
LOW CARBON GORDANO LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

LOW CARBON GORDANO LIMITED

SOCIETY INFORMATION

Directors	Ms H A Sudbury Mr R J Bate (resigned 20 October 2020) Dr S A Cayzer Dr R J Langton Mr P G Thurston (resigned 8 May 2021) Mr B J Tittley Ms H P Rumford Mr C J Stuart-Bennett Mr S Urquhart Mr M Miller (resigned 8 November 2020) Mr M Gale (appointed 26 September 2020) Ms K Shanahan (appointed 17 July 2021)
Company secretary	Ms H A Sudbury
Registered number	31251R
Registered office	1-3 Gloucester Road Bristol BS7 8AA
Independent auditors	The Alanbrookes Group Ltd Chartered Accountants 24 Glove Factory Studios 1 Brook Lane Holt Wiltshire BA14 6RL

LOW CARBON GORDANO LIMITED

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LOW CARBON GORDANO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

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 judgments 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.

Principal activity

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.

Directors

The directors who served during the year were:

Ms H A Sudbury
Mr R J Bate (resigned 20 October 2020)
Dr S A Cayzer
Dr R J Langton
Mr P G Thurston (resigned 8 May 2021)
Mr B J Titley
Ms H P Rumford
Mr C J Stuart-Bennett
Mr S Urquhart
Mr M Miller (resigned 8 November 2020)
Mr M Gale (appointed 26 September 2020)

LOW CARBON GORDANO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Disclosure of information to auditors

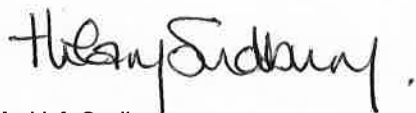
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- 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.

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: 2 September 2021

LOW CARBON GORDANO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

DIRECTORS' REVIEW OF THE BUSINESS

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. We believe that the performance of our two large systems has been enhanced during this financial year by the work done by our new O&M providers.

Three 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 since installation. Actions have been taken to rectify the problems that were encountered with one of the schemes at the Solarsense site and it appears that these have now been successful, although a careful watch is being kept.

Members were paid 5.5% interest for the full 12 months to March 2020.

The movement in shares invested / withdrawn in the year was a net withdrawal of 3,000 (£30,000) in the year.

It has not proved possible to develop any further new schemes during this year, despite significant efforts in that direction. Work continued utilising the grant of £100,000 from Power to Change secured in 2019. However, it was eventually concluded that further reductions in the price of solar installations as well as changes in the regulations affecting energy sharing between domestic properties are needed before the scheme could be viable. Work on it was therefore discontinued.

PLANS FOR FUTURE PERIODS

The Board of Directors continue to seek other opportunities for constructing renewable energy schemes and linked investments. Four avenues are currently being explored:

- a) co-operating with North Somerset Council to install solar PV systems on the roofs of some buildings in their ownership
- b) an agreement with Public Power Solutions (PPS), a wholly-owned subsidiary of Swindon Borough Council: PPS are undertaking a search for viable potential sites for medium-sized (3 – 7 MW) ground-mounted PV systems for us to develop. It appears that sites do exist that may meet our investment criteria
- c) a longer-term project to develop wind energy in the Portishead area: we are working with a group of Portishead residents and have formed a wholly-owned subsidiary of LCG called Channel Green Energy to pursue the possibility
- d) the installation of electric vehicle charging points, possibly linked to small-scale PV systems.

INTEREST AND TRANSFER TO RESERVES

The directors are proposing to pay interest on members' shares during 2020/21 at 5.5% pa.

COMMUNITY BENEFIT PAYMENTS

At the AGM in September 2019, a donation of £15,000 was set aside for the Community Benefit Fund to be paid out during 2020-21. £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.

LOW CARBON GORDANO LIMITED

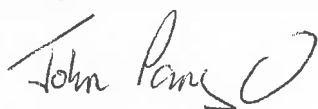
DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

At the September 2020 AGM, a donation £15,500 was set aside for the Community Benefit Fund to be paid out during 2021-22, of which £1,550 was set to be given directly to projects in the developing world and £13,950 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 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 2021 AGM that a further £17,500 is donated to the Community Benefit Fund. This figure includes an amount that reflects the donations that would have been made had the Society always followed the policy agreed after the 2018 AGM to increase the CBF payment in line with inflation. This money will be paid out during 2022-23.

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.



