



Alexander Sloan
Accountants and Business Advisers

CHA Power Limited
Annual Report and Financial Statements
Year Ended 31 March 2018
Registration number: SC284497

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CHA Power Limited

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CHA Power Limited

Company Information

Directors John P Hillhouse
Chris Morgan

Company secretary John P Hillhouse

Registered office 77-83 Kilbowie Road
Clydebank
Glasgow
G81 1BL

Auditors Alexander Sloan
180 St Vincent Street
Glasgow
G2 5SG

CHA Power Limited

Directors' Report for the Year Ended 31 March 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Principal activity

The principal activity of the company is that of generating and supplying electricity and heat.

Directors of the company

The directors who held office during the year were as follows:

Neil Crilley - Director (resigned 11 January 2018)

John P Hillhouse - Company secretary and director

Chris Morgan - Director

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

The auditors Alexander Sloan are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 19 June 2018 and signed on its behalf by:

.....

Chris Morgan

Director

CHA Power Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report 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). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

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Independent Auditor's Report to the Members of CHA Power Limited

Opinion

We have audited the financial statements of CHA Power Limited (the 'company') for the year ended 31 March 2018, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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).

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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its 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 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 Auditor's 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:

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Independent Auditor's Report to the Members of CHA Power Limited

- 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 included in the annual report, other than the financial statements and our auditor's 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 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 matter 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 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 our knowledge and understanding of the company 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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Independent Auditor's Report to the Members of CHA Power Limited

- 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 3], 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 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.

Auditor's 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 auditor's 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

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Independent Auditor's Report to the Members of CHA Power Limited

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Allison Devine (Senior Statutory Auditor)
For and on behalf of Alexander Sloan, Statutory Auditor

180 St Vincent Street
Glasgow
G2 5SG

19 June 2018

CHA Power Limited

Profit and Loss Account for the Year Ended 31 March 2018

	Note	Total 31 March 2018 £	Total 31 March 2017 £
Turnover	3	279,270	276,776
Cost of sales		(213,515)	(224,267)
Gross profit		65,755	52,509
Administrative expenses		(29,299)	(25,728)
Operating profit		36,456	26,781
Other interest receivable and similar income	4	1,202	2,694
		1,202	2,694
Profit before tax		37,658	29,475
Taxation	6	(1,314)	(539)
Profit for the financial year		36,344	28,936

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 12 to 16 form an integral part of these financial statements.

CHA Power Limited

Statement of Comprehensive Income for the Year Ended 31 March 2018

	2018	2017
	£	£
Profit for the year	36,344	28,936
Total comprehensive income for the year	<u>36,344</u>	<u>28,936</u>

The notes on pages 12 to 16 form an integral part of these financial statements.

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(Registration number: SC284497)

Balance Sheet as at 31 March 2018

	Note	2018 £	2017 £
Current assets			
Debtors	8	47,883	31,685
Cash at bank and in hand		346,034	400,402
		<u>393,917</u>	<u>432,087</u>
Creditors: Amounts falling due within one year	10	<u>(35,547)</u>	<u>(110,061)</u>
Net assets		<u>358,370</u>	<u>322,026</u>
Capital and reserves			
Called up share capital		2,328,850	2,328,850
Other reserves		60,638	39,138
Profit and loss account		<u>(2,031,118)</u>	<u>(2,045,962)</u>
Total equity		<u>358,370</u>	<u>322,026</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved and authorised by the Board on 19 June 2018 and signed on its behalf by:

.....
Chris Morgan
Director

The notes on pages 12 to 16 form an integral part of these financial statements.

CHA Power Limited

Statement of Changes in Equity for the Year Ended 31 March 2018

	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 April 2017	2,328,850	39,138	(2,045,962)	322,026
Profit for the year	-	-	36,344	36,344
Total comprehensive income	-	-	36,344	36,344
Other reserve movements	-	21,500	(21,500)	-
At 31 March 2018	2,328,850	60,638	(2,031,118)	358,370
	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 April 2016	2,328,850	14,138	(2,049,898)	293,090
Profit for the year	-	-	28,936	28,936
Total comprehensive income	-	-	28,936	28,936
Other reserve movements	-	25,000	(25,000)	-
At 31 March 2017	2,328,850	39,138	(2,045,962)	322,026

Other reserves relate to funds set aside to pay for future repairs to the generator. During the year the directors agreed to set aside a further £50,000 to this reserve. Expenditure of £28,500 has been incurred which has been set against this reserve.

