

Halton Lune Hydro

Hydro-electric Community Project

Chairman's Supplemental 2020 AGM Report

1. INTRODUCTION

My initial report intended for the 24th April AGM requires a supplement, given so much has happened in the interim, and especially now that the AGM is set for 18th September 2020, owing to Covid-19 restrictions.

After having said that we had a superb 2019 with no storms or droughts, there was almost continuous rain, either side of storm Ciara February 10th this year. The high river flow transferred a good 200 ton of upstream banking and stone into the hydro inlet, about 30 ton into the fish pass and an unknown quantity was deposited by the turbine outlets. Lesser flooding then occurred during storm Dennis the following week.

There was however sufficient space for water to get past the 3m high pile of inlet stone to reach one turbine, so we continued running after a few repairs, at around £560 revenue a day.

1st April was set for the annual drain down and repeat of 2016 the recovery plan, with a large hydraulic grab removing stone that goes off site to be crushed and used on roads - although virus restrictions March 18th has put this recovery work on hold.

The 80kW then reduced to zero by 18th April, with the river flow reducing owing to lack of rain – the drought!

2. FACTS and FIGURES

Given a delay in the AGM, the examined 2019 Accounts are attached and with voting of approval having to be by email to secretary@haltonlunehydro.org or postal return of voting slips between now and 1st July, given submission to HMRC has to be by 31st July.

In summary; operation, maintenance, upgrading, rent, rates etc through 2019 was £81,185. Interest and similar income £1,291 less shareholder dividend payments of £51,874 resulted in a £72,055 profit (from which shareholders are refunded and a Trust donation is made).

This resulted in £17,067 corporation tax, mitigated down to £245 as the original capital and some recent capital costs continue to be written off.

I can also tell you that the excellent gross revenue of £203,823 compares to £180,445 average of the previous two years, so Directors approved the 4% dividend to shareholders, and HLH remains on target for paying back £1.4M of invested funds over the twenty years of the FITs payments.

Our donation to the local community via the Halton Lune Trust for some excellent worthy causes, was also on target at £11,860 being an amount that increases year on year, given there becomes fewer dividends to pay, as shares are refunded.

You will however notice a lower Trust donation in the Accounts. This is because we directed a very kind Hydro donation directly to the Trust so that Gift Aid could be claimed on the amount.

The Halton Lune Trust considers and evaluates grant applications that accord with a Hydro/Trust agreement, regarding objectives. The Trust's Annual Report is attached with photographs of work undertaken using the previous year's donations.

3. ENVIRONMENTAL

Turning to our other activity of fish counting and health checks, the team of volunteers trapped 32 salmon and 193 trout last year, between 28th May and 4th August but less afterwards, as confirmed by the fish counter and disappointing to note the absence of an October Salmon run.

We understand this to be related to a severe decline in the number of Atlantic Salmon in British rivers.

My thanks go to the full team of operators and maintainers, all from varying professional backgrounds, which serve to provide the necessary expertise.

Overall, we are adjusting to the new "normal" for a while and shall run at low output given rain and be ready to go at full power when working conditions allow removal of the stone.

4. QUESTIONS

By all means email questions that's we will answer and put on the Web site, given your approval.



John Blowes MBE CEng
30th April 2020

Halton Lune Hydro Limited

Report of the Directors and

Unaudited Financial Statements for the Year Ended 31 December 2019

RfM Fylde Limited
Summerdale
Head Dyke Lane
Pilling
Preston
Lancashire
PR3 6SJ

Halton Lune Hydro Limited

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Halton Lune Hydro Limited
Company Information
for the Year Ended 31 December 2019

Directors: Mr J Blowes
Mr A Denham
Mr K Frea
Mr B Jefferson
Mr N Mannion
Dr M A Solera Garcia

Secretary: Mr B Jefferson

Registered office: Rectory Cottages
Foundry Lane
Halton
Lancaster
LA2 6LT

Registered number: 32233R (England and Wales)

Accountants: RfM Fylde Limited
Summerdale
Head Dyke Lane
Pilling
Preston
Lancashire
PR3 6SJ

Halton Lune Hydro Limited
Report of the Directors
for the Year Ended 31 December 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

Principal activity

The principal activity of the society is the development and management of renewal energy sources.

