

**ABINGDON HYDRO LIMITED**  
**ANNUAL REPORT FOR THE YEAR**  
**ENDED 31 MARCH 2015**

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**Abingdon Hydro Limited**  
**Year ending 31 March 2015**

**Society Information**

**Directors**

Patrick Lonergan (Chair)  
Paul Buckingham (Treasurer)  
Richard Riggs (Secretary)  
Sally Ainslie  
Martin Bowes  
Sophie Christopher- Bowes  
Penelope Clover  
Benjamin Harding  
Geoffrey Homewood  
Lucille Savin  
Frank Woods

**Registered office**

Greyfriars Court, Paradise Square, Oxford OX1 1BE

**Registered number**

IP031792

**Auditors**

Critchleys LLP, Chartered Accountants, Greyfriars Court, Paradise Square, Oxford OX1 1BE

**Bankers**

Triodos bank NV, Deanery Road, Bristol BS1 5AS

**Principal activity**

Abingdon Hydro was set up by local residents to generate hydroelectric power from the River Thames by Abingdon Weir.

# Abingdon Hydro Limited

## Directors Report for the year ending 31 March 2015

The year ending March 2015 saw a number of important milestones achieved by the Abingdon Hydro Project. These included further works on the design and specification of the scheme, ecological and subsoil surveys, together with work on the fish pass and an almost constant stream of correspondence with regulatory and other bodies.

In the Autumn of 2014 we did the detailed work to prepare for our first Public Share Offer, and this was launched with the Prospectus in November 2014. We were delighted and humbled by the support given by some 420 mainly local investors, and the public share launch raised a total of £819,450 to augment the £50,405 which had been invested by early members since the start. The share sales were closed at the end of March, as we were made aware that the EIS tax relief environment was changing in the new financial year.

During 2015 we commissioned the engineering consultancy GHD Livigunn to prepare an estimate of the project costs, and subsequently to work up the very detailed tender pack that was required for submission to the four civil engineering contractors who had expressed an interest in bidding. The all important screws were selected following visits to various other Hydro Schemes and tenders from three suppliers.

Events have moved on quickly during the summer and autumn of 2015, with amendments to planning, preliminary legal work and negotiations on the proposed Lease, and negotiations to raise borrowings to ensure that we had sufficient funds to proceed. There were further changes to the fish pass and numerous other detailed elements to be worked through.

We engaged Critchleys LLP to be our accountants and auditors, and all of the account information from the beginning of the project was transferred onto an accounting software package. To bring this report right up to date, the tenders were received on Friday 30<sup>th</sup> October, and it is with great regret we have to tell you that they proved to be very significantly higher than the original estimate that we had been given.

They are being examined in detail but in the early opinion of the Directors, they make the scheme both unaffordable and un-viable. We would not be able to borrow sufficient funds to complete the project, and even if we could, the interest charges due to the high capital cost would wipe out any meaningful return to our members and to the community. From 30<sup>th</sup> November, community energy schemes no longer attract tax relief for investors, and we consider this would have a significantly detrimental effect on our ability to raise additional equity capital.

This is not the outcome that we have worked long and hard on your behalf to achieve, and it is with the greatest regret that we have no option but to halt the project.

## Abingdon Hydro Limited

### Statement of Directors' Responsibilities for the year ending 31 March 2015

#### Directors' responsibilities

The rules of the Society require the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of the profit or loss of the Society for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

9 Nov 2015

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

*Patrick Lonergan*

Patrick Lonergan  
Director

## **Report of the Independent Auditors to the members of Abingdon Hydro Limited**

We have audited the financial statements of Abingdon Hydro Limited for the year ended 31 March 2015 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the society's members, as a body, in accordance with section 87 of 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 auditor's 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.

### **Respective responsibilities of committee of management and auditors**

As explained more fully in the Directors' Responsibilities Statement, the Committee of Management is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the society's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Committee of Management, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

The society took advantage of audit exemption in 2014 and therefore the comparatives are unaudited.

