

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
FOR
GIGHA RENEWABLE ENERGY LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2020**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	3
Income Statement	5
Balance Sheet	6
Notes to the Financial Statements	7
Trading and Profit and Loss Account	10

GIGHA RENEWABLE ENERGY LIMITED

**COMPANY INFORMATION
For The Year Ended 31 March 2020**

DIRECTORS:	John Martin Ian Roger Pinniger Fergus Christie Ian Connell Wilson
REGISTERED OFFICE:	Gigha Hotel Isle of Gigha Argyll PA41 7AA
REGISTERED NUMBER:	SC271618 (Scotland)
AUDITORS:	R A Clement Associates Chartered Accountants Registered Auditors Argyll Square Oban Argyll PA34 4AZ
SOLICITORS:	T C Young Solicitors 7 West George Street Glasgow G2 1BA

**REPORT OF THE DIRECTORS
For The Year Ended 31 March 2020**

The directors present their report with the financial statements of the company for the year ended 31 March 2020.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

John Martin
Fergus Christie
Ian Connell Wilson

Other changes in directors holding office are as follows:

Ian Roger Pinniger - appointed 1 April 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, R A Clement Associates, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

.....
Ian Connell Wilson - Director

Date:

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GIGHA RENEWABLE ENERGY LIMITED

Opinion

We have audited the financial statements of Gigha Renewable Energy Limited (the 'company') for the year ended 31 March 2020 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its 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 Companies Act 2006.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note ten to the financial statements, 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 company'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 in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GIGHA RENEWABLE ENERGY LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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 company'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 company or to cease operations, or have no realistic alternative but to do so.

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 a Report of the Auditors 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 Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Fiona McGlynn CA (Senior Statutory Auditor)
for and on behalf of R A Clement Associates
Chartered Accountants
Registered Auditors
Argyll Square
Oban
Argyll
PA34 4AZ

Date:

GIGHA RENEWABLE ENERGY LIMITED (REGISTERED NUMBER: SC271618)

**INCOME STATEMENT
For The Year Ended 31 March 2020**

	Notes	2020 £	2019 £
TURNOVER		165,830	184,778
Cost of sales		<u>3,850</u>	<u>4,200</u>
GROSS PROFIT		161,980	180,578
Administrative expenses		<u>175,326</u>	<u>132,771</u>
		(13,346)	47,807
Other operating income		<u>1,825</u>	<u>1,781</u>
OPERATING (LOSS)/PROFIT and (LOSS)/PROFIT BEFORE TAXATION		(11,521)	49,588
Tax on (loss)/profit		<u>(2,848)</u>	<u>(4,318)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(8,673)</u>	<u>53,906</u>

The notes form part of these financial statements

GIGHA RENEWABLE ENERGY LIMITED (REGISTERED NUMBER: SC271618)

**BALANCE SHEET
31 March 2020**

	Notes	2020		2019	
		£	£	£	£
FIXED ASSETS					
Tangible assets	4		-		14,984
Investments	5		74,836		73,011
			<u>74,836</u>		<u>87,995</u>
 CURRENT ASSETS					
Debtors	6	56,730		63,870	
Cash at bank		174,670		97,626	
		<u>231,400</u>		<u>161,496</u>	
CREDITORS					
Amounts falling due within one year	7	93,637		25,371	
 NET CURRENT ASSETS			<u>137,763</u>		<u>136,125</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES			212,599		224,120
 PROVISIONS FOR LIABILITIES			-		2,848
 NET ASSETS			<u>212,599</u>		<u>221,272</u>
 CAPITAL AND RESERVES					
Called up share capital			40,000		40,000
Capital redemption reserve	8		80,000		80,000
Retained earnings	8		92,599		101,272
 SHAREHOLDERS' FUNDS			<u>212,599</u>		<u>221,272</u>

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

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

.....
Ian Connell Wilson - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2020**

1. STATUTORY INFORMATION

Gigha Renewable Energy Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Turbines	- 12.5% on cost
Installation costs	- 6.67% on cost
Computer equipment	- 25% on cost

The windmills were purchased as second hand equipment with a remaining design lifespan of 8 years. Other equipment such as cabling, transformer etc were purchased new. Therefore the directors have decided to depreciate the cost of the turbines over their remaining lifespan at 12.5% per year, whilst depreciating the installation costs over a period of 15 years at 6.67% per year.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred grants

Grants received towards the construction of the windfarm are being released to the profit and loss account in a similar proportion to the annual depreciation charge of the fixed assets mentioned above in accordance with standard accounting practice.

