

**REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020  
FOR  
GIGHA GREEN POWER LIMITED**

**GIGHA GREEN POWER LIMITED**

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

	<b>Page</b>
<b>Company Information</b>	1
<b>Report of the Directors</b>	2
<b>Report of the Independent Auditors</b>	3
<b>Income Statement</b>	5
<b>Balance Sheet</b>	6
<b>Notes to the Financial Statements</b>	7
<b>Detailed Profit and Loss Account</b>	12

**GIGHA GREEN POWER LIMITED**

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

**DIRECTORS:**

John Martin  
Fergus Christie  
Ian Roger Pinniger  
Ian Connell Wilson

**REGISTERED OFFICE:**

1 Craft Workshop  
Isle of Gigha  
Argyll  
PA41 7AA

**REGISTERED NUMBER:**

SC430983 (Scotland)

**AUDITORS:**

R A Clement Associates  
Chartered Accountants  
Registered Auditors  
Argyll Square  
Oban  
Argyll  
PA34 4AZ

**SOLICITORS:**

T C Young  
7 West George Street  
Glasgow  
G2 1BA

## **GIGHA GREEN POWER LIMITED**

### **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 GREEN POWER LIMITED**

### **Opinion**

We have audited the financial statements of Gigha Green Power 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 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 GREEN POWER 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](http://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 (Senior Statutory Auditor)  
for and on behalf of R A Clement Associates  
Chartered Accountants  
Registered Auditors  
Argyll Square  
Oban  
Argyll  
PA34 4AZ

Date: .....

**GIGHA GREEN POWER LIMITED**

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

	Notes	2020 £	2019 £
<b>TURNOVER</b>		<b>320,876</b>	307,896
Administrative expenses		<b>279,539</b>	146,025
<b>OPERATING PROFIT</b>	3	<b>41,337</b>	161,871
Interest receivable and similar income		<b>60</b>	-
		<b>41,397</b>	161,871
Interest payable and similar expenses		<b>36,327</b>	81,178
<b>PROFIT BEFORE TAXATION</b>		<b>5,070</b>	80,693
Tax on profit	4	<b>14,022</b>	-
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(8,952)</b>	80,693

The notes form part of these financial statements

**GIGHA GREEN POWER LIMITED (REGISTERED NUMBER: SC430983)**

**BALANCE SHEET  
31 March 2020**

	Notes	2020	2019
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	5	<b>862,850</b>	936,741
<b>CURRENT ASSETS</b>			
Debtors	6	<b>228,717</b>	212,188
Cash at bank		<b>190,228</b>	191,334
		<b>418,945</b>	403,522
<b>CREDITORS</b>			
Amounts falling due within one year	7	<b>83,209</b>	94,802
<b>NET CURRENT ASSETS</b>		<b>335,736</b>	308,720
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,198,586</b>	1,245,461
<b>CREDITORS</b>			
Amounts falling due after more than one year	8	<b>770,169</b>	822,114
<b>PROVISIONS FOR LIABILITIES</b>	11	<b>88,960</b>	74,938
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	<b>1</b>	1
Retained earnings	13	<b>339,456</b>	348,408
<b>SHAREHOLDERS' FUNDS</b>		<b>339,457</b>	348,409
		<b>1,198,586</b>	1,245,461

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

## **GIGHA GREEN POWER LIMITED**

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

#### **1. STATUTORY INFORMATION**

Gigha Green Power 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.

Improvements to property	- 5% on cost
Wind Turbine	- 5% on cost
Professional & other costs	- 5% on cost

Depreciation was charged for only 6 months in the year ended 31 March 2014 from the date the turbine was commissioned and came into operation. Thereafter all costs are being written down over an expected lifespan of 20 years.

