



Alexander Sloan

Accountants and Business Advisers

CHA POWER LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

Company Registration No. SC284497 (Scotland)

CHA POWER LIMITED

COMPANY INFORMATION

Directors John P Hillhouse
Paul Shiach (Appointed 31 October 2018)
Catherine McGarrity (Appointed 6 February 2019)
Patricia Betty (Appointed 6 February 2019)

Secretary John P Hillhouse

Company number SC284497

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

Auditor Alexander Sloan
180 St Vincent Street
Glasgow
G2 5SG

CHA POWER LIMITED

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CHA POWER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and financial statements for the year ended 31 March 2019.

Principal activities

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

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

John P Hillhouse	
Paul Shiach	(Appointed 31 October 2018)
Chris Morgan	(Resigned 31 January 2019)
Catherine McGarrity	(Appointed 6 February 2019)
Patricia Betty	(Appointed 6 February 2019)

Auditor

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

John P Hillhouse

Director

18 June 2019

CHA POWER LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

The directors are responsible 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 then 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;
- 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.

CHA POWER LIMITED

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 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the 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 FRS 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 2019 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:

- 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.

Opinions on other matters prescribed by the Companies Act 2006

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

CHA POWER LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CHA 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 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:

- 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 in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 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.

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

18 June 2019

Accountants and Business Advisers
Statutory Auditor

180 St Vincent Street
Glasgow
G2 5SG

CHA POWER LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Turnover	3	233,219	279,270
Cost of sales		(193,222)	(213,515)
Gross profit		39,997	65,755
Administrative expenses		(32,956)	(29,299)
Operating profit	4	7,041	36,456
Interest receivable and similar income	5	1,888	1,202
Profit before taxation		8,929	37,658
Tax on profit	6	(1,631)	(1,314)
Profit for the financial year		7,298	36,344

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

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

The notes on pages 9 to 14 form an integral part of these financial statements.

CHA POWER LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	£	£
Profit for the year	7,298	36,344
Other comprehensive income	-	-
Total comprehensive income for the year	<u>7,298</u>	<u>36,344</u>

The notes on pages 9 to 14 form an integral part of these financial statements.

CHA POWER LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Current assets					
Debtors	9	16,398		47,883	
Cash at bank and in hand		395,083		346,034	
		<u>411,481</u>		<u>393,917</u>	
Creditors: amounts falling due within one year	10	(45,813)		(35,547)	
Net current assets			365,668		358,370
			<u><u>365,668</u></u>		<u><u>358,370</u></u>
Capital and reserves					
Called up share capital	11	2,328,850		2,328,850	
Other reserves		67,638		60,638	
Profit and loss reserves		(2,030,820)		(2,031,118)	
Total equity			365,668		358,370
			<u><u>365,668</u></u>		<u><u>358,370</u></u>

These 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 18 June 2019 and are signed on its behalf by:

John P Hillhouse
Director

Company Registration No. SC284497

The notes on pages 9 to 14 form an integral part of these financial statements.

CHA POWER LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Share capital	Other reserves	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 April 2017	2,328,850	39,138	(2,045,962)	322,026
Year ended 31 March 2018:				
Profit and total comprehensive income for the year	-	-	36,344	36,344
Other movements	-	21,500	(21,500)	-
Balance at 31 March 2018	2,328,850	60,638	(2,031,118)	358,370
Year ended 31 March 2019:				
Profit and total comprehensive income for the year	-	-	7,298	7,298
Transfers	-	7,000	(7,000)	-
Balance at 31 March 2019	2,328,850	67,638	(2,030,820)	365,668

Other reserves related to funds set aside to pay for future repairs to the generator. An amount of £7,000 has been transferred to this reserve during the year.

The notes on pages 9 to 14 form an integral part of these financial statements.