Dr R J Langton
Director

Date: 2 September 2021

LOW CARBON GORDANO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS 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 2021, 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 2021 and of the Group's profit 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 doing so, consider whether the other information is materially inconsistent with the financial statements or our

LOW CARBON GORDANO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LOW CARBON GORDANO LIMITED (CONTINUED)

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 SHAREHOLDERS 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

The Alanbrookes Group Ltd

Chartered Accountants

24 Glove Factory Studios

1 Brook Lane

Holt

Wiltshire

BA14 6RL

2 September 2021

LOW CARBON GORDANO LIMITED

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Turnover		415,037	405,191
Cost of sales		(274,657)	(264,799)
Gross profit		140,380	140,392
Administrative expenses		(81,509)	(76,277)
Other operating income		44,136	36,494
Operating profit		103,007	100,609
Interest receivable and similar income		32	219
Interest payable and expenses		(19,657)	(19,657)
Profit before tax		83,382	81,171
Profit after tax		83,382	81,171
Retained earnings at the beginning of the year		(525,135)	(437,507)
		(525,135)	(437,507)
Profit for the year attributable to the owners of the parent		83,382	81,171
Interest on members' shares		(165,601)	(168,799)
Retained earnings at the end of the year		(607,354)	(525,135)
Non-controlling interest at the end of the year			

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of income and retained earnings.

The notes on pages 17 to 25 form part of these financial statements.

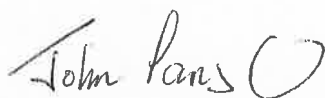
LOW CARBON GORDANO LIMITED
REGISTERED NUMBER: 31251R

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	4	2,543,625	2,720,204
Investments	5	10,961	10,961
		<u>2,554,586</u>	<u>2,731,165</u>
Current assets			
Debtors: amounts falling due within one year	6	85,593	84,145
Cash at bank and in hand	7	207,001	168,459
		<u>292,594</u>	<u>252,604</u>
Creditors: amounts falling due within one year		<u>(50,344)</u>	<u>(74,714)</u>
Net current assets		<u>242,250</u>	<u>177,890</u>
Total assets less current liabilities		<u>2,796,836</u>	<u>2,909,055</u>
Creditors: amounts falling due after more than one year		<u>(447,000)</u>	<u>(447,000)</u>
Net assets		<u><u>2,349,836</u></u>	<u><u>2,462,055</u></u>
Capital and reserves			
Called up share capital	10	2,957,190	2,987,190
Profit and loss account		(607,354)	(525,135)
		<u><u>2,349,836</u></u>	<u><u>2,462,055</u></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.

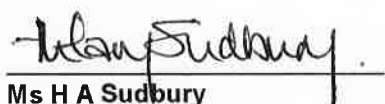
The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Dr R J Langton
Director



Mr B J Titley
Director



Ms H A Sudbury
Secretary

LOW CARBON GORDANO LIMITED
REGISTERED NUMBER: 31251R

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

Date: 2 September 2021

The notes on pages 17 to 25 form part of these financial statements.

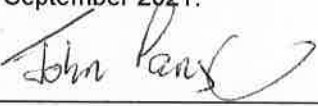
LOW CARBON GORDANO LIMITED
REGISTERED NUMBER: 31251R

SOCIETY BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	4	358,176	380,975
Investments	5	11,062	11,062
		<u>369,238</u>	<u>392,037</u>
Current assets			
Debtors: amounts falling due within one year	6	1,836,806	2,052,290
Cash at bank and in hand	7	35,492	67,794
		<u>1,872,298</u>	<u>2,120,084</u>
Creditors: amounts falling due within one year		<u>(40,706)</u>	<u>(53,167)</u>
Net current assets		<u>1,831,592</u>	<u>2,066,917</u>
Total assets less current liabilities		<u>2,200,830</u>	<u>2,458,954</u>
Creditors: amounts falling due after more than one year		<u>(447,000)</u>	<u>(447,000)</u>
Net assets excluding pension asset		<u>1,753,830</u>	<u>2,011,954</u>
Net assets		<u>1,753,830</u>	<u>2,011,954</u>
Capital and reserves			
Called up share capital	10	2,957,190	2,987,190
Profit and loss account brought forward		(975,236)	(756,093)
Loss for the year		(62,523)	(387,942)
Other changes in the profit and loss account		(165,601)	168,799
Profit and loss account carried forward		<u>(1,203,360)</u>	<u>(975,236)</u>
		<u>1,753,830</u>	<u>2,011,954</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 2 September 2021.


