	313	121
Advertising	537	357
Accountancy fees	12,000	15,000
Auditor's remuneration - The audit of the company's annual accounts	2,635	2,635
Legal and professional fees	6,980	5,137
Provision for bad debts	20,510	-
	66,811	54,199
Finance charges		
Bank charges	407	446

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Low Carbon Gordano Limited

Detailed Consolidated Income Statement for the Year Ended 31 March 2019

	2019 £	2018 £
Depreciation costs		
Depreciation of other tangible (owned)	<u>161,111</u>	<u>156,836</u>
Other interest receivable and similar income		
Bank interest receivable	<u>576</u>	<u>56</u>
Interest payable and similar expenses		
Bank interest payable	6	3
Other interest payable	<u>194,068</u>	<u>174,112</u>
	<u>194,074</u>	<u>174,115</u>

Low Carbon Gordano Limited

Detailed company income statement for the Year Ended 31 March 2019

	2019 £	2018 £
Turnover (analysed below)	28,313	8,111
Cost of sales (analysed below)	<u>(4,778)</u>	<u>(3,256)</u>
Gross profit	<u>23,535</u>	<u>4,855</u>
Gross profit (%)	83.12%	59.86%
Administrative expenses		
Establishment costs (analysed below)	890	875
General administrative expenses (analysed below)	46,151	53,392
Finance charges (analysed below)	189	229
Depreciation costs (analysed below)	<u>7,840</u>	<u>3,584</u>
	<u>55,070</u>	<u>58,080</u>
Operating loss	<u>(31,535)</u>	<u>(53,225)</u>
Other interest receivable and similar income (analysed below)	542	37
Interest payable and similar expenses (analysed below)	<u>(194,074)</u>	<u>(174,115)</u>
	<u>(193,532)</u>	<u>(174,078)</u>
Loss before tax	<u><u>(225,067)</u></u>	<u><u>(227,303)</u></u>

Low Carbon Gordano Limited

Detailed company income statement for the Year Ended 31 March 2019

	2019 £	2018 £
Turnover		
Feed in tariff	18,627	6,354
Energy export income	4,595	305
On site usage	3,489	1,452
Grant income	930	-
Other revenue	672	-
	28,313	8,111
Cost of sales		
Metering and monitoring	-	2,307
Rent	794	-
Operations and maintenance	3,984	949
	4,778	3,256
Establishment costs		
Insurance	890	875
General administrative expenses		
Printing, postage and stationery	-	219
Trade subscriptions	579	620
Charitable donations	15,000	26,672
Research and development	8,107	3,438
Governance costs	313	121
Advertising	537	357
Accountancy fees	12,000	15,000
Auditor's remuneration - The audit of the company's annual accounts	2,635	2,635
Legal and professional fees	6,980	4,330
	46,151	53,392
Finance charges		
Bank charges	189	229
Depreciation costs		
Depreciation of other tangible (owned)	7,840	3,584
Other interest receivable and similar income		
Bank interest receivable	542	37
Interest payable and similar expenses		
Bank interest payable	6	3
Other interest payable	194,068	174,112
	194,074	174,115

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