##### **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.

#### **3. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>2020</b>	<b>2019</b>
	£	£
Depreciation - owned assets	<b>64,380</b>	64,380

**GIGHA GREEN POWER LIMITED**

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

**4. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2020 £	2019 £
Deferred tax	<u>14,022</u>	-
Tax on profit	<u>14,022</u>	-

**5. TANGIBLE FIXED ASSETS**

	Improvements to property £	Wind Turbine £	Professional & other costs £	Totals £
<b>COST</b>				
At 1 April 2019	<b>489,819</b>	<b>672,819</b>	<b>124,957</b>	<b>1,287,595</b>
Disposals	<b>(9,511)</b>	-	-	<b>(9,511)</b>
At 31 March 2020	<b>480,308</b>	<b>672,819</b>	<b>124,957</b>	<b>1,278,084</b>
<b>DEPRECIATION</b>				
At 1 April 2019	<b>131,033</b>	<b>185,457</b>	<b>34,364</b>	<b>350,854</b>
Charge for year	<b>24,491</b>	<b>33,641</b>	<b>6,248</b>	<b>64,380</b>
At 31 March 2020	<b>155,524</b>	<b>219,098</b>	<b>40,612</b>	<b>415,234</b>
<b>NET BOOK VALUE</b>				
At 31 March 2020	<b>324,784</b>	<b>453,721</b>	<b>84,345</b>	<b>862,850</b>
At 31 March 2019	<b>358,786</b>	<b>487,362</b>	<b>90,593</b>	<b>936,741</b>

**6. DEBTORS**

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	-	1,717
Other debtors	<b>10,850</b>	10,850
Accrued income	<b>122,770</b>	93,852
Deferred costs	<b>10,000</b>	10,000
Prepayments	<b>14,558</b>	15,230
	<b>158,178</b>	131,649
Amounts falling due after more than one year:		
Prepayments and accrued income	<b>70,539</b>	80,539
Aggregate amounts	<b>228,717</b>	212,188

**GIGHA GREEN POWER LIMITED**

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

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2020</b>	2019
	£	£
Bank loans and overdrafts (see note 9)	<b>57,002</b>	57,002
Trade creditors	634	6,714
Amounts owed to group undertakings	9,517	9,517
VAT	7,317	2,969
Other creditors	-	6,861
Accrued expenses	<b>8,739</b>	11,739
	<hr/>	<hr/>
	<b>83,209</b>	94,802
	<hr/>	<hr/>

**8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2020</b>	2019
	£	£
Bank loans (see note 9)	<b>563,020</b>	620,043
Other loans (see note 9)	<b>207,149</b>	202,071
	<hr/>	<hr/>
	<b>770,169</b>	822,114
	<hr/>	<hr/>

Amounts falling due in more than five years:

Repayable by instalments	<b>304,582</b>	361,605
	<hr/>	<hr/>

**9. LOANS**

An analysis of the maturity of loans is given below:

	<b>2020</b>	2019
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<b>57,002</b>	57,002
	<hr/>	<hr/>

Amounts falling due between one and two years:

Bank loans - 1-2 years	59,804	59,804
Other loans - 1-2 years	<b>207,149</b>	202,071
	<hr/>	<hr/>
	<b>266,953</b>	261,875
	<hr/>	<hr/>

Amounts falling due between two and five years:

Bank loans - 2-5 years	<b>198,634</b>	198,634
	<hr/>	<hr/>

Amounts falling due in more than five years:

Repayable by instalments	<b>304,582</b>	361,605
	<hr/>	<hr/>

## GIGHA GREEN POWER LIMITED

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

#### 10. SECURED DEBTS

The following secured debts are included within creditors:

	2020	2019
	£	£
Bank loans	<u>620,022</u>	<u>677,045</u>

Until the refinancing of the company was completed in October 2018, the Co-operative Bank PLC had various securities over the assets of the company. These were satisfied on 15th October 2018 on completion of the loan refinancing with Triodos Bank plc.

A loan of £700,000 repayable over a ten year period at an interest rate of 4.808% was drawn down in October 2018 from Triodos Bank plc. Triodos Bank plc now has a first bond and floating charge over all of the assets and undertakings of the company, both present and future, as well as a legal mortgage over the company's leasehold property on the Isle of Gigha.

Until the re-financing of the company was completed in October 2018, Scottish Enterprise, as administrator of the Renewable Energy Investment Fund, had security over the assets of the company. This loan was repaid in full as part of the re-financing of the company.

