
LOW CARBON GORDANO LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

LOW CARBON GORDANO LIMITED

SOCIETY INFORMATION

Directors	Ms H A Sudbury Prof S A Cayzer Dr R J Langton (resigned 30 September 2022) Mr B J Titley Ms H P Rumford Mr C J Stuart-Bennett Ms K Shanahan Mr D Clegg Mr S Urquhart Mr M Gale (resigned 30 September 2022) Dr H Gavin (appointed 30 September 2022) Ms S A Halstead
Society 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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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their report and the financial statements for the year ended 31 March 2023.

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
Prof S A Cayzer
Dr R J Langton (resigned 30 September 2022)
Mr B J Titley
Ms H P Rumford
Mr C J Stuart-Bennett
Ms K Shanahan
Mr D Clegg
Mr S Urquhart
Mr M Gale (resigned 30 September 2022)
Dr H Gavin (appointed 30 September 2022)
Ms S A Halstead

LOW CARBON GORDANO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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: 27 September 2023

LOW CARBON GORDANO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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, Northleaze School in Long Ashton and at the YMCA in Clevedon, and the more recent schemes at Churchill School (195kW) and at the previous 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 nine 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 over the past two years by the work done by our O&M providers, Altenergy.

Three of the roof-mounted schemes have been operating for more than seven 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 3.4% interest for the full 12 months to March 2022.

The movement in shares invested / withdrawn in the year was a net withdrawal of 5,751 shares (£57,510) in the year.

Although we have not formally initiated any new projects this year, there are a couple of promising investigations underway. Although the 7MW ground mounted solar array in North Devon turned out not to be viable, in part due to 5-year lead times for a grid connection, we are in discussions with a local village hall to install about 45kW of panels on their roof. We expect that energy prices will remain high for a number of years, so the increase in viability of rooftop schemes such as this is a very thin silver lining to an otherwise very challenging situation for consumers. In addition, our feasibility work around a circa 1MW wind turbine near Portishead (Channel Green Energy) is progressing well.

PLANS FOR FUTURE PERIODS

The Board of Directors continue to seek other opportunities for constructing renewable energy schemes and linked investments. Whilst rooftop schemes will continue to be our bread-and-butter activity, we anticipate that the Channel Green Energy wind project will be our primary focus for the coming year (and years after that, with any luck).

We are also conducting a root-and-branch review of our Risk management process, in order to better prepare for, and mitigate against, any issues that might arise in these increasingly unpredictable times.

INTEREST AND TRANSFER TO RESERVES

The directors are proposing to pay interest on members' shares held during 2022/23 at 7.0% pa.

COMMUNITY BENEFIT PAYMENTS

At the AGM in September 2021, a donation of £17,500 was set aside for the Community Benefit Fund to be paid out during 2022-23. £1,750 was set to be given directly to projects in the developing world and £15,750 was set to be given to Quartet to administer the grant funding process with input from Low Carbon Gordano members.

At the September 2022 AGM a donation of £18,000 was set aside for the Community Benefit Fund to be paid out during 2023-24, of which £1,800 was set to be given directly to projects in the developing world and £16,200 was

LOW CARBON GORDANO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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 is 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. In addition, the total to be paid out is augmented by £515 of members' waived interest payments.

The directors are also recommending to the September 2023 AGM that a further £19,300 is donated to the Community Benefit Fund. This money will be paid out during 2024-25.

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.

Mr C J Stuart-Bennett
Chair

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 2023, 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 2023 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

**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.

**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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Company and industry, we evaluated that the principal risks of non-compliance with laws and regulations related to UK tax legislation, Health and Safety Executive legislation, Data Protection legislation and implementation of government support schemes. and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including override of controls). Audit procedures performed included:

- Evaluating management's controls designed to prevent and detect irregularities;
- Substantive testing of specific transactions and balances.

