

Fernant Micro Hydro Company Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 28 February 2017

Mitchell Meredith Limited
Chartered Accountants
The Exchange
Fiveways
Temple Street
Llandrindod Wells
Powys
LD1 5HG

Fernant Micro Hydro Company Limited

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Fernant Micro Hydro Company Limited

Company Information

Directors Mr S V Jefferies
Mrs C M Jefferies

Company secretary Mrs C M Jefferies

Registered office The Exchange
Fiveways
Temple Street
Llandrindod Wells
Powys
LD1 5HG

Accountants Mitchell Meredith Limited
Chartered Accountants
The Exchange
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**Chartered Accountants' Report to the Board of Directors on the Preparation of the
Unaudited Statutory Accounts of
Fernant Micro Hydro Company Limited
for the Year Ended 28 February 2017**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Fernant Micro Hydro Company Limited for the year ended 28 February 2017 as set out on pages [3](#) to [8](#) from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Fernant Micro Hydro Company Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Fernant Micro Hydro Company Limited and state those matters that we have agreed to state to the Board of Directors of Fernant Micro Hydro Company Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Fernant Micro Hydro Company Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Fernant Micro Hydro Company Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Fernant Micro Hydro Company Limited. You consider that Fernant Micro Hydro Company Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Fernant Micro Hydro Company Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

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Mitchell Meredith Limited
Chartered Accountants
The Exchange
Fiveways
Temple Street
Llandrindod Wells
Powys
LD1 5HG

12 September 2017

Fernant Micro Hydro Company Limited**(Registration number: 08393031)****Balance Sheet as at 28 February 2017**

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	3	144,182	151,811
Current assets			
Debtors	4	7,294	7,523
Cash at bank and in hand		8,873	10,198
		16,167	17,721
Creditors: Amounts falling due within one year	5	(87,572)	(92,440)
Net current liabilities		(71,405)	(74,719)
Total assets less current liabilities		72,777	77,092
Creditors: Amounts falling due after more than one year	5	(54,501)	(61,975)
Provisions for liabilities		(3,919)	(28,529)
Net assets/(liabilities)		14,357	(13,412)
Capital and reserves			
Called up share capital		4	4
Profit and loss account		14,353	(13,416)
Total equity		14,357	(13,412)

The notes on pages [5](#) to [8](#) form an integral part of these financial statements.

Fernant Micro Hydro Company Limited

(Registration number: 08393031)

Balance Sheet as at 28 February 2017

For the financial year ending 28 February 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 12 September 2017 and signed on its behalf by:

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Mr S V Jefferies

Director

The notes on pages [5](#) to [8](#) form an integral part of these financial statements.
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Fernant Micro Hydro Company Limited

Notes to the Financial Statements for the Year Ended 28 February 2017

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

The Exchange
Fiveways
Temple Street
Llandrindod Wells
Powys
LD1 5HG
UK

The principal place of business is:

Ynyswye
Erwood
Builth Wells
Powys
LD2 3YT
UK

These financial statements were authorised for issue by the Board on 12 September 2017.

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 have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

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.

Going concern

At the balance sheet date the company had net current liabilities of £71,405. However, included in creditors are directors loans of £69,696 which the directors have indicated will not be withdrawn or repaid until sufficient funds are available to do so. In addition the directors are aware of the turnover and margins that the company needs to achieve in order to make the company profitable and they believe these targets can be met. The directors review realistic objectives at regular intervals and based on this periodic review, the company's plans and the continued support of the directors, they consider it appropriate to prepare the financial statements on the going concern basis.

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.

Fernant Micro Hydro Company Limited

Notes to the Financial Statements for the Year Ended 28 February 2017

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and buildings	5% on cost
Office equipment	25% on cost
Plant and machinery	5% on cost

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 merchandise sold or 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 goods or 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.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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.

Fernant Micro Hydro Company Limited**Notes to the Financial Statements for the Year Ended 28 February 2017****3 Tangible assets**

	Land and buildings £	Office equipment £	Plant and machinery £	Total £
Cost or valuation				
At 1 March 2016	9,651	292	149,956	159,899
At 28 February 2017	9,651	292	149,956	159,899
Depreciation				
At 1 March 2016	485	105	7,498	8,088
Charge for the year	460	47	7,122	7,629
At 28 February 2017	945	152	14,620	15,717
Carrying amount				
At 28 February 2017	8,706	140	135,336	144,182
At 29 February 2016	9,166	187	142,458	151,811

4 Debtors

	2017 £	2016 £
Trade debtors	7,294	7,523
Total current trade and other debtors	7,294	7,523

5 Creditors

	Note	2017 £	2016 £
Due within one year			
Bank loans and overdrafts	6	16,551	16,371
Trade creditors		139	6
Directors' current account		69,696	75,266
Taxation and social security		561	247
Other creditors		625	550
		87,572	92,440
Due after one year			
Loans and borrowings	6	54,501	61,975

Fernant Micro Hydro Company Limited**Notes to the Financial Statements for the Year Ended 28 February 2017****6 Loans and borrowings**

	2017	2016
	£	£
Non-current loans and borrowings		
Bank borrowings	54,501	61,975
	<u>54,501</u>	<u>61,975</u>
	2017	2016
	£	£
Current loans and borrowings		
Bank borrowings	7,286	7,106
Other borrowings	9,265	9,265
	<u>9,265</u>	<u>9,265</u>
	<u>16,551</u>	<u>16,371</u>