

ABINGDON HYDRO LIMITED
ANNUAL REPORT FOR THE YEAR
ENDED 31 MARCH 2016

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**Abingdon Hydro Limited
Society Information
for the year ended 31 March 2016**

Directors

Patrick Lonergan (Chair)
Paul Buckingham (Treasurer)
Richard Riggs (Secretary)
Sally Ainslie
Martin Bowes (resigned 15 February 2016)
Sophie Christopher- Bowes (resigned 15 February 2016)
Penelope Clover
Benjamin Harding (resigned 15 February 2016)
Geoffrey Homewood (resigned 15 February 2016)
Lucille Savin (resigned 15 February 2016)
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 ended 31 March 2016

The share offer was closed at the end of the 2014/15 financial year, having raised funds of approximately £820,000 from about 420 investors. The application for preliminary accreditation had been submitted to Ofgem on 10th September 2014 and was accepted, giving a feed in tariff of 19.2p/kWh. The application was made at that time because on 30th September it was to be reduced to 14.4p/kWh, which would have been too low to be viable. However pre-accreditation only lasted 2 years, so it was essential to generate electricity by 9th September 2016.

To find a contractor who could achieve that date, at an acceptable price, would not be easy. The engineering consultancy GHD Livigunn looked well suited to our needs, so they were commissioned for the design, and costing, then to work up the very detailed tender pack that was required for submission to the civil engineering contractors who expressed an interest in bidding. An engineering advisory group was identified from within Abingdon Hydro directors and supporters, to work with GHD and guide the directors. The first stage of the engineering was to select a supplier of the screws, and this was done during spring 2015. They provided the details that GHD required to do the civil engineering design.

There was much other work to do during the summer and autumn of 2015, with amendments to planning, preliminary legal work and negotiations on the proposed Lease. There were further changes to the fish pass and numerous other detailed elements to be worked through. We engaged Critchleys 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. We needed to borrow approximately the same amount as we had raised to ensure that we had sufficient funds to proceed, and a suitable lender was found and terms agreed. Our financial model indicated that to achieve the offer in the prospectus we needed a capital cost of not more than £1.5 to £1.6 million. The quantity surveyor estimated £1.7 million but pointed out that it was to be a competitive tender, and some value engineering was still possible. The cost of proceeding to the tender stage would be more than the 10% of investment that was estimated at the 2015 AGM, but we felt that our members would want us to press on rather than give up at that stage, so we did.

However when the tenders were received on Friday 30th October, the figure was approximately £3.1 million. Construction had become a sellers' market and contractors could afford to walk away. There was no way the project could be viable at such a high price, so with much regret we had to halt and return the remainder of our members' investments. They would receive just over 87%. We held our AGM on 15th February 2016 and the members were very supportive, and agreed almost unanimously to dissolve the society.

Since then the dissolution has been proceeding slowly. Members have been refunded, and the directors have left a modest amount of their investments in the society to cover the estimated final costs, on the understanding that if there is any surplus it will be given to charity.

**Abingdon Hydro Limited
Directors' Report
for the year ended 31 March 2016**

Directors' responsibilities

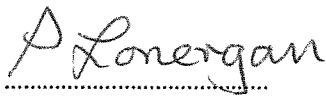
The rules of the Society require the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of the profit or loss of the Society for that period. In preparing those financial statements, the directors are required to:

- 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.

15/11/2016

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



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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 2016 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.

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 2016 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.

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

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
...15.11.16..

Abingdon Hydro Limited
Income and Expenditure account
for the year ended 31 March 2016

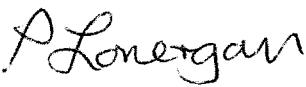
		2016	2015
		£	£
Turnover		-	
Cost of sales		-	(305)
Gross loss		<u>-</u>	<u>(305)</u>
Administrative expenses		(7,495)	(6,206)
Operating (Loss)	2	<u>(7,495)</u>	<u>(6,511)</u>
Interest receivable and similar income		5,067	308
Interest payable		(35)	(10)
Project costs written off*		(45,021)	(53,296)
(Loss) on ordinary activities before taxation		<u>(47,484)</u>	<u>(59,509)</u>
Tax on profit/ loss on ordinary activities		-	-
Reserves brought forward	7	(61,474)	(1,965)
Reserves carried forward		<u>(108,958)</u>	<u>(61,474)</u>