Although we have nothing adverse to report in terms of the results of the procedures listed above, there are inherent limitations in such procedures. We are less likely to become aware of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

LOW CARBON GORDANO LIMITED

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

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

27 September 2023

LOW CARBON GORDANO LIMITED

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Turnover		451,598	416,941
Cost of sales		(287,744)	(279,343)
Gross profit		163,854	137,598
Administrative expenses		(100,038)	(65,404)
Other operating income		19,504	1,498
Operating profit		83,320	73,692
Interest receivable and similar income		2,552	83
Interest payable and expenses		(19,657)	(19,657)
Profit before tax		66,215	54,118
Profit after tax		66,215	54,118
Retained earnings at the beginning of the year		(716,675)	(607,354)
		(716,675)	(607,354)
Profit for the year attributable to the owners of the parent		66,215	54,118
Interest on members' shares		(100,382)	(163,439)
Retained earnings at the end of the year		(750,842)	(716,675)
Non-controlling interest at the end of the year			

There were no recognised gains and losses for 2023 or 2022 other than those included in the consolidated statement of income and retained earnings.

The notes on pages 18 to 26 form part of these financial statements.

LOW CARBON GORDANO LIMITED
REGISTERED NUMBER: 31251R

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	4	2,190,469	2,367,047
Investments	5	10,961	10,961
		<u>2,201,430</u>	<u>2,378,008</u>
Current assets			
Debtors: amounts falling due within one year	6	85,195	74,476
Cash at bank and in hand	7	320,673	250,072
		<u>405,868</u>	<u>324,548</u>
Creditors: amounts falling due within one year	8	(41,460)	(45,041)
Net current assets		<u>364,408</u>	<u>279,507</u>
Total assets less current liabilities		<u>2,565,838</u>	<u>2,657,515</u>
Creditors: amounts falling due after more than one year	9	(447,000)	(447,000)
Net assets		<u>2,118,838</u>	<u>2,210,515</u>
Capital and reserves			
Called up share capital	10	2,869,680	2,927,190
Profit and loss account		(750,842)	(716,675)
		<u>2,118,838</u>	<u>2,210,515</u>

LOW CARBON GORDANO LIMITED
REGISTERED NUMBER: 31251R

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

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:

Mr C J Stuart-Bennett
Director

Mr B J Titley
Director

Ms H A Sudbury
Secretary

Date: 27 September 2023

The notes on pages 18 to 26 form part of these financial statements.

LOW CARBON GORDANO LIMITED
REGISTERED NUMBER: 31251R

SOCIETY BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	4	312,576	335,376
Investments	5	11,162	11,162
		<u>323,738</u>	<u>346,538</u>
Current assets			
Debtors: amounts falling due within one year	6	1,292,185	1,501,825
Cash at bank and in hand	7	102,179	113,610
		<u>1,394,364</u>	<u>1,615,435</u>
Creditors: amounts falling due within one year	8	(23,077)	(22,373)
Net current assets		<u>1,371,287</u>	<u>1,593,062</u>
Total assets less current liabilities		<u>1,695,025</u>	<u>1,939,600</u>
Creditors: amounts falling due after more than one year	9	(447,000)	(447,000)
Net assets excluding pension asset		<u>1,248,025</u>	<u>1,492,600</u>
Net assets		<u>1,248,025</u>	<u>1,492,600</u>
Capital and reserves			
Called up share capital	10	2,869,680	2,927,190
Profit and loss account brought forward		(1,434,590)	(1,203,360)
Loss for the year		(86,683)	(67,791)
Other changes in the profit and loss account		(100,382)	(163,439)
Profit and loss account carried forward		<u>(1,621,655)</u>	<u>(1,434,590)</u>
		<u>1,248,025</u>	<u>1,492,600</u>

LOW CARBON GORDANO LIMITED
REGISTERED NUMBER: 31251R

SOCIETY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

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 27 September 2023.

Mr C J Stuart-Bennett
Director

Mr B J Titley
Director

Ms H A Sudbury
Secretary

The notes on pages 18 to 26 form part of these financial statements.

