

COMPANY REGISTRATION NUMBER: 00029816

Westmill Wind Farm Co-operative Limited
Financial Statements
31 October 2018

Westmill Wind Farm Co-operative Limited

Financial Statements

Year ended 31 October 2018

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Westmill Wind Farm Co-operative Limited

Officers and Professional Advisers

The board of directors	Mr M Luntley Mr R Lord Mr E Lees Mr D Carter Mrs S Heath Miss R Conchie
Technical advisors	Mr M Blanch Mr S Andrews
Registered office	Unit 26 Trinity Enterprise Centre Furness Business Park Barrow-in-Furness Cumbria LA14 2PN
Auditor	Lamont Pridmore Chartered accountant & statutory auditor 136 Highgate Kendal Cumbria LA9 4HW
Bankers	Co-operative Bank plc 1 Balloon Street Manchester M60 4EP Handelsbanken First Floor Bridge Mills Stramongate Kendal Cumbria LA9 4UB
Solicitors	Bates, Wells & Braithwaite 10 Queen Street London EC4R 1BE

Westmill Wind Farm Co-operative Limited

Directors' Report *(continued)*

Year ended 31 October 2018

The directors present their report and the financial statements of the co-operative for the year ended 31 October 2018.

Directors

The directors who served the company during the year were as follows:

Mr M Luntley	
Mr R Lord	
Mr E Lees	
Miss R Conchie	
Mr D Carter	(Appointed 10 May 2018)
Mrs S Heath	(Appointed 21 May 2018)
Mr C Matson	(Resigned 21 May 2018)
Mr M Crane	(Resigned 21 May 2018)
Mr M Pickering	(Resigned 10 May 2018)

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society 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 Co-operative and Community Benefit Society 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 co-operative and of the profit or loss of the co-operative 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Co-operative will continue in business.

The Directors are responsible for maintaining satisfactory systems of internal control and keeping adequate accounting records that are sufficient to show and explain the co-operative's transactions and disclose with reasonable accuracy at any time the financial position of the co-operative and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the co-operative and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Westmill Wind Farm Co-operative Limited

Directors' Report *(continued)*


Year ended 31 October 2018

Auditor

The directors at the date of approval of this report confirm that:

- so far as they are aware, there is no relevant audit information of which the co-operative's auditor is unaware; and
- they have taken all steps that they ought to have taken as a committee to make themselves aware of any relevant audit information and to establish that the co-operative's auditor is aware of that information.

This report was approved by the board of directors on23/01/19..... and signed on behalf of the directors by:



Mrs A Heslop
Company Secretary

Registered office:
Unit 26
Trinity Enterprise Centre
Furness Business Park
Barrow-in-Furness
Cumbria
LA14 2PN

Westmill Wind Farm Co-operative Limited

Independent Auditor's Report to the Members of Westmill Wind Farm Co-operative Limited

Year ended 31 October 2018

Opinion

We have audited the financial statements of Westmill Wind Farm Co-operative Limited for the year ended 31 October 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the co-operative's affairs as at 31 October 2018 and of its income and expenditure 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 Co-operative and Community Benefit Societies Act 2014.

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 co-operative 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 co-operative's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the co-operative has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the co-operative'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.

Westmill Wind Farm Co-operative Limited

Independent Auditor's Report to the Members of Westmill Wind Farm Co-operative Limited *(continued)*

Year ended 31 October 2018

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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

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

- the information given in the directors' committee 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 the knowledge and understanding of the co-operative 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 in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the co-operative has not kept proper books of account or has not maintained a satisfactory system of control over its transactions; or
- the financial statements are not in agreement with the co-operative's books of account; or
- certain disclosures of officials' remuneration specified by law are not made; or
- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

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 co-operative'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 co-operative or to cease operations, or have no realistic alternative but to do so.

Westmill Wind Farm Co-operative Limited

Independent Auditor's Report to the Members of Westmill Wind Farm Co-operative Limited *(continued)*

Year ended 31 October 2018

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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management committee.
- Conclude on the appropriateness of the management committee's 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.

