

FORSS RENEWABLE ENERGY SYSTEMS LIMITED

Company registration number SC450770

FILING FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

SATURDAY



S6LDGFB4

SCT

16/12/2017

#145

COMPANIES HOUSE

FORSS RENEWABLE ENERGY SYSTEMS LIMITED

CONTENTS

	Page
Company information	1
Statement of financial position	2 - 3
Notes to the financial statements	4 - 10

FORSS RENEWABLE ENERGY SYSTEMS LIMITED

COMPANY INFORMATION

Director	I P Richards
Registered number	SC450770
Registered office	22 Glen Elgin Drive Elgin Morayshire IV30 6JH
Accountants	Scott-Moncrieff Chartered Accountants 10 Ardross Street Inverness IV3 5NS

FORSS RENEWABLE ENERGY SYSTEMS LIMITED
REGISTERED NUMBER: SC450770

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	71,609	75,906
		<u>71,609</u>	<u>75,906</u>
Current assets			
Stocks	6	585	707
Debtors: amounts falling due within one year	7	20,606	20,190
Cash at bank and in hand		1,102	1,599
		<u>22,293</u>	<u>22,496</u>
Creditors: amounts falling due within one year	8	(2,717)	(2,327)
Net current assets		<u>19,576</u>	<u>20,169</u>
Total assets less current liabilities		<u>91,185</u>	<u>96,075</u>
Creditors: amounts falling due after more than one year	9	(57,038)	(72,025)
Provisions for liabilities			
Deferred tax	10	(5,788)	(4,960)
		<u>(5,788)</u>	<u>(4,960)</u>
Net assets		<u><u>28,359</u></u>	<u><u>19,090</u></u>

FORSS RENEWABLE ENERGY SYSTEMS LIMITED
REGISTERED NUMBER: SC450770

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		28,259	18,990
		<u>28,359</u>	<u>19,090</u>

The Director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of Section 1A 'Small Entities' of Financial Reporting Standard 102.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the director and were signed by:



.....
I P Richards
Director

Date: 15/12/17

FORSS RENEWABLE ENERGY SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which (the majority of) the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 March 2017.

The continuing activities of Forss Renewable Energy Systems Limited ('the company') is provision of heating services.

The company is a private company limited by shares and is incorporated in United Kingdom and registered in Scotland. Details of the registered office can be found on the company information page of these financial statements. The company's registered number is SC450770.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with applicable law and United Kingdom Accounting Standards including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

Before 1 April 2016 the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS 102, as issued by the Financial Reporting Council, and referred to as 'previous UK GAAP'. Information on the impact of first-time adoption of FRS 102 is given in note 13. The date of transition is 1 April 2015.

The preparation of financial statements in compliance with Section 1A 'Small Entities' of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

FORSS RENEWABLE ENERGY SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	5% On cost
---------------------	---	------------

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially

FORSS RENEWABLE ENERGY SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.7 Financial instruments (continued)

and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Creditors

Short term creditors are measured at the transaction price.

2.9 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

FORSS RENEWABLE ENERGY SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current corporation 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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the difference between the fair values of assets acquired and the future tax deductions available for them and the difference between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in compliance with Section 1A of FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

The director is satisfied that accounting policies are appropriate and applied consistently. Key sources of accounting estimation have been applied to the depreciation rates which are deemed to be appropriate for the class of asset.

4. Employees

The average monthly number of employees, including directors, during the year was 1 (2016 - 1).

The director is the only employee of the company and received no remuneration in the current or prior year.

FORSS RENEWABLE ENERGY SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

5. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 April 2016	85,931
At 31 March 2017	<u>85,931</u>
Depreciation	
At 1 April 2016	10,025
Charge for the year on owned assets	4,297
At 31 March 2017	<u>14,322</u>
Net book value	
At 31 March 2017	<u><u>71,609</u></u>
At 31 March 2016	<u><u>75,906</u></u>

6. Stocks

	2017 £	2016 £
Raw materials and consumables	585	707
	<u>585</u>	<u>707</u>

7. Debtors

	2017 £	2016 £
Other debtors	10,318	10,581
Prepayments and accrued income	10,288	9,609
	<u>20,606</u>	<u>20,190</u>

FORSS RENEWABLE ENERGY SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	1,877	1,527
Accruals and deferred income	840	800
	<u>2,717</u>	<u>2,327</u>

9. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Director's Loan Account	57,038	72,025
	<u>57,038</u>	<u>72,025</u>

10. Deferred taxation

	2017 £	2016 £
At beginning of year	(4,960)	(2,307)
Charged to profit or loss	(828)	(2,653)
At end of year	<u>(5,788)</u>	<u>(4,960)</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(12,174)	(15,181)
Tax losses carried forward	6,386	10,221
	<u>(5,788)</u>	<u>(4,960)</u>

FORSS RENEWABLE ENERGY SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

11. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary Shares shares of £1 each	<u>100</u>	<u>100</u>

12. Related party transactions

Mr & Mrs I P Richards

Company director and/or shareholders.

During the period the company paid expenses on behalf of the Mr & Mrs I P Richards totalling £15,000 (2016 - £12,000) and Mr & Mrs I P Richards paid expenses on behalf of the company totalling £13 (2016 - £nil).

Amount due to related party at year end date is £57,038 (2016 - £72,025)

Loans to Mr & Mrs I P Richards have no fixed repayment terms and no interest is charged.

Forss House Hotel

A partnership in which Mr & Mrs I P Richards are partners.

During the period the company invoiced Forss House Hotel for services totalling £14,400 (2016 - £14,400).

Amount due from related party at the year end date is £3,600 (2016 - £2,400).

Amounts due are repayable in accordance with normal business terms and are unsecured.

RSF (Scotland) Limited

A company in which Mr Richards is a director and shareholder.

During the year the company advanced funds to RSF (Scotland) Limited totalling £nil (2016 - £9,990).

Amount due from related party at year end date is £9,990 (2016 - £9,990).

Amounts due are repayable on demand and are unsecured.

13. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.