
LOW CARBON GORDANO LIMITED

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

LOW CARBON GORDANO LIMITED

SOCIETY INFORMATION

Directors	Ms H A Sudbury Mr R J Bate Dr S A Cayzer Dr R J Langton Dr J M Gething (resigned 27 September 2019) Mr P G Thurston Dr E A Bossanyi (resigned 12 September 2019) Mr B J Titley Ms H P Rumford Mr S Crocker (resigned 6 March 2020) Mrs M Milnes (resigned 12 September 2019) Mr C J Stuart-Bennett Mr S Urquhart (appointed 15 February 2020) Mr M Miller (appointed 15 February 2020)
Company secretary	Ms H A Sudbury
Registered number	31251R
Registered office	The Coach House 2 Upper York Street Bristol BS1 8QN
Independent auditors	Alanbrookes Limited Chartered Accountants 24 Glove Factory Studios 1 Brook Lane Holt Wiltshire GL6 8WZ

LOW CARBON GORDANO LIMITED

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group 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 for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year were:

Ms H A Sudbury
Mr R J Bate
Dr S A Cayzer
Dr R J Langton
Dr J M Gething (resigned 27 September 2019)
Mr P G Thurston
Dr E A Bossanyi (resigned 12 September 2019)
Mr B J Titley
Ms H P Rumford
Mr S Crocker (resigned 6 March 2020)
Mrs M Milnes (resigned 12 September 2019)
Mr C J Stuart-Bennett
Mr S Urquhart (appointed 15 February 2020)
Mr M Miller (appointed 15 February 2020)

LOW CARBON GORDANO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Society and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Society and the Group's auditors are aware of that information.

Auditors

The auditors, Alanbrookes Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

This report has been prepared in accordance with the special provisions relating to societies subject to the small companies regime under the Co-operative and Community Benefit Societies Act 2014.

This report was approved by the board and signed on its behalf.

.....
Ms H A Sudbury
Secretary

Date: 25 September 2020.

LOW CARBON GORDANO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Low Carbon Gordano Limited
Directors' Review of the business for the Year Ended 31 March 2020

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, the smaller roof schemes at Church House and Northleaze School in Long Ashton and at the YMCA in Clevedon, and the more recent schemes at Churchill School (195kW) and at the Solarsense site at Brockley (2 systems totalling 100kW). In all the Society now has 3.1 MW of solar PV installed. The ground mounted arrays have now been operating for nearly five years and have in general performed above their originally predicted performance with few problems reported.

3 of the roof-mounted schemes have been operating for more than four years with no problems reported. Two of the new schemes have operated well, but one of the schemes at the Solarsense site is underperforming and the problems are being investigated with Solarsense.

Members were paid 5.5% interest for the full 12 months to March 2019.

The movement in shares invested / withdrawn in the year was a net withdrawal of £6,130 (£63,100) in the year.

It has not proved possible to develop any further new schemes during this year, despite significant efforts in that direction. At the beginning of 2019, a grant of £100,000 was secured from Power to Change intended to support the development of an innovative project to install about 1MW of solar PV on 300 domestic roofs in Lockleaze in North Bristol. We are working with the Lockleaze Neighbourhood Trust in the development of this scheme.

PLANS FOR FUTURE PERIODS

The Board of Directors will continue to seek other opportunities for constructing renewable energy schemes although recognising that the Government's decision to end the FIT scheme for Solar PV will make it very hard to develop commercially viable schemes in many circumstances.

However, work continues 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. The directors also believe that the falling costs of solar PV installations may change the situation before long, and will maintain a close watching brief.

INTEREST AND TRANSFER TO RESERVES

The directors are paying interest on members' shares during 2019-20 of 5.5% pa.

COMMUNITY BENEFIT PAYMENTS

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. At the September 2019 AGM, a donation £15,000 was set aside for the Community Benefit Fund to be paid out during 2020-21, of which £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. As in the previous year, the grant-making process will be managed by Quartet as part of the MegaWatt Fund, which

LOW CARBON GORDANO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

merges our Community Benefit Fund donation with that from the Bristol Energy Co-op. Decisions about grants to be made rest with representatives of the two Community Benefit Societies.

Following a suggestion from a member at the AGM, it was agreed that the contribution made to the Community Benefit Fund should in general be increased in line with inflation.

The directors are also recommending to the September 2020 AGM that a further £15,500 is donated to the Community Benefit Fund. This money will be paid out during 2021-22.

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.

This report was approved by the board and signed on its behalf.

.....
Mr B J Titley
Director

Date: 25 September 2020

LOW CARBON GORDANO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS, AS A BODY, 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 2020, which comprise the Group Statement of Income and Retained Earnings, the Group and Society Balance Sheets, the Group and Society Statement of Changes in Equity and the related notes, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Society's affairs as at 31 March 2020 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Auditors' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS, AS A BODY, OF LOW CARBON GORDANO LIMITED (CONTINUED)

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 matters 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 the 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 in relation to which 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Group Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 1, 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.