## Report of the Independent Auditors to the members of Abingdon Hydro Limited (continued)

### Basis of opinion

In our opinion the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 March 2015 and of the society's result for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and with the Co-operative and Community Benefit Societies Act 2014.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- proper books of account have not been kept by the society in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the society in accordance with the requirements of the legislation;
- the revenue account and the balance sheet are not in agreement with the books of account of the society; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.



Critchleys LLP

Statutory Auditor

Chartered Accountants

Greyfriars Court

Paradise Square

Oxford OX1 1BE

13 November 2015

**Abingdon Hydro Limited**  
**Income and Expenditure account**  
**for the year ended 31 March 2015**

		2015	Unaudited
		£	2014
		£	£
Turnover		-	
Cost of sales		(305)	
<b>Gross loss</b>		<u>(305)</u>	<u>(-)</u>
Administrative expenses		(6,206)	(289)
<b>Operating (Loss)</b>	<b>1</b>	<u>(6,511)</u>	<u>(289)</u>
Interest receivable and similar income		308	7
Interest payable		(10)	-
Project costs written off*		(53,296)	-
<b>(Loss) on ordinary activities before taxation</b>		<u>(59,509)</u>	<u>(282)</u>
Tax on profit/ loss on ordinary activities	<b>2</b>	-	-
Reserves brought forward	<b>7</b>	(1,965)	(1,683)
<b>Reserves carried forward</b>		<u>(61,474)</u>	<u>(1,965)</u>

\*Subsequent to the year end the decision was taken to not proceed with the project as it was no longer viable. Therefore all costs incurred have been written off. No provision has been made for any losses incurred subsequent to the year end.

**Abingdon Hydro Limited**  
**Balance Sheet**  
**As at 31 March 2015**

		2015	Unaudited 2014
		£	£
<b>Fixed assets</b>			
Assets under construction	3	-	27,225
		<hr/>	<hr/>
		-	27,225
<b>Current assets</b>			
Debtors	4	3,071	-
Cash at bank		787,926	12,765
		<hr/>	<hr/>
		790,997	
<b>Creditors</b>			
Amounts falling due within one year	5	(9,416)	-
		<hr/>	<hr/>
<b>Net current assets</b>		781,581	12,765
<b>Total assets less current liabilities</b>		<hr/>	<hr/>
		781,581	39,990
<b>Creditors</b>			
Amounts falling due after one year		-	-
<b>Total assets less total liabilities</b>		<hr/>	<hr/>
		781,581	39,990
<b>Provision for liabilities and charges</b>			
		-	-
<b>Total net assets</b>		<hr/>	<hr/>
		781,581	39,990
<b>Capital and reserves</b>			
Members' share capital	6	843,055	41,955
Revenue reserve	7	(61,474)	(1,965)
		<hr/>	<hr/>
		781,581	39,990

The attached financial statements are hereby signed on behalf of the Board by:

*Patrick Lonergan*

Patrick Lonergan  
 Director



## **Abingdon Hydro Limited**

### **Notes to the Financial Statements for the year ended 31 March 2015**

#### **Accounting Policies**

##### **Accounting basis**

The following accounting policies have been applied consistently in dealing with the items which are considered material in relation to financial statements. The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The society took advantage of audit exemption in 2014 and therefore the comparatives are unaudited.

The society is not a going concern. On 5<sup>th</sup> November 2015 the Directors decided that the project was no longer viable and therefore the society will cease to operate. Shareholders will be repaid, less losses incurred to the date of cessation. No provision has been made in these accounts for any losses since the year end as the decision to cease was not taken before the year end.

##### **Turnover**

Turnover comprises revenue from electricity generation and related renewable credits. Turnover is recognised on an accruals basis, with revenue recognised when power is supplied.

##### **Impairment of fixed assets and goodwill**

Fixed assets and goodwill are subject to review for impairment in accordance with FRS11, Impairment of Fixed Assets and Goodwill. Any impairment is recognised in the revenue account in the year in which it occurs.

##### **Tangible fixed assets**

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

Hydroelectric plant – over the life of the contract (from commencement of operation).