CHA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

CHA Power Limited is a private company limited by shares and incorporated in Scotland. The registered office is 77-83 Kilbowie Road, Clydebank, Glasgow, G81 1BL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

1.5 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

CHA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

CHA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019 £	2018 £
Turnover analysed by class of business		
Sale of utilities	233,219	279,270
	<u> </u>	<u> </u>
	2019 £	2018 £
Other significant revenue		
Interest income	1,888	1,202
	<u> </u>	<u> </u>

CHA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

4 Operating profit	2019	2018
	£	£
Operating profit for the year is stated after charging:		
Auditor's remuneration	3,545	3,306
	<u> </u>	<u> </u>
5 Interest receivable and similar income	2019	2018
	£	£
Interest income		
Interest on bank deposits	1,888	1,202
	<u> </u>	<u> </u>
6 Taxation	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	1,631	1,314
	<u> </u>	<u> </u>

The actual charge for the year can be reconciled to the expected charge for the year based on the surplus or deficit and the standard rate of tax as follows:

	2019	2018
	£	£
Profit before taxation	8,929	37,658
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	1,697	7,155
Tax effect of utilisation of tax losses not previously recognised	-	(5,907)
Under/(over) provided in prior years	(66)	-
Transition adjustments	-	66
	<u> </u>	<u> </u>
Taxation charge for the year	1,631	1,314
	<u> </u>	<u> </u>

CHA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

7 Tangible fixed assets	Plant and equipment	
	£	
Cost		
At 1 April 2018 and 31 March 2019		1,985,000
		<u> </u>
Depreciation and impairment		
At 1 April 2018 and 31 March 2019		1,985,000
		<u> </u>
Carrying amount		
At 31 March 2019		-
		<u> </u>
At 31 March 2018		-
		<u> </u>
8 Financial instruments		
	2019	2018
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,261	33,866
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	44,116	34,233
	<u> </u>	<u> </u>
9 Debtors		
	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	2,876	4,102
Other debtors	13,522	43,781
	<u> </u>	<u> </u>
	16,398	47,883
	<u> </u>	<u> </u>
10 Creditors: amounts falling due within one year		
	2019	2018
	£	£
Trade creditors	-	1,402
Corporation tax	1,697	1,314
Other creditors	44,116	32,831
	<u> </u>	<u> </u>
	45,813	35,547
	<u> </u>	<u> </u>

CHA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

11 Share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
2,328,850 Ordinary shares of £1 each	2,328,850	2,328,850
	<u>2,328,850</u>	<u>2,328,850</u>
	<u><u>2,328,850</u></u>	<u><u>2,328,850</u></u>

12 Related party transactions

Transactions with related parties

CHA Power Ltd is a wholly owned subsidiary of Clydebank Housing Association Ltd. During the year, Clydebank Housing Association Ltd charged CHA Power Ltd £13,800 (2018 - £12,100) in respect of management fees. At the year end, CHA Power Ltd owed Clydebank Housing Association Ltd. £nil (2018 - £25). No interest was due and there were no fixed repayment terms.

No other transactions with related parties were undertaken.

13 Controlling party

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.

The following pages do not form part of the statutory accounts

CHA POWER LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

		2019		2018
	£	£	£	£
Turnover				
Sales of goods - heat income		213,074		209,320
Sales of goods - surplus electricity		20,145		69,950
		<u>233,219</u>		<u>279,270</u>
Cost of sales				
Gas	154,097		162,347	
Water	1,293		1,603	
Power, light and heat	9,818		4,420	
Generator maintenance	26,014		43,145	
Insurance	2,000		2,000	
		<u>(193,222)</u>		<u>(213,515)</u>
Gross profit		39,997		65,755
Administrative expenses		<u>(32,956)</u>		<u>(29,299)</u>
Operating profit		7,041		36,456
Investment revenues				
Bank interest received	1,888		1,202	
		<u>1,888</u>		<u>1,202</u>
Profit before taxation		<u>8,929</u>		<u>37,658</u>

CHA POWER LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	£	£
Administrative expenses		
Management charge	5,400	5,400
Legal and professional fees	1,050	620
Management fees	13,800	12,100
Audit fees	3,545	3,306
Bank charges	3,202	2,881
Bad and doubtful debts	5,734	4,748
Printing and stationery	176	231
Sundry expenses	49	13
	<hr/>	<hr/>
	32,956	29,299
	<hr/> <hr/>	<hr/> <hr/>