LOW CARBON GORDANO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS, AS A BODY, OF LOW CARBON GORDANO LIMITED (CONTINUED)

Auditors' 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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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 Auditors' 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.

Andrew Fisher BA FCA (Senior Statutory Auditor)

for and on behalf of
Alanbrookes Limited

Chartered Accountants

24 Glove Factory Studios
1 Brook Lane
Holt
Wiltshire
GL6 8WZ

25 September 2020

LOW CARBON GORDANO LIMITED

**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Turnover		414,548	389,959
Cost of sales		(264,799)	(259,814)
Gross profit		149,749	130,145
Administrative expenses		(76,277)	(55,070)
Other operating income		27,137	930
Operating profit		100,609	76,005
Interest receivable and similar income		219	576
Interest payable and expenses		(188,456)	(194,074)
Loss before tax		(87,628)	(117,493)
Loss after tax		(87,628)	(117,493)
Retained earnings at the beginning of the year		(437,507)	(320,014)
		(437,507)	(320,014)
Loss for the year attributable to the members of the parent		(87,628)	(117,493)
Retained earnings at the end of the year		(525,135)	(437,507)

The notes on pages 15 to 23 form part of these financial statements.

LOW CARBON GORDANO LIMITED
REGISTERED NUMBER: 31251R

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	5		2,720,204		2,888,519
Investments	6		10,961		9,864
			<u>2,731,165</u>		<u>2,898,383</u>
Current assets					
Debtors: amounts falling due within one year	7	84,145		162,332	
Cash at bank and in hand	8	168,459		93,711	
			<u>252,604</u>	<u>256,043</u>	
Creditors: amounts falling due within one year	9	(74,714)		(96,443)	
Net current assets			<u>177,890</u>		<u>159,600</u>
Total assets less current liabilities			<u>2,909,055</u>		<u>3,057,983</u>
Creditors: amounts falling due after more than one year	10	(447,000)		(447,000)	
Net assets			<u>2,462,055</u>		<u>2,610,983</u>
Capital and reserves					
Called up share capital	11		2,987,190		3,048,490
Profit and loss account			(525,135)		(437,507)
			<u>2,462,055</u>		<u>2,610,983</u>

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:

Dr R J Langton
 Director

Mr B J Titley
 Director

LOW CARBON GORDANO LIMITED
REGISTERED NUMBER: 31251R

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

Mr P G Thurston
Director

Date: 25 September 2020

The notes on pages 15 to 23 form part of these financial statements.

LOW CARBON GORDANO LIMITED
REGISTERED NUMBER: 31251R

SOCIETY BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	5		380,975		403,774
Investments	6		11,062		9,965
			<u>392,037</u>		<u>413,739</u>
Current assets					
Debtors: amounts falling due within one year	7	2,052,290		2,332,704	
Cash at bank and in hand	8		67,794		52,574
			<u>2,120,084</u>		<u>2,385,278</u>
Creditors: amounts falling due within one year	9		(53,167)		(59,620)
Net current assets			<u>2,066,917</u>		<u>2,325,658</u>
Total assets less current liabilities			<u>2,458,954</u>		<u>2,739,397</u>
Creditors: amounts falling due after more than one year	10		(447,000)		(447,000)
Net assets excluding pension asset			<u>2,011,954</u>		<u>2,292,397</u>
Net assets			<u>2,011,954</u>		<u>2,292,397</u>
Capital and reserves					
Called up share capital	11		2,987,190		3,048,490
Profit and loss account brought forward		(756,093)		(531,026)	
Loss for the year		(219,143)		(225,067)	
Profit and loss account carried forward			(975,236)		(756,093)
			<u>2,011,954</u>		<u>2,292,397</u>

The Society's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 September 2020.

Dr R J Langton
Director

Mr B J Titley
Director

LOW CARBON GORDANO LIMITED
REGISTERED NUMBER: 31251R

SOCIETY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

Mr P G Thurston
Director

The notes on pages 15 to 23 form part of these financial statements.

