
FOREST ENERGY (SCOTLAND) LTD

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOREST ENERGY (SCOTLAND) LTD

COMPANY INFORMATION

Directors	Bruce Reid Linton Philip Mulholland
Registered number	SC436534
Registered office	Findlays 11 Dudhope Terrace Dundee Scotland DD3 6TS
Accountants	Findlays Chartered Accountants 11 Dudhope Terrace Dundee DD3 6TS
Bankers	Santander Bridle Road Bootle L30 4GB

FOREST ENERGY (SCOTLAND) LTD

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FOREST ENERGY (SCOTLAND) LTD

**REPORT TO THE DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF
FOREST ENERGY (SCOTLAND) LTD
FOR THE YEAR ENDED 30 JUNE 2020**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Forest Energy (Scotland) Ltd for the year ended 30 June 2020 which comprise the Balance Sheet and the related notes 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 of Scotland, we are subject to its ethical and other professional requirements which are detailed at <https://icas.com/icas-framework-preparation-of-accounts>.

This report is made solely to the Board of Directors of Forest Energy (Scotland) Ltd, as a body, in accordance with the terms of our engagement letter dated 8 January 2019. Our work has been undertaken solely to prepare for your approval the financial statements of Forest Energy (Scotland) Ltd and state those matters that we have agreed to state to the Board of Directors of Forest Energy (Scotland) Ltd, as a body, in this report in accordance with the requirements of the Institute of Chartered Accountants of Scotland as detailed at <https://icas.com/icas-framework-preparation-of-accounts>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Forest Energy (Scotland) Ltd and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Forest Energy (Scotland) Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Forest Energy (Scotland) Ltd. You consider that Forest Energy (Scotland) Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Forest Energy (Scotland) Ltd. 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 financial statements.

Findlays

Chartered Accountants

11 Dudhope Terrace

Dundee

DD3 6TS

21 June 2021

FOREST ENERGY (SCOTLAND) LTD
REGISTERED NUMBER: SC436534

BALANCE SHEET
AS AT 30 JUNE 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	5	225,160	201,201
		<u>225,160</u>	<u>201,201</u>
Current assets			
Stocks		44,718	12,951
Debtors: amounts falling due within one year	6	339,808	284,415
Cash at bank and in hand	7	60,186	44,731
		<u>444,712</u>	<u>342,097</u>
Creditors: amounts falling due within one year	8	(546,388)	(513,749)
Net current liabilities		<u>(101,676)</u>	<u>(171,652)</u>
Total assets less current liabilities		<u>123,484</u>	<u>29,549</u>
Creditors: amounts falling due after more than one year	9	(48,029)	-
Provisions for liabilities			
Deferred tax	11	(9,076)	(3,225)
		<u>(9,076)</u>	<u>(3,225)</u>
Net assets		<u><u>66,379</u></u>	<u><u>26,324</u></u>
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account		66,377	26,322
		<u><u>66,379</u></u>	<u><u>26,324</u></u>

FOREST ENERGY (SCOTLAND) LTD
REGISTERED NUMBER: SC436534

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2020

The directors consider 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 the Companies Act 2006.

The directors acknowledge their 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 FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

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 board and were signed on its behalf on 21 June 2021.

Philip Mulholland
Director

The notes on pages 4 to 12 form part of these financial statements.

FOREST ENERGY (SCOTLAND) LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. General information

Forest Energy (Scotland) Ltd is a private company limited by shares incorporated in Scotland within the United Kingdom (company number SC436534). The address of the registered office is given in the company information page of these financial statements.

The financial statements are presented in sterling which is the functional currency of the company.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue 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 revenue 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.

2.3 Interest income

Interest income is recognised in profit or loss using the effective interest method.

FOREST ENERGY (SCOTLAND) LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.4 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet 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 Balance Sheet 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 differences between the fair values of assets acquired and the future tax deductions available for them and the differences 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 balance sheet date.

2.7 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.

FOREST ENERGY (SCOTLAND) LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

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:

Freehold property	- Not depreciated
Plant and machinery	- 10-15% Straight Line
Fixtures and fittings	- 33.33% Straight Line

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 profit or loss.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. At each balance sheet 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.

2.9 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.

2.10 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.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

FOREST ENERGY (SCOTLAND) LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)

2.12 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 profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet 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 Balance Sheet.

2.13 Financial instruments

The Company only enters into basic financial instrument 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 ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the year was 2 (2019 - 2).

FOREST ENERGY (SCOTLAND) LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

4. Taxation

	2020	<i>2019</i>
	£	<i>£</i>
Corporation tax		
Current tax on profits for the year	6,697	<i>816</i>
	6,697	<i>816</i>
	6,697	<i>816</i>
Total current tax	6,697	<i>816</i>
Deferred tax		
Origination and reversal of timing differences	5,851	<i>671</i>
	5,851	<i>671</i>
Total deferred tax	5,851	<i>671</i>
Taxation on profit on ordinary activities	12,548	<i>1,487</i>

FOREST ENERGY (SCOTLAND) LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

5. Tangible fixed assets

	Freehold property	Plant and machinery	Fixtures and fittings	Total
	£	£	£	£
Cost or valuation				
At 1 July 2019	109,793	158,778	718	269,289
Additions	6,921	45,855	-	52,776
At 30 June 2020	<u>116,714</u>	<u>204,633</u>	<u>718</u>	<u>322,065</u>
Depreciation				
At 1 July 2019	50	67,520	518	68,088
Charge for the year on owned assets	100	28,517	200	28,817
At 30 June 2020	<u>150</u>	<u>96,037</u>	<u>718</u>	<u>96,905</u>
Net book value				
At 30 June 2020	<u>116,564</u>	<u>108,596</u>	<u>-</u>	<u>225,160</u>
At 30 June 2019	<u>109,743</u>	<u>91,258</u>	<u>200</u>	<u>201,201</u>

6. Debtors

	2020 £	2019 £
Trade debtors	35,935	39,213
Amounts owed by joint ventures and associated undertakings	252,479	101,078
Other debtors	46,810	139,788

Prepayments and accrued income

4,584

4,336

339,808

284,415

FOREST ENERGY (SCOTLAND) LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

7. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	60,186	44,731
	<u>60,186</u>	<u>44,731</u>

8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	971	-
Trade creditors	62,122	150,393
Amounts owed to associates	471,035	258,535
Corporation tax	6,697	816
Other creditors	-	100,000
Accruals and deferred income	5,563	4,005
	<u>546,388</u>	<u>513,749</u>

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

	2020 £	2019 £
Bank loans	48,029	-
	<u>48,029</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	971	-
	<u>971</u>	<u>-</u>
Amounts falling due 1-2 years		
Bank loans	11,820	-
	<u>11,820</u>	<u>-</u>
Amounts falling due 2-5 years		
Bank loans	36,209	-
	<u>36,209</u>	<u>-</u>
	<u>49,000</u>	<u>-</u>

11. Deferred taxation

	2020 £	2019 £
At beginning of year	(3,225)	(2,554)
Charged to profit or loss	(5,851)	(671)
At end of year	<u>(9,076)</u>	<u>(3,225)</u>

The provision for deferred taxation is made up as follows:

2020 £	2019 £
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Accelerated capital allowances

<u>(9,076)</u>	<u>(3,225)</u>
<u><u>(9,076)</u></u>	<u><u>(3,225)</u></u>

FOREST ENERGY (SCOTLAND) LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

12. Share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
2 (2019 - 2) Ordinary Shares shares of £1.00 each	<u>2</u>	<u>2</u>