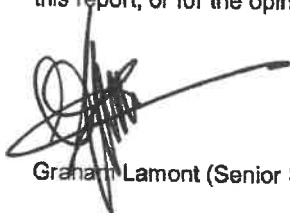
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Westmill Wind Farm Co-operative Limited

Independent Auditor's Report to the Members of Westmill Wind Farm Co-operative Limited *(continued)*

Year ended 31 October 2018

This report is made solely to the Co-operative's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the members those matters we are required to state to it 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 co-operative and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Graham Lamont (Senior Statutory Auditor)

For and on behalf of
Lamont Pridmore
Chartered accountant & statutory auditor
136 Highgate
Kendal
Cumbria
LA9 4HW

24 January 2019

Westmill Wind Farm Co-operative Limited

Statement of Comprehensive Income

Year ended 31 October 2018

	Note	2018 £	2017 £
Turnover		805,451	950,759
Cost of sales		656,452	623,027
Gross profit		148,999	327,732
Administrative expenses		63,753	62,810
Other operating income		41,987	1,136
Operating profit		127,233	266,058
Other interest receivable and similar income		958	1,623
Interest payable and similar expenses		74,760	105,967
Profit before taxation	7	53,431	161,714
Tax on profit		(5,476)	782
Profit for the financial year and total comprehensive income		58,907	160,932

All the activities of the company are from continuing operations.

The Co-operative has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 11 to 15 form part of these financial statements.

Westmill Wind Farm Co-operative Limited

Statement of Financial Position

31 October 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	8	4,041,235	4,397,815
Investments	9	59,983	59,596
		<u>4,101,218</u>	<u>4,457,411</u>
Current assets			
Debtors	10	247,296	265,181
Cash at bank and in hand		540,817	706,990
		<u>788,113</u>	<u>972,171</u>
Creditors: amounts falling due within one year	11	<u>660,853</u>	<u>695,168</u>
Net current assets		<u>127,260</u>	<u>277,003</u>
Total assets less current liabilities		<u>4,228,478</u>	<u>4,734,414</u>
Creditors: amounts falling due after more than one year	12	332,182	802,642
Provisions			
Taxation including deferred tax		6,782	12,258
Net assets		<u>3,889,514</u>	<u>3,919,514</u>
Capital and reserves			
Called up share capital		3,889,514	3,889,514
Profit and loss account		–	30,000
Shareholders funds		<u>3,889,514</u>	<u>3,919,514</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on23/01/19....., and are signed on behalf of the board by:



Mr M Luntley
Director



Miss R Conchie
Director

Company registration number: 29816R

The notes on pages 11 to 15 form part of these financial statements.

Westmill Wind Farm Co-operative Limited

Statement of Changes in Equity

31 October 2018

	Called up share capital £	Profit and loss account £	Total £
At 1 November 2016	3,889,514	30,000	3,919,514
Profit for the year		160,932	160,932
Total comprehensive income for the year	—	160,932	160,932
Share interest paid and payable	—	(160,932)	(160,932)
Total investments by and distributions to owners	—	(160,932)	(160,932)
At 31 October 2017	3,889,514	30,000	3,919,514
Profit for the year		58,907	58,907
Total comprehensive income for the year	—	58,907	58,907
Share interest paid and payable	—	(88,907)	(88,907)
Total investments by and distributions to owners	—	(88,907)	(88,907)
At 31 October 2018	<u>3,889,514</u>	<u>-</u>	<u>3,889,514</u>

The notes on pages 11 to 15 form part of these financial statements.