LOW CARBON GORDANO LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Society £	Total equity £
At 1 April 2019	3,048,490	(437,507)	2,610,983	2,610,983
Comprehensive income for the year				
Loss for the year	-	(87,628)	(87,628)	(87,628)
Contributions by and distributions to owners				
Shares issued during the year	146,760	-	146,760	146,760
Shares redeemed during the year	(208,060)	-	(208,060)	(208,060)
Total transactions with owners	(61,300)	-	(61,300)	(61,300)
At 31 March 2020	2,987,190	(525,135)	2,462,055	2,462,055

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £	Profit and loss account £	Equity attributable to members of parent Society £	Total equity £
At 1 April 2018	3,184,500	(320,014)	2,864,486	2,864,486
Comprehensive income for the year				
Loss for the year	-	(117,493)	(117,493)	(117,493)
Contributions by and distributions to owners				
Shares issued during the year	1,000	-	1,000	1,000
Shares redeemed during the year	(137,010)	-	(137,010)	(137,010)
Total transactions with owners	(136,010)	-	(136,010)	(136,010)
At 31 March 2019	3,048,490	(437,507)	2,610,983	2,610,983

The notes on pages 15 to 23 form part of these financial statements.

LOW CARBON GORDANO LIMITED

**SOCIETY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2019	3,048,490	(756,093)	2,292,397
Comprehensive income for the year			
Loss for the year	-	(219,143)	(219,143)
Contributions by and distributions to owners			
Shares issued during the year	146,760	-	146,760
Shares redeemed during the year	(208,060)	-	(208,060)
Total transactions with owners	(61,300)	-	(61,300)
At 31 March 2020	2,987,190	(975,236)	2,011,954

**SOCIETY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2018	3,184,500	(531,026)	2,653,474
Comprehensive income for the year			
Loss for the year	-	(225,067)	(225,067)
Contributions by and distributions to owners			
Shares issued during the year	1,000	-	1,000
Shares redeemed during the year	(137,010)	-	(137,010)
Total transactions with owners	(136,010)	-	(136,010)
At 31 March 2019	3,048,490	(756,093)	2,292,397

The notes on pages 15 to 23 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. General information

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

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 Companies Act 2006.

The Society has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Income and Retained Earnings in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Society and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Income and Retained Earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2016.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.4 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Income and Retained Earnings in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

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:

Freehold land	-	Not depreciated
Plant and machinery	-	5%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively 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 profit or loss.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Income and Retained Earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.11 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.

2.12 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.

2.13 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.

2.14 Financial instruments

The Group 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.14 Financial instruments (continued)

third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, 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. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Income and Retained Earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 Consolidated Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

LOW CARBON GORDANO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

3. Auditors' remuneration

	2020	2019
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	2,635	2,635

4. Employees

The average monthly number of employees, including directors, during the year was 10 (2019 - 12).

5. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 April 2019	14,940	3,470,162	3,485,102
Additions	-	8,264	8,264
At 31 March 2020	14,940	3,478,426	3,493,366
Depreciation			
At 1 April 2019	-	596,583	596,583
Charge for the year on owned assets	-	176,579	176,579
At 31 March 2020	-	773,162	773,162
Net book value			
At 31 March 2020	14,940	2,705,264	2,720,204
At 31 March 2019	14,940	2,873,579	2,888,519

LOW CARBON GORDANO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

5. Tangible fixed assets (continued)

Society

	Freehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 April 2019	14,940	404,738	419,678
At 31 March 2020	<u>14,940</u>	<u>404,738</u>	<u>419,678</u>
Depreciation			
At 1 April 2019	-	15,904	15,904
Charge for the year on owned assets	-	22,799	22,799
At 31 March 2020	<u>-</u>	<u>38,703</u>	<u>38,703</u>
Net book value			
At 31 March 2020	<u>14,940</u>	<u>366,035</u>	<u>380,975</u>
At 31 March 2019	<u>14,940</u>	<u>388,834</u>	<u>403,774</u>

6. Fixed asset investments

Group

	Trade investments £
At 1 April 2019	9,864
Additions	1,097
	<u>10,961</u>

LOW CARBON GORDANO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

6. Fixed asset investments (continued)

Society

	Investments in subsidiary companies £	Trade investments £	Total £
Cost or valuation			
At 1 April 2019	101	9,864	9,965
Additions	-	1,097	1,097
At 31 March 2020	<u>101</u>	<u>10,961</u>	<u>11,062</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Society:

Name	Registered office	Class of shares	Holding
Moorhouse Community Solar Limited	Vox Studios W106, 1-45 Durham Street, Vauxhall, London SE11 5JH	Ordinary	100%
Ham Farm Solar Park Ltd	Vox Studios W106, 1-45 Durham Street, Vauxhall, London SE11 5JH	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Moorhouse Community Solar Limited	324,750	80,115
Ham Farm Solar Park Ltd	125,452	51,400

LOW CARBON GORDANO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

7. Debtors

	Group 2020 £	<i>Group 2019 £</i>	Society 2020 £	<i>Society 2019 £</i>
Trade debtors	21,918	31,637	2,649	6,278
Amounts owed by group undertakings	-	-	2,038,479	2,240,208
Other debtors	7,395	27,147	-	27,147
Prepayments and accrued income	54,832	103,548	11,162	59,071
	84,145	162,332	2,052,290	2,332,704

Group trade debtors are stated after providing £44,372 for a probable bad debt (2019 - £2,624 and a provision against accrued income of £17,886).

8. Cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>	Society 2020 £	<i>Society 2019 £</i>
Cash at bank and in hand	168,459	93,711	67,794	52,574
	168,459	93,711	67,794	52,574

9. Creditors: Amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>	Society 2020 £	<i>Society 2019 £</i>
Trade creditors	21,170	66,669	2,308	37,379
Other taxation and social security	3,916	-	3,916	-
Other creditors	25,870	1,168	25,870	1,168
Accruals and deferred income	23,758	28,606	21,073	21,073
	74,714	96,443	53,167	59,620

LOW CARBON GORDANO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

10. Creditors: Amounts falling due after more than one year

	Group 2020	<i>Group 2019</i>	Society 2020	<i>Society 2019</i>
	£	£	£	£
April 2018 issue 5 year bonds	447,000	<i>447,000</i>	447,000	<i>447,000</i>
	<u>447,000</u>	<u><i>447,000</i></u>	<u>447,000</u>	<u><i>447,000</i></u>
	<u><u>447,000</u></u>	<u><u><i>447,000</i></u></u>	<u><u>447,000</u></u>	<u><u><i>447,000</i></u></u>

11. Share capital

	2020	<i>2019</i>
	£	£
Allotted, called up and fully paid		
298,719 (2019 - 304,849) Ordinary shares of £10.00 each	2,987,190	<i>3,048,490</i>
	<u><u>2,987,190</u></u>	<u><u><i>3,048,490</i></u></u>

The board has approved an interest payment on members' shares of 5.5% in respect of the year ended 31st March 2020.

12. Non-adjusting post balance sheet events

In addition to the community benefit fund payments amounting to £15,000 made during the period in pursuance of a commitment at the 2018 AGM, the 2019 AGM approved a further payment of £15,000 which is to be made during the period ended 31st March 2021. A payment of £15,500 for period ended 31st March 2022 is to be proposed to members at the forthcoming September 2020 AGM.

LOW CARBON GORDANO LIMITED

**CONSOLIDATED DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Turnover		414,548	389,959
Cost Of Sales		(264,799)	(259,814)
Gross profit		<u>149,749</u>	<u>130,145</u>
Gross profit %		36.1 %	33.4 %
Other operating income		<u>27,137</u>	<u>930</u>
Less: overheads			
Administration expenses		(74,790)	(54,180)
Establishment expenses		(1,487)	(890)
Operating profit		<u>100,609</u>	<u>76,005</u>
Interest receivable		219	576
Interest payable		(188,456)	(194,074)
Loss for the year		<u>(87,628)</u>	<u>(117,493)</u>

LOW CARBON GORDANO LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
Turnover		
Feed in tariff	183,881	220,564
Energy export income	207,069	165,109
On site usage	14,143	3,489
Other revenue	9,455	797
	<u>414,548</u>	<u>389,959</u>
	2020 £	2019 £
Cost of sales		
Asset management charges	17,124	21,679
Power supply	2,731	3,893
Operations and maintenance	26,157	33,587
Depreciation of plant and equipment	176,579	153,271
Site insurance	3,581	3,242
Communications	2,478	2,369
Metering and monitoring	2,652	409
Rent	15,503	16,255
Rates	(8,765)	(3,568)
Ecological improvement and monitoring	1,615	690
Data collection	326	765
Security	7,743	6,344
Legal and professional relating to sites	350	-
Bad debts relating to sites	16,466	20,510
Bank charges relating to sites	220	218
Sundry expenses relating to sites	39	150
	<u>264,799</u>	<u>259,814</u>
	2020 £	2019 £
Other operating income		
Grant income	27,137	930
	<u>27,137</u>	<u>930</u>

LOW CARBON GORDANO LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
Administration expenses		
Research and development	8,571	8,107
Consultancy	20,730	-
Printing and stationery	6	-
Advertising and promotion	1,373	537
Trade subscriptions	525	579
Charity donations	15,000	15,000
Legal and professional	9,586	6,980
Auditors' remuneration	2,635	2,635
Accountancy fees	15,500	12,000
Bank charges	200	189
Sundry expenses	140	-
Depreciation - plant and machinery	-	7,840
Governance costs	524	313
	74,790	54,180
	74,790	54,180
	2020 £	2019 £
Establishment		
Insurances	1,487	890
	1,487	890
	1,487	890
	2020 £	2019 £
Interest receivable		
Bank interest receivable	219	576
	219	576
	219	576

LOW CARBON GORDANO LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

	2020	2019
	£	£
Interest payable		
Bank overdraft interest payable	-	6
Interest on members' shares and bonds	188,456	194,068
	<u>188,456</u>	<u>194,074</u>