Directors

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

Mr J Blowes
Mr A Denham
Mr K Frea
Mr B Jefferson

Other changes in directors holding office are as follows:

Mr N Mannion - appointed 15 March 2019
Dr M A Solera Garcia - appointed 15 March 2019

Donations

During the year donations of £4,862 were made to the Halton Lune Trust.

On behalf of the board:

Mr J Blowes (Chairman)

31 March 2020

**Chartered Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
Halton Lune Hydro Limited**

We report on the accounts for the period ended 31 December 2019 set out on pages 4 to 11.

Respective responsibilities of the directors and the independent reporting accountant

The society's directors are responsible for the preparation of the accounts, and they consider that the society is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our procedures consisted of comparing the accounts with the books of account kept by the society and making such limited enquiries of the officers of the society as we considered necessary for the purpose of this report. These procedures provide the only assurance expressed in our opinion.

Opinion

In our opinion:

- the revenue account and balance sheet for the period ended 31 December 2019 are in agreement with the books of account kept by the society under section 75 of the Co-operative and Community Benefit Societies Act 2014;
- having regard only to, and on the basis of the information contained in the books of account, the revenue account and balance sheet for the period ended 31 December 2019 comply with requirements of the Co-operative and Community Benefit Societies Act 2014; and
- the society met the financial criteria enabling it to disapply the requirement to have an audit of the accounts for the period specified in section 84 of the Co-operative and Community Benefit Societies Act 2014.

RfM Fylde Limited
Summerdale
Head Dyke Lane
Pilling
Preston
Lancashire
PR3 6SJ

31 March 2020

Halton Lune Hydro Limited

Profit and Loss Account (Revenue account) for the Year Ended 31 December 2019

	Notes	2019 £	2018 £
Turnover		203,823	173,500
Administrative expenses		<u>81,185</u>	<u>101,598</u>
		122,638	71,902
Other operating income		<u>-</u>	<u>3,000</u>
Operating profit	3	122,638	74,902
Interest receivable and similar income		<u>1,291</u>	<u>672</u>
		123,929	75,574
Interest payable and similar expenses		<u>51,874</u>	<u>47,487</u>
Profit before taxation		72,055	28,087
Tax on profit	4	<u>17,067</u>	<u>8,672</u>
Profit for the financial year		<u><u>54,988</u></u>	<u><u>19,415</u></u>

The notes form part of these financial statements

Halton Lune Hydro Limited (Registered number: 32233R)

**Balance Sheet
31 December 2019**

	Notes	2019	2018
		£	£
Fixed assets			
Tangible assets	5	1,216,670	1,242,801
Current assets			
Debtors	6	34,955	32,392
Cash at bank		<u>167,223</u>	<u>151,812</u>
		202,178	184,204
Creditors			
Amounts falling due within one year	7	<u>(193)</u>	<u>5,774</u>
Net current assets		<u>202,371</u>	<u>178,430</u>
Total assets less current liabilities		1,419,041	1,421,231
Provisions for liabilities	8	<u>52,789</u>	<u>35,967</u>
Net assets		<u><u>1,366,252</u></u>	<u><u>1,385,264</u></u>
Capital and reserves			
Called up share capital	9	1,227,985	1,301,985
Retained earnings	10	<u>138,267</u>	<u>83,279</u>
Shareholders' funds		<u><u>1,366,252</u></u>	<u><u>1,385,264</u></u>

The notes form part of these financial statements

**Balance Sheet - continued
31 December 2019**

The directors acknowledge their responsibilities for:

- (i) ensuring that the society keeps proper accounting records which comply with section 75 of the Co-operative and Community Benefit Societies Act 2014,
- (ii) establishing and maintaining a satisfactory system of its books of accounts, its cash holdings and all its receipts and remittances in order to comply with section 75(3) of the Act, and
- (iii) preparing financial statements which give a true and fair view of the state of affairs of the society as at the end of the financial year and of its profit for the financial year in accordance with the requirements of section 80, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the society.

The financial statements have been prepared in accordance with the Co-operative and Community Benefit Society Act 2014 and with the provisions of Section 1A “Small Entities” of Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”.