The notes on pages 12 to 16 form an integral part of these financial statements.

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Notes to the Financial Statements for the Year Ended 31 March 2018

1 General information

The company is a private company limited by share capital incorporated in Scotland.

The address of its registered office is:

77-83 Kilbowie Road

Clydebank

Glasgow

G81 1BL

These financial statements were authorised for issue by the Board on 19 June 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

CHA Power Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

CHA Power Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2018	2017
	£	£
Sale of goods	279,270	276,776

4 Other interest receivable and similar income

	2018	2017
	£	£
Interest income on bank deposits	1,202	2,694

5 Auditors' remuneration

	2018	2017
	£	£
Audit of the financial statements	3,306	2,750

6 Corporation tax

Tax charged/(credited) in the income statement

	2018	2017
	£	£
Current taxation		
UK corporation tax	1,314	539

CHA Power Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

7 Tangible assets

	Plant and equipment £	Total £
Cost or valuation		
At 1 April 2017	1,985,000	1,985,000
At 31 March 2018	1,985,000	1,985,000
Depreciation		
At 1 April 2017	1,985,000	1,985,000
At 31 March 2018	1,985,000	1,985,000
Carrying amount		
At 31 March 2018	-	-
At 31 March 2017	-	-

8 Debtors

	2018 £	2017 £
Trade debtors	4,101	6,716
Other debtors	43,782	24,969
Total current trade and other debtors	47,883	31,685

9 Cash and cash equivalents

	2018 £	2017 £
Cash at bank	346,034	400,402

CHA Power Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

10 Creditors

	Note	2018 £	2017 £
Due within one year			
Trade creditors		1,402	70,728
Other payables		32,831	38,794
Income tax liability	6	1,314	539
		<u>35,547</u>	<u>110,061</u>

11 Related party transactions

Summary of transactions with parent

CHA Power Ltd is a wholly owned subsidiary of Clydebank Housing Association Ltd. During the year Clydebank Housing Association Ltd charged CHA Power Ltd £12,100 (2017 - £11,800) in respect of management fees. At the year end, CHA Power Ltd owed Clydebank Housing Association £nil (2017 - £nil). No interest was due and there were no fixed repayment terms.

No other transactions with related parties were undertaken.

12 Parent and ultimate parent undertaking

The company is controlled by Clydebank Housing Association Ltd. The company is a wholly owned subsidiary of Clydebank Housing Association Ltd. Clydebank Housing Association Ltd is an Industrial and Provident Society registered with the Financial Conduct Authority (Reg No 2191 R(S)). The ultimate controlling party is the same as the controlling party.

CHA Power Limited

The following pages do not form part of the statutory accounts

This page does not form part of the statutory financial statements.

CHA Power Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2018

	2018 £	2017 £
Sales		
Sale of goods	279,270	276,776
Cost of Sales		
Gas	162,347	192,256
Water rates	1,603	1,710
Light, heat and power	4,420	1,461
Insurance	2,000	2,000
Generator maintenance	43,145	26,840
Cost of sales	<u>213,515</u>	<u>224,267</u>
Gross profit	65,755	52,509
Gross profit (%)	23.55%	18.97%
Administrative expenses		
General administrative expenses	<u>29,299</u>	<u>25,728</u>
Operating profit	36,456	26,781
Other interest receivable and similar income	<u>1,202</u>	<u>2,694</u>
Profit before tax	<u><u>37,658</u></u>	<u><u>29,475</u></u>

This page does not form part of the statutory financial statements.

CHA Power Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2018

	2018	2017
	£	£
Turnover		
Heat and Hot Water	209,320	207,546
Electricity	69,950	69,230
	279,270	276,776
	279,270	276,776
Cost of sales		
Gas	162,347	192,256
Water rates	1,603	1,710
Light, heat and power	4,420	1,461
Insurance	2,000	2,000
Generator maintenance	43,145	26,840
	213,515	224,267
	213,515	224,267
General administrative expenses		
Printing, postage and stationery	(231)	(135)
General expenses	(13)	(256)
CHA management fees	(12,100)	(11,800)
Auditor's remuneration - The audit of the company's annual accounts	(3,306)	(2,750)
CES management fees	(5,400)	(5,400)
Legal and professional fees	(620)	-
Bad debts written off	(4,748)	(2,296)
Bank charges	(2,881)	(3,091)
	(29,299)	(25,728)
	(29,299)	(25,728)
Other interest receivable and similar income		
Bank interest receivable	1,202	2,694
	1,202	2,694

This page does not form part of the statutory financial statements.