LOW CARBON GORDANO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Society	Total equity
	£	£	£	£
At 1 April 2022	2,927,190	(716,675)	2,210,515	2,210,515
Comprehensive income for the year				
Profit for the year	-	66,215	66,215	66,215
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	66,215	66,215	66,215
Interest on members' shares	-	(100,382)	(100,382)	(100,382)
Shares redeemed during the year	(57,510)	-	(57,510)	(57,510)
Total transactions with owners	(57,510)	(100,382)	(157,892)	(157,892)
At 31 March 2023	2,869,680	(750,842)	2,118,838	2,118,838

The notes on pages 18 to 26 form part of these financial statements.

LOW CARBON GORDANO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Society	Total equity
	£	£	£	£
At 1 April 2021	2,957,190	(607,354)	2,349,836	2,349,836
Comprehensive income for the year				
Profit for the year	-	54,118	54,118	54,118
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	54,118	54,118	54,118
Interest on members' shares	-	(163,439)	(163,439)	(163,439)
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)	(163,439)	(193,439)	(193,439)
At 31 March 2022	2,927,190	(716,675)	2,210,515	2,210,515

The notes on pages 18 to 26 form part of these financial statements.

LOW CARBON GORDANO LIMITED

SOCIETY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2022	2,927,190	(1,434,590)	1,492,600
Comprehensive income for the year			
Loss for the year	-	(86,683)	(86,683)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(86,683)	(86,683)
Contributions by and distributions to owners			
Interest on members' shares	-	(100,382)	(100,382)
Shares redeemed during the year	(57,510)	-	(57,510)
Total transactions with owners	(57,510)	(100,382)	(157,892)
At 31 March 2023	2,869,680	(1,621,655)	1,248,025

The notes on pages 18 to 26 form part of these financial statements.

LOW CARBON GORDANO LIMITED

SOCIETY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2021	2,957,190	(1,203,360)	1,753,830
Comprehensive income for the year			
Loss for the year	-	(67,791)	(67,791)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(67,791)	(67,791)
Contributions by and distributions to owners			
Interest on members' shares	-	(163,439)	(163,439)
Shares issued during the year	500	-	500
Shares redeemed during the year	(30,500)	-	(30,500)
Total transactions with owners	(30,000)	(163,439)	(193,439)
At 31 March 2022	2,927,190	(1,434,590)	1,492,600

The notes on pages 18 to 26 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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 2023

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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

	2023 £	2022 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	3,460	3,075

LOW CARBON GORDANO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

4. Tangible fixed assets

Group

	Freehold Land £	Solar Installations £	Monitoring Equipment £	Total £
Cost or valuation				
At 1 April 2022	14,940	3,470,162	8,264	3,493,366
At 31 March 2023	14,940	3,470,162	8,264	3,493,366
Depreciation				
At 1 April 2022	-	1,124,796	1,524	1,126,320
Charge for the year on owned assets	-	176,070	507	176,577
At 31 March 2023	-	1,300,866	2,031	1,302,897
Net book value				
At 31 March 2023	14,940	2,169,296	6,233	2,190,469
At 31 March 2022	14,940	2,345,367	6,740	2,367,047

LOW CARBON GORDANO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

4. Tangible fixed assets (continued)

Society

	Freehold land £	Plant and machinery £	Total £
Cost or valuation			
At 1 April 2022	14,940	404,738	419,678
At 31 March 2023	14,940	404,738	419,678
Depreciation			
At 1 April 2022	-	84,302	84,302
Charge for the year on owned assets	-	22,800	22,800
At 31 March 2023	-	107,102	107,102
Net book value			
At 31 March 2023	14,940	297,636	312,576
At 31 March 2022	14,940	320,436	335,376

5. Fixed asset investments

Group

	Trade investments £
At 1 April 2022	10,961

LOW CARBON GORDANO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

5. Fixed asset investments (continued)

Society

	Investments in subsidiary companies £	Trade investments £	Total £
Cost or valuation			
At 1 April 2022	201	10,961	11,162
At 31 March 2023	201	10,961	11,162