Dr R J Langton


Mr B J Titley

LOW CARBON GORDANO LIMITED
REGISTERED NUMBER: 31251R

SOCIETY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

Director



Ms H A Sudbury
Secretary

Director

The notes on pages 17 to 25 form part of these financial statements.

LOW CARBON GORDANO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Society £	Total equity £
At 1 April 2020	2,987,190	(525,135)	2,462,055	2,462,055
Comprehensive income for the year				
Profit for the year	-	83,382	83,382	83,382
Contributions by and distributions to owners				
Interest on members' shares	-	(165,601)	(165,601)	(165,601)
Shares issued during the year	500	-	500	500
Shares redeemed during the year	(30,500)	-	(30,500)	(30,500)
Total transactions with owners	(30,000)	(165,601)	(195,601)	(195,601)
At 31 March 2021	2,957,190	(607,354)	2,349,836	2,349,836

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				
Profit for the year	-	81,171	81,171	81,171
Contributions by and distributions to owners				
Interest on members' shares	-	(168,799)	(168,799)	(168,799)
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)	(168,799)	(230,099)	(230,099)
At 31 March 2020	2,987,190	(525,135)	2,462,055	2,462,055

LOW CARBON GORDANO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

The notes on pages 17 to 25 form part of these financial statements.

LOW CARBON GORDANO LIMITED

**SOCIETY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2020	2,987,190	(975,236)	2,011,954
Comprehensive income for the year			
Loss for the year	-	(62,523)	(62,523)
	<u> </u>	<u> </u>	<u> </u>
Other comprehensive income for the year	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total comprehensive income for the year	-	(62,523)	(62,523)
	<u> </u>	<u> </u>	<u> </u>
Contributions by and distributions to owners			
Interest on members' shares	-	(165,601)	(165,601)
Shares issued during the year	500	-	500
Shares redeemed during the year	(30,500)	-	(30,500)
	<u> </u>	<u> </u>	<u> </u>
Total transactions with owners	(30,000)	(165,601)	(195,601)
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2021	<u><u>2,957,190</u></u>	<u><u>(1,203,360)</u></u>	<u><u>1,753,830</u></u>

The notes on pages 17 to 25 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	-	(387,942)	(387,942)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(387,942)	(387,942)
Contributions by and distributions to owners			
Interest on members' shares	-	168,799	168,799
Shares issued during the year	146,760	-	146,760
Shares redeemed during the year	(208,060)	-	(208,060)
Total transactions with owners	(61,300)	168,799	107,499
At 31 March 2020	2,987,190	(975,236)	2,011,954

The notes on pages 17 to 25 form part of these financial statements.

LOW CARBON GORDANO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

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.

LOW CARBON GORDANO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

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.

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
Solar installations	-	5%
Monitoring equipment	-	6%

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.

LOW CARBON GORDANO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

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 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>2,835</u>	<u>2,635</u>

LOW CARBON GORDANO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. Tangible fixed assets

Group

	Freehold Land £	Solar Installations £	Monitoring Equipment £	Total £
Cost or valuation				
At 1 April 2020	14,940	3,470,162	8,264	3,493,366
At 31 March 2021	14,940	3,470,162	8,264	3,493,366
Depreciation				
At 1 April 2020	-	772,654	508	773,162
Charge for the year on owned assets	-	176,071	508	176,579
At 31 March 2021	-	948,725	1,016	949,741
Net book value				
At 31 March 2021	14,940	2,521,437	7,248	2,543,625
At 31 March 2020	14,940	2,697,508	7,756	2,720,204

LOW CARBON GORDANO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

4. Tangible fixed assets (continued)

Society

	Freehold land £	Plant and machinery £	Total £
Cost or valuation			
At 1 April 2020	14,940	404,738	419,678
At 31 March 2021	<u>14,940</u>	<u>404,738</u>	<u>419,678</u>
Depreciation			
At 1 April 2020	-	38,703	38,703
Charge for the year on owned assets	-	22,799	22,799
At 31 March 2021	<u>-</u>	<u>61,502</u>	<u>61,502</u>
Net book value			
At 31 March 2021	<u>14,940</u>	<u>343,236</u>	<u>358,176</u>
At 31 March 2020	<u>14,940</u>	<u>366,035</u>	<u>380,975</u>