Westmill Wind Farm Co-operative Limited

Notes to the Financial Statements

Year ended 31 October 2018

1. General information

Westmill Wind Farm Co-operative Limited is a members share co-operative registered under the Cooperative and Community Benefit Societies Act 2014. The address of the registered office is Unit 26, Trinity Enterprise Centre, Furness Business Park, Barrow-in-Furness, Cumbria, LA14 2PN.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Westmill Wind Farm Co-operative Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant & Machinery - over the life of wind turbines (22 years from March 2008)

Government grants

Government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Investments

Fixed asset investments are stated at cost less provision for diminution in value. The decommissioning fund investment represents amounts held on deposit by the local council which will accumulate until used when the turbines are decommissioned. It is anticipated that the turbines will have a useful life of 22 years. As it is cash equivalent this balance is recognised at its full value.

Westmill Wind Farm Co-operative Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

4. Other operating income

Included within other operating income is an amount of £40,793 being insurance claims in respect of business interruption and remedial costs following equipment failure within the wind turbines.

5. Auditor's remuneration

	2018	2017
	£	£
Fees payable for the audit of the financial statements	<u>2,615</u>	<u>2,550</u>

6. Employee numbers

The average number of persons employed by the company during the year amounted to 7 (2017: 7).

7. Profit before taxation

Profit before taxation is stated after charging:

	2018	2017
	£	£
Depreciation of tangible assets	<u>356,580</u>	<u>356,579</u>

Westmill Wind Farm Co-operative Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

8. Tangible assets

	Plant and machinery £	Total £
Cost		
At 1 November 2017 and 31 October 2018	7,836,057	7,836,057
Depreciation		
At 1 November 2017	3,438,242	3,438,242
Charge for the year	356,580	356,580
At 31 October 2018	3,794,822	3,794,822
Carrying amount		
At 31 October 2018	4,041,235	4,041,235
At 31 October 2017	4,397,815	4,397,815

9. Investments

	Decommissi oning fund £	Unlisted investments £
Cost		
At 1 November 2017	59,593	3
Additions	387	-
At 31 October 2018	59,980	3
Impairment		
At 1 November 2017 and 31 October 2018	-	-
Carrying amount		
At 31 October 2018	59,980	3
At 31 October 2017	59,593	3

The unlisted investment relates to 2 shares at £1 each in Energy4All Limited. This company specialises in providing services to renewable energy co-operatives and provides administration services to Westmill Wind Farm Co-operative Limited. The additional £1 is 1 £1 share in Low Carbon Hub, a social enterprise in Oxfordshire tackling climate change.

The decommissioning fund represents monies paid over and held on deposit by the local council which are to be accumulated and applied against the decommissioning costs of the project when incurred.

10. Debtors

	2018 £	2017 £
Trade debtors	18,554	27,056
Other debtors	228,742	238,125
	247,296	265,181

Westmill Wind Farm Co-operative Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

11. Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	470,460	436,889
Trade creditors	14,601	8,807
Social security and other taxes	21,024	15,978
Other creditors	154,768	233,494
	<u>660,853</u>	<u>695,168</u>

The bank holds a Standard Mortgage Debenture held in the name of Westmill Wind Farm Co-operative Limited, incorporating a Fixed and Floating Charge over the assets of the co-operative. The bank holds a debenture and full project finance security in respect of the loan.

12. Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Bank loans and overdrafts	<u>332,182</u>	<u>802,642</u>

The bank holds a Standard Mortgage Debenture held in the name of Westmill Wind Farm Co-operative Limited, incorporating a Fixed and Floating Charge over the assets of the co-operative. The bank holds a debenture and full project finance security in respect of the loan.

13. Operating lease

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£	£
Later than 5 years	<u>164,458</u>	<u>176,205</u>

The basic land rent remains at £11,747 per annum. The total rent payable is the greater of 2% of annual turnover or the basic rent. The co-operative is also committed to royalty payments of 2% of turnover.

14. Related party transactions

The management services of the co-operative are carried out by Energy4All Limited, a company which specialises in assisting in the setting up, development and management of renewable energy co-operatives. Westmill Wind Farm Co-operative Limited holds two shares in the company. Energy4All Limited has charged administration fees of £44,278 (2017 £43,030) for the year.

Mark Luntley is a Director of both Energy4All Limited and Westmill Wind Farm Co-operative Limited.