The financial statements were approved by the Board of Directors on 31 March 2020 and were signed on its behalf by:

Mr J Blowes (Chairman)

Mr N Mannion (Director)

Mr B Jefferson (Secretary)

Halton Lune Hydro Limited

**Statement of Changes in Equity
for the Year Ended 31 December 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	1,392,535	63,864	1,456,399
Changes in equity			
Issue of share capital	(90,550)	-	(90,550)
Total comprehensive income	<u>-</u>	<u>19,415</u>	<u>19,415</u>
Balance at 31 December 2018	<u>1,301,985</u>	<u>83,279</u>	<u>1,385,264</u>
Changes in equity			
Issue of share capital	(74,000)	-	(74,000)
Total comprehensive income	<u>-</u>	<u>54,988</u>	<u>54,988</u>
Balance at 31 December 2019	<u><u>1,227,985</u></u>	<u><u>138,267</u></u>	<u><u>1,366,252</u></u>

The notes form part of these financial statements

Halton Lune Hydro Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1. Statutory information

Halton Lune Hydro Limited is a private company, limited by shares, registered under the Co-operative and Community Benefit Societies Act 2014 in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The company is a Public Benefit Entity.

2. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Hydro-electric Power-station	- 2% on cost
Plant and machinery	- 5% on cost
Tools and equipment	- 15% on reducing balance

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account (Revenue account), except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Halton Lune Hydro Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2019

3. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation - owned assets	<u>45,668</u>	<u>44,908</u>

4. Taxation

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2019 £	2018 £
Current tax:		
UK corporation tax	245	128
Adjustment in respect of prior period	<u>-</u>	<u>(42)</u>
Total current tax	245	86
Deferred tax	<u>16,822</u>	<u>8,586</u>
Tax on profit	<u>17,067</u>	<u>8,672</u>

UK corporation tax has been charged at 19% (2018 - 19%).

5. Tangible fixed assets

	Hydro-electric Power-station £	Plant and machinery £	Tools and equipment £	Totals £
Cost				
At 1 January 2019	888,531	513,903	13,273	1,415,707
Additions	<u>-</u>	<u>19,537</u>	<u>-</u>	<u>19,537</u>
At 31 December 2019	<u>888,531</u>	<u>533,440</u>	<u>13,273</u>	<u>1,435,244</u>
Depreciation				
At 1 January 2019	71,076	96,728	5,102	172,906
Charge for year	<u>17,770</u>	<u>26,672</u>	<u>1,226</u>	<u>45,668</u>
At 31 December 2019	<u>88,846</u>	<u>123,400</u>	<u>6,328</u>	<u>218,574</u>
Net book value				
At 31 December 2019	<u>799,685</u>	<u>410,040</u>	<u>6,945</u>	<u>1,216,670</u>
At 31 December 2018	<u>817,455</u>	<u>417,175</u>	<u>8,171</u>	<u>1,242,801</u>

Halton Lune Hydro Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2019

6. Debtors: amounts falling due within one year

	2019	2018
	£	£
Trade debtors	31,654	29,083
Other debtors	600	600
Prepayments	<u>2,701</u>	<u>2,709</u>
	<u><u>34,955</u></u>	<u><u>32,392</u></u>

7. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	970	5,033
Corporation tax	203	128
Social security and other taxes	(2,249)	(247)
Other creditors	78	80
Accrued expenses	<u>805</u>	<u>780</u>
	<u><u>(193)</u></u>	<u><u>5,774</u></u>

8. Provisions for liabilities

	2019	2018
	£	£
Deferred tax		
Accelerated capital allowances	78,047	79,376
Tax losses carried forward	<u>(25,258)</u>	<u>(43,409)</u>
	<u><u>52,789</u></u>	<u><u>35,967</u></u>

	Deferred tax £
Balance at 1 January 2019	35,967
Provided during year	<u>16,822</u>
Balance at 31 December 2019	<u><u>52,789</u></u>

9. Called up share capital

Allotted, issued and fully paid:			2019	2018
Number:	Class:	Nominal value:	£	£
1,227,985	Ordinary	1	<u><u>1,227,985</u></u>	<u><u>1,301,985</u></u>

Halton Lune Hydro Limited

Notes to the Financial Statements - continued **for the Year Ended 31 December 2019**

9. Called up share capital - continued

During the year the society had the following number of members:

	2019	2018
Members at beginning of year	343	365
Members ceased during year	(47)	(22)
Members admitted during year	<u>0</u>	<u>0</u>
Members at end of year	<u><u>296</u></u>	<u><u>343</u></u>

10. Reserves

	Retained earnings £
At 1 January 2019	83,279
Profit for the year	<u>54,988</u>
At 31 December 2019	<u><u>138,267</u></u>