5. Fixed asset investments

Group

	Trade investments £
At 1 April 2020	<u>10,961</u>

LOW CARBON GORDANO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. Fixed asset investments (continued)

Society

	Investments in subsidiary companies £	Trade investments £	Total £
Cost or valuation			
At 1 April 2020	101	10,961	11,062
At 31 March 2021	101	10,961	11,062

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 2021 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	420,380	96,530
Ham Farm Solar Park Ltd	175,727	50,275

LOW CARBON GORDANO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

6. Debtors

	Group 2021 £	Group 2020 £	Society 2021 £	Society 2020 £
Trade debtors	58,714	21,918	3,266	2,649
Amounts owed by group undertakings	-	-	1,828,074	2,038,479
Other debtors	1,355	7,395	1,355	-
Prepayments and accrued income	25,524	54,832	4,111	11,162
	85,593	84,145	1,836,806	2,052,290

7. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Society 2021 £	Society 2020 £
Cash at bank and in hand	207,001	168,459	35,492	67,794
	207,001	168,459	35,492	67,794

8. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Society 2021 £	Society 2020 £
Trade creditors	12,833	21,170	6,997	2,308
Other taxation and social security	63	3,916	63	3,916
Other creditors	12,373	25,870	12,373	25,870
Accruals and deferred income	25,075	23,758	21,273	21,073
	50,344	74,714	40,706	53,167

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

	Group 2021 £	Group 2020 £	Society 2021 £	Society 2020 £
April 2018 issue 5 year bonds	447,000	447,000	447,000	447,000
	447,000	447,000	447,000	447,000

LOW CARBON GORDANO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
295,719 (2020 - 298,719) Ordinary shares of £10.00 each	2,957,190	2,987,190

LOW CARBON GORDANO LIMITED

**CONSOLIDATED DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Turnover		415,037	405,191
Cost Of Sales		(274,657)	(264,799)
Gross profit		<u>140,380</u>	<u>140,392</u>
Gross profit %		33.8 %	34.6 %
Other operating income		<u>44,136</u>	<u>36,494</u>
Less: overheads			
Administration expenses		(80,232)	(74,790)
Establishment expenses		(1,277)	(1,487)
Operating profit		<u>103,007</u>	<u>100,609</u>
Interest receivable		32	219
Interest payable		(19,657)	(19,657)
Profit for the year		<u>83,382</u>	<u>81,171</u>

LOW CARBON GORDANO LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Turnover		
Feed in tariff	231,407	223,114
Energy export income	170,651	167,836
On site usage	11,811	14,143
REGOs	1,168	98
	<u>415,037</u>	<u>405,191</u>
	2021 £	2020 £
Cost of sales		
Asset management charges	20,531	17,124
Power supply	3,666	2,731
Operations and maintenance	34,423	26,157
Depreciation of plant and equipment	176,579	176,579
Site insurance	3,926	3,581
Communications	1,928	2,478
Metering and monitoring	2,758	2,652
Rent	19,069	15,503
Rates	-	(8,765)
Ecological improvement and monitoring	210	1,615
Data collection	314	326
Security	7,455	7,743
Legal and professional relating to sites	-	350
Bad debts relating to sites	-	16,466
Sundry expenses relating to sites	(64)	39
Bank charges relating to sites	132	220
Consultancy relating to sites	3,730	-
	<u>274,657</u>	<u>264,799</u>
	2021 £	2020 £
Other operating income		
Other operating income	3,000	9,455
Grant income	41,136	27,039
	<u>44,136</u>	<u>36,494</u>

LOW CARBON GORDANO LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Administration expenses		
Research and development	5,400	6,224
Consultancy	5,000	-
Printing and stationery	-	6
Advertising and promotion	1,169	161
Trade subscriptions	675	525
Charity donations	15,000	15,000
Legal and professional	9,202	6,836
Auditors' remuneration	2,835	2,635
Grant spend on fees	21,136	27,039
Accountancy fees	18,500	15,500
Bank charges	192	200
Governance costs	100	524
Sundry expenses	1,023	140
	<u>80,232</u>	<u>74,790</u>
	2021 £	2020 £
Establishment		
Insurances	1,277	1,487
	<u>1,277</u>	<u>1,487</u>
	2021 £	2020 £
Interest receivable		
Bank interest receivable	32	219
	<u>32</u>	<u>219</u>
	2021 £	2020 £
Interest payable		
Interest on bonds	19,657	19,657
	<u>19,657</u>	<u>19,657</u>