*Before 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 2016

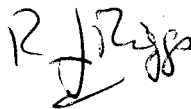
	Note	2016 £	2015 £
Fixed assets			
Assets under construction	3	—	—
		-	-
Current assets			
Debtors	4	-	3,071
Cash at bank		<u>765,621</u>	<u>787,926</u>
		766,363	790,997
Creditors			
Amounts falling due within one year	5	<u>(4,724)</u>	<u>(9,416)</u>
Net current assets		<u>760,897</u>	<u>781,581</u>
Total assets		<u>760,897</u>	<u>781,581</u>
Capital and reserves			
Members' share capital	6	869,855	843,055
Revenue reserve	7	<u>(108,958)</u>	<u>(61,474)</u>
		<u>760,897</u>	<u>781,851</u>

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



Patrick Lonergan
 Director

15/11/16



Richard Riggs
 Secretary
 21/11/16



Paul Buckingham
 Treasurer
 21/11/16

Abingdon Hydro Limited
Notes to the Financial Statements
for the year ended 31 March 2016

1 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 is not a going concern. On 5th November 2015 the Directors decided that the project was no longer viable and therefore the society will cease to operate. Repayments to the majority of shareholders took place in April 2016.

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. Any impairment is recognised in the revenue account in the year in which it occurs.

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.

Abingdon Hydro Limited
Notes to the Financial Statements (continued)
for the year ended 31 March 2016

2 OPERATING PROFIT

Operating profit/(loss) is stated after charging:

	2016	2015
	£	£
Auditor's remuneration	<u>1,800</u>	<u>2,000</u>

Expenses of £1,837 (2015: £1,524) were reimbursed to directors.

3 TANGIBLE FIXED ASSETS

	Assets under construction	Total
	£	£
Cost		
At 1 April 2015	53,296	53,296
Additions	<u>44,279</u>	<u>44,279</u>
At 31 March 2016	<u>97,575</u>	<u>97,575</u>
Depreciation		
At 1 April 2015	53,296	53,296
Impairment	<u>44,279</u>	<u>44,279</u>
At 31 March 2016	<u>97,575</u>	<u>97,575</u>
Net book value		
At 31 March 2016	<u> -</u>	<u> -</u>
At 31 March 2015	<u> -</u>	<u> -</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 2016

4 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Prepayments and accrued income	-	336
Other debtors	<u>-</u>	<u>2,735</u>
	<u>-</u>	<u>3,071</u>

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	-	7,416
Accruals and deferred income	2,050	2,000
Other creditors	<u>2,674</u>	<u>-</u>
	<u>4,724</u>	<u>9,416</u>

6 MEMBERS' SHARE CAPITAL

	2016	2015
	£	£
At the start of the period	843,055	41,955
New issue of shares	<u>26,800</u>	<u>801,100</u>
At the end of the period	<u>869,855</u>	<u>843,055</u>

The share capital consists partly 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.

Abingdon Hydro Limited
Notes to the Financial Statements (continued)
for the year ended 31 March 2016

7 MOVEMENTS IN RESERVES

	Revenue reserve
As at 1 April 2015	(61,474)
Loss for the year	<u>(47,484)</u>
As at 31 March 2016	<u>(108,958)</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 2016

	2016	2015
	£	£
Turnover	-	-
Cost of sales	<u>-</u>	<u>(305)</u>
Gross profit	-	(305)
Administrative expenses		
Rent and rate	44	543
Audit fees	1,800	2,000
Travelling and entertainment	677	17
Printing and stationery	343	1,674
Professional fees	2,424	930
Other expenses	<u>2,207</u>	<u>1,042</u>
	<u>(7,495)</u>	<u>(6,206)</u>
Operating loss	(7,495)	(6,511)
Interest receivable		
Bank interest	5,067	308
Interest payable		
Bank interest	(35)	(10)
Project costs written off	<u>(45,021)</u>	<u>(53,296)</u>
Loss for the period	<u>(47,484)</u>	<u>(59,509)</u>