Halton Lune Hydro Limited

Detailed Profit and Loss Account for the Year Ended 31 December 2019

	2019		2018	
	£	£	£	£
Turnover				
Energy income	41,682		37,045	
Feed in Tariffs	159,131		134,964	
Work done	<u>3,010</u>		<u>1,491</u>	
		203,823		173,500
Other income				
Donation	-		3,000	
Deposit account interest	<u>1,291</u>		<u>672</u>	
		<u>1,291</u>		<u>3,672</u>
		205,114		177,172
Expenditure				
Rent	2,500		2,500	
Rates	7,541		3,723	
Insurance	1,915		1,714	
Telephone	635		320	
Travelling and room hire	-		54	
Repairs and maintenance	11,986		35,161	
Operation and maintenance fees	5,001		5,552	
Sundry expenses	252		675	
Accountancy	800		780	
Donations	4,862		6,200	
Depreciation of tangible fixed assets				
Freehold property	17,771		17,771	
Plant and machinery	26,672		25,695	
Fixtures and fittings	<u>1,226</u>		<u>1,442</u>	
		<u>81,161</u>		<u>101,587</u>
		123,953		75,585
Finance costs				
Bank charges	24		11	
Members dividends	<u>51,874</u>		<u>47,487</u>	
		<u>51,898</u>		<u>47,498</u>
Net profit		<u><u>72,055</u></u>		<u><u>28,087</u></u>

This page does not form part of the statutory financial statements

HALTON LUNE TRUST ANNUAL REPORT 2019

HALTON LUNE TRUST

£

Accounts to 31st December 2019

Brought Forward Balance 31/12/2018	6904.32
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Income

23/01/2019	Gift Aid on Donation	BACS	750.00
14/02/2019	Halton Lune Hydro 2018 balance	CHQ	4862.00
Total Income			5612.00

Expenditure

11/02/2019	Aughton Recreation Rooms indoor Bowling mat Halton Community Improvement Group - War	100018	750.00
01/07/2019	Memorial Works	100019	285.00
01/07/2019	More Music to continue Lune Valley Voices at the Centre	100020	723.00
01/07/2019	Halton Gardening Group - Landscaping at the Centre	100021	1000.00
01/07/2019	HCA Purchase of 140 new chairs	100022	500.00
07/10/2019	Halton with Aughton Parish Council Giant Nest Swing	100023	3000.00
13/11/2019	Moonloft - Logo Design	100024	30.00
Total Expenditure			6288.00

TOTAL FUNDS CARRIED FORWARD as at 31/12/2019	6228.32
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Cash Book Balance	6228.32
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2019 has seen Halton Lune Trust receive £5,612 income and has awarded 6 grants totalling £6,258 as detailed below

Aughton Recreation Room received a grant of £750 as part of a £2,200 project to replace 2 bowling mats, a full size table tennis table and upgrade badminton net and replacement racquets. The main benefit is ensuring the village hall continues to provide facilities that encourage those of all ages to remain physically and socially active at all times of the year.



Halton Community Improvement group received a grant of £285 for materials to remove and re-set the cobbled area around the War Memorial following the surface break up and weeds coming through. The work was carried out by a team of volunteers from the village.



More Music received a grant of £723 towards a total project cost of £2,170 to fund the hire of a choir leader and the hire of the centre for the autumn term to enable Lune Valley Voices to practise. The choir provides people with the opportunity to meet and make new friends in a sociable and life enhancing activity. Lune Valley voices also provides opportunities to take part in high profile and significant cultural events in the wider district.



Halton Gardening Group received £1000 towards a total project cost of £4,500 to landscape and terrace the steep slope to the left of the Centre@Halton entrance. The work was carried out by a local builder and a team of volunteers.

By improving the appearance of the flower bed it will benefit the centre and all the village. It will also make it safer for gardening group members to work on the beds and stop soil erosion onto the path below. Planting is expected to be carried out during Spring of 2020.

Before



After



Halton Community Association received a grant of £500 towards the cost of £2,500 for 140 new chairs to replace the old worn out mismatch of second hand chairs. The new chairs will enhance the visual impact of the hall and encourage more people to hire the hall for educational and social functions.



Halton with Aughton Parish Council received a grant of £3,000 towards the cost of £4,296.80 to replace the worn out Giant Nest Swing. The swing which has been well used since 2009 has become worn. The annual ROSPA inspection recommended immediate replacement.

The swing was purchased and replaced in November 2019 and continues to be a popular and well used playground item for all ages and abilities.