##### **Deferred tax**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

**Abingdon Hydro Limited**  
**Notes to the Financial Statements (continued)**  
**for the year ended 31 March 2015**

		2015	Unaudited 2014
		£	£
<b>1</b>	<b>OPERATING PROFIT</b>		
	Operating profit/(loss) is stated after charging:		
	Depreciation - owned assets	-	-
	Directors' remuneration	-	-
	Auditor's remuneration	2,000	-
	Auditor's fees for non audit services	<u>-</u>	<u>-</u>

Expenses of £1,524 (2014: £89) were paid to directors.

**2 TAX ON PROFIT ON ORDINARY ACTIVITIES**

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

		2015	Unaudited 2014
		£	£
	<b>Current tax:</b>		
	UK Corporation tax	-	-
	Total tax on profit on ordinary activities	<u>-</u>	<u>-</u>

**3 TANGIBLE FIXED ASSETS**

		Assets Under Construction	Total
		£	£
	<b>COST:</b>		
	At 1 April 2014	27,225	27,225
	Additions	26,071	26,071
	At 31 March 2015	<u>53,296</u>	<u>53,296</u>
	<b>DEPRECIATION:</b>		
	At 1 April 2014	-	-
	Impairment	53,296	53,296
	At 31 March 2015	<u>53,296</u>	<u>53,296</u>
	<b>NET BOOK VALUE</b>		
	At 31 March 2015	<u>-</u>	<u>-</u>
	At 31 March 2014	<u>27,225</u>	<u>27,225</u>

The asset under construction is the planning, consultancy and other costs associated with the preliminary phases of the Hydro plant. The costs have been written off as the project is not going ahead.

**Abingdon Hydro Limited**  
**Notes to the Financial Statements (continued)**  
**for the year ended 31 March 2015**

**4 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Unaudited</b>	
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade debtors	-	-
Prepayments and accrued income	336	-
Other debtors	2,735	-
Deferred tax	-	-
	<u>3,071</u>	<u>-</u>

**5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Unaudited</b>	
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade creditors	7,416	-
Accruals and deferred income	2,000	-
	<u>9,416</u>	<u>-</u>

**Abingdon Hydro Limited**  
**Notes to the Financial Statements (continued)**  
**for the year ended 31 March 2015**

**6 MEMBERS' SHARE CAPITAL**

	<b>2015</b>	<b>Unaudited 2014</b>
	<b>£</b>	<b>£</b>
At the start of the period	41,955	36,455
New issue of shares	801,100	5,500
At the end of the period	<u>843,055</u>	<u>41,955</u>

The share capital consists of Early Investor Deposits amounting to £50,405. These shareholders received a 10% bonus. Some of these deposits were from Directors. The balance relates to shares sold after the share launch.

**7 MOVEMENTS IN RESERVES**

	<b>Revenue reserve</b>
As at 1 April 2014	(1,965)
Loss for the year	(59,509)
As at 31 March 2015	<u>(61,474)</u>

**8 OPERATING LEASES**

There are no operating lease commitments at the year end.

**Abingdon Hydro Limited**  
**Detailed Income and Expenditure account**  
**For the year ended 31 March 2015**

	2015	Unaudited
	£	2014
		£
Turnover	-	-
	<hr/>	<hr/>
Cost of sales	-	-
Sales promotion	305	-
	<hr/>	<hr/>
	(305)	-
<b>Gross profit</b>	<hr/> <b>(305)</b>	<hr/> -
Administrative expenses		
Rent and rates	543	145
Audit fees	2,000	-
Travelling and entertainment	17	-
Printing and stationery	1,674	89
Professional fees	930	55
Directors' liability insurance	1,042	-
	<hr/>	<hr/>
	(6,206)	(289)
<b>Operating (loss)</b>	<hr/> <b>(6,511)</b>	<hr/> <b>(289)</b>
Interest receivable and similar income		
Bank interest	308	7
Interest payable and similar expenditure		
Bank interest	(10)	-
Project costs written off	(53,296)	-
	<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>	<b>(59,509)</b>	<b>(282)</b>
Tax on profit/loss on ordinary activities		
Current tax	-	-
Deferred tax	-	-
	<hr/>	<hr/>
	-	-
<b>(Loss) for the period</b>	<hr/> <b>(59,509)</b>	<hr/> <b>(282)</b>