Gift aid payments post year end

The company has adopted early the provisions of Update Bulletin 2 regarding the treatment of donations made to the parent charity. Donations paid within nine months of the year end are taken into account for the purposes of the calculation of corporation tax liabilities, but are not accrued in the accounts.

GIGHA RENEWABLE ENERGY LIMITED (REGISTERED NUMBER: SC271618)

**NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2020**

3. OPERATING (LOSS)/PROFIT

The operating loss (2019 - operating profit) is stated after charging:

	2020	2019
	£	£
Depreciation - owned assets	<u>14,984</u>	<u>22,728</u>

4. TANGIBLE FIXED ASSETS

	Turbines	Installation	Computer	Totals
	£	costs	equipment	£
	£	£	£	£
COST				
At 1 April 2019 and 31 March 2020	<u>114,418</u>	<u>340,752</u>	<u>979</u>	<u>456,149</u>
DEPRECIATION				
At 1 April 2019	114,418	325,768	979	441,165
Charge for year	-	14,984	-	14,984
At 31 March 2020	<u>114,418</u>	<u>340,752</u>	<u>979</u>	<u>456,149</u>
NET BOOK VALUE				
At 31 March 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2019	<u>-</u>	<u>14,984</u>	<u>-</u>	<u>14,984</u>

5. FIXED ASSET INVESTMENTS

	Loans to group undertakings
	£
At 1 April 2019	73,011
New in year	1,825
At 31 March 2020	<u>74,836</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	-	1,862
Other debtors	5,747	5,747
Prepayments	633	729
Accrued income	50,350	55,532
	<u>56,730</u>	<u>63,870</u>

GIGHA RENEWABLE ENERGY LIMITED (REGISTERED NUMBER: SC271618)

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2020

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	59,209	4,363
VAT	6,558	4,338
Other creditors	170	9,068
Isle of Gigha Heritage Trust	17,700	3,850
Accrued expenses	10,000	3,752
	<u>93,637</u>	<u>25,371</u>

8. RESERVES

	Retained earnings	Capital redemption reserve	Totals
	£	£	£
At 1 April 2019	101,272	80,000	181,272
Deficit for the year	(8,673)		(8,673)
	<u>92,599</u>	<u>80,000</u>	<u>172,599</u>

9. RELATED PARTY DISCLOSURES

Gigha Renewable Energy Limited (GREL) is leasing the land for the siting of the wind turbines from the Trust on an arms length commercial basis at £8,000 per annum. Management and staff resources were provided to the company by the Trust, and a management charge of £10,000 was accrued at the year end.

Gigha Renewable Energy voted a donation of £75,779 to the Isle of Gigha Heritage Trust, which will be paid within nine months of the year end and has been taken in to account in calculating the tax liability for the year. (2019: £72,316)

Gigha Renewable Energy Limited made a loan amounting to £132,082 as at 31 March 2014 to Gigha Green Power Limited, which is also a 100% subsidiary of the Isle of Gigha Heritage Trust. This loan is unsecured, is repayable by February 2024, and interest is charged on the outstanding balance at 2% over the base rate of the Co-operative Bank PLC. No repayments were made in the year, but interest of £1,825 was charged on the balance outstanding.

10. FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

GIGHA RENEWABLE ENERGY LIMITED (REGISTERED NUMBER: SC271618)

TRADING AND PROFIT AND LOSS ACCOUNT
For The Year Ended 31 March 2020

	2020		2019	
	£	£	£	£
Turnover				
Energy Sales	93,398		90,830	
Renewable Obligations	72,202		82,763	
REGO and other income	230		11,185	
	<u> </u>	165,830	<u> </u>	184,778
Cost of sales				
Sub contractors		3,850		4,200
		<u> </u>		<u> </u>
GROSS PROFIT		161,980		180,578
Other income				
Interest on loan		1,825		1,781
		<u> </u>		<u> </u>
		163,805		182,359
Expenditure				
Rent	8,000		8,000	
Insurance	971		13,564	
Light and heat	2,057		4,296	
Repairs and servicing	55,709		63,010	
Meter services	1,812		906	
Sundry expenses	217		-	
Accountancy	3,313		2,163	
Management charge	10,000		10,000	
Auditors' remuneration	4,500		7,750	
Other donations	1,273		-	
Donation to IGHT	72,316		166	
Depreciation of tangible fixed assets				
Freehold property	14,984		22,728	
	<u> </u>	175,152	<u> </u>	132,583
		(11,347)		49,776
Finance costs				
Bank charges		174		188
		<u> </u>		<u> </u>
NET (LOSS)/PROFIT		(11,521)		49,588
		<u> </u>		<u> </u>

This page does not form part of the statutory financial statements