#### Other unsecured Loans

Other loans consists of the loan from Gigha Renewable Energy Limited amounting to £74,837 which is unsecured and ranks pari passu with all future unsecured obligations, and the investment from the Isle of Gigha Heritage Trust amounting to £132,313, which is also unsecured as at the 31 March 2020 and ranks alongside future unsecured obligations.

The investment by the Trust represents sweat equity and costs incurred in earlier years for grid upgrades prior to the setting up of GPL plus interest accrued to date.

#### 11. PROVISIONS FOR LIABILITIES

	2020	2019
	£	£
Deferred tax	<u>88,960</u>	<u>74,938</u>
Balance at 1 April 2019	74,938	
Provided during year	<u>14,022</u>	
Balance at 31 March 2020	<u>88,960</u>	

#### 12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020	2019
			£	£
1	Ordinary Shares	£1	<u>1</u>	<u>1</u>

## **GIGHA GREEN POWER LIMITED**

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

#### **13. RESERVES**

	<b>Retained earnings £</b>
At 1 April 2019	<b>348,408</b>
Deficit for the year	<b>(8,952)</b>
At 31 March 2020	<b>339,456</b>

#### **14. RELATED PARTY DISCLOSURES**

As at 31 March 2020, the company owed a balance of £74,837 to Gigha Renewable Energy Limited, which is also a 100% subsidiary of the Isle of Gigha Heritage Trust. This loan is unsecured and has a final repayment date of 29 February 2024. Interest at 2% above the base rate of the Co-operative Bank PLC is accrued on a daily basis and is calculated on the balance outstanding on the anniversary of the drawdown date. There were no repayments during the year and interest was accrued of £1,825 (2019; £1,781)

As at 31 March 2020, following a repayment of £100,000 as part of the company refinancing, the Isle of Gigha Heritage Trust was owed £132,313 by GGPL by way of pre start up costs and sweat equity. Under the terms of a loan agreement drawn up in 2018, interest is being accrued on the loan at 2% over the base rate of the Co-op Bank plc. Interest of £3,253 was accrued at the year end (2019; £3,227).

Gigha Green Power Limited is leasing the land for the siting of the turbine from the Isle of Gigha Heritage Trust on an arms length commercial basis at £5,000 per annum, and paid an annual management charge of £10,000.

**GIGHA GREEN POWER LIMITED**

**DETAILED PROFIT AND LOSS ACCOUNT  
For The Year Ended 31 March 2020**

	<b>2020</b>		<b>2019</b>	
	£	£	£	£
<b>Turnover</b>				
Energy sales	<b>71,286</b>		61,746	
Feed in Tariff	<b>243,727</b>		241,057	
LEC, REGO and other	<b>5,863</b>		5,093	
	<hr/>		<hr/>	
	<b>320,876</b>			307,896
<b>Other income</b>				
Deposit account interest	<b>60</b>			-
	<hr/>			<hr/>
	<b>320,936</b>			307,896
<b>Expenditure</b>				
Rent, Rates and water	<b>5,000</b>		3,750	
Insurance	<b>3,770</b>		3,445	
Light and heat	<b>3,815</b>		3,802	
Annual Maintenance charge	<b>20,250</b>		15,683	
Management charge	<b>10,000</b>		10,000	
Accountancy	<b>1,863</b>		4,550	
Legal fees	<b>10,000</b>		10,000	
Auditors' remuneration	<b>7,900</b>		9,750	
Donations	<b>150,000</b>			-
Depreciation of tangible fixed assets				
Improvements to property	<b>24,491</b>		24,491	
Plant and machinery	<b>33,641</b>		33,641	
Fixtures and fittings	<b>6,248</b>		6,248	
	<hr/>		<hr/>	
	<b>276,978</b>			125,360
	<hr/>			<hr/>
	<b>43,958</b>			182,536
<b>Finance costs</b>				
Bank charges	<b>2,561</b>		20,665	
Loan interest	<b>36,327</b>		81,178	
	<hr/>		<hr/>	
	<b>38,888</b>			101,843
<b>NET PROFIT</b>	<b>5,070</b>			80,693
	<hr/>			<hr/>

This page does not form part of the statutory financial statements