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%
Green Channel Energy 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 2023 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	595,543	90,111
Ham Farm Solar Park Ltd	275,909	63,073
Green Channel Energy Ltd	(457)	(285)

LOW CARBON GORDANO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

6. Debtors

	Group 2023 £	<i>Group 2022 £</i>	Society 2023 £	<i>Society 2022 £</i>
Trade debtors	51,246	34,213	20,622	1,499
Amounts owed by group undertakings	-	-	1,263,041	1,490,508
Other debtors	4,365	5,718	3,979	5,718
Prepayments and accrued income	29,584	34,545	4,543	4,100
	85,195	74,476	1,292,185	1,501,825

7. Cash and cash equivalents

	Group 2023 £	<i>Group 2022 £</i>	Society 2023 £	<i>Society 2022 £</i>
Cash at bank and in hand	320,673	250,072	102,179	113,610
	320,673	250,072	102,179	113,610

8. Creditors: Amounts falling due within one year

	Group 2023 £	<i>Group 2022 £</i>	Society 2023 £	<i>Society 2022 £</i>
Trade creditors	16,504	16,541	(1,209)	-
Other creditors	2,598	860	2,598	860
Accruals and deferred income	22,358	27,640	21,688	21,513
	41,460	45,041	23,077	22,373

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

	Group 2023 £	<i>Group 2022 £</i>	Society 2023 £	<i>Society 2022 £</i>
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 2023

10. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
286,968 (2022 - 292,719) Ordinary shares of £10.00 each	2,869,680	2,927,190

LOW CARBON GORDANO LIMITED

CONSOLIDATED DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Turnover		451,598	416,941
Cost Of Sales		(287,744)	(279,343)
Gross profit		163,854	137,598
Gross profit %		36.3 %	33.0 %
Other operating income		19,504	1,498
Less: overheads			
Administration expenses		(100,038)	(65,012)
Establishment expenses		-	(392)
Operating profit		83,320	73,692
Interest receivable		2,552	83
Interest payable		(19,657)	(19,657)
Profit for the year		66,215	54,118

LOW CARBON GORDANO LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Turnover		
Feed in tariff	233,734	226,179
Energy export income	202,712	175,498
On site usage	14,360	14,424
REGOs	792	840
	<u>451,598</u>	<u>416,941</u>
	2023 £	2022 £
Cost of sales		
Asset management charges	21,423	21,470
Power supply	7,414	5,318
Operations and maintenance	44,531	33,484
Depreciation of plant and equipment	176,580	176,578
Site insurance	5,035	4,856
Communications	1,204	1,969
Metering and monitoring	2,141	2,239
Rent	20,069	18,383
Ecological improvement and monitoring	210	210
Data collection	628	630
Security	5,248	13,834
Consultancy related to sites	3,050	-
Sundry expenses relating to sites	-	60
Bank charges relating to sites	211	312
	<u>287,744</u>	<u>279,343</u>
	2023 £	2022 £
Other operating income		
Government grants receivable	19,504	1,498
	<u>19,504</u>	<u>1,498</u>

LOW CARBON GORDANO LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Administration expenses		
Research and development	6,230	4,745
Advertising and promotion	91	1,499
Trade subscriptions	1,005	975
Charity donations	21,685	15,500
Legal and professional	20,141	15,329
Auditors' remuneration	3,460	3,075
Grant spend on fees	20,730	2,380
Accountancy fees	25,000	20,000
Bank charges	203	214
Governance costs	183	196
Sundry expenses	1,310	1,099
	<u>100,038</u>	<u>65,012</u>
	2023 £	2022 £
Establishment		
Insurances	-	392
	<u>-</u>	<u>392</u>
	2023 £	2022 £
Interest receivable		
Bank interest receivable	2,552	83
	<u>2,552</u>	<u>83</u>
	2023 £	2022 £
Interest payable		
Expenses - other - Interest	19,657	19,657
	<u>19,657</u>	<u>19,657</u>