

**ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014**

**FOR**

**HIGHLAND WOOD ENERGY LIMITED**

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For The Year Ended 31 December  
2014**

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**HIGHLAND WOOD ENERGY LIMITED**

**COMPANY INFORMATION  
For The Year Ended 31 December  
2014**

**DIRECTOR:** Bruno Leo Nello Berardelli

**SECRETARY:** Craig Sutherland

**REGISTERED OFFICE:** c/o Abacus Services  
Abacus Building,  
8 High Street  
Oban  
Argyll  
PA34 4BG

**REGISTERED NUMBER:** SC260419 (Scotland)

**ACCOUNTANTS:** R A Clement Associates  
5 Argyll Square  
Oban  
Argyll  
PA34 4AZ

ABBREVIATED BALANCE SHEET  
31 December  
2014

	Notes	2014		2013	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	2		-		-
Tangible assets	3		<b>1,199,668</b>		<u>895,800</u>
			<b>1,199,668</b>		<u>895,800</u>
<b>CURRENT ASSETS</b>					
Stocks		<b>411,239</b>		386,766	
Debtors		<b>1,120,921</b>		1,070,246	
Investments		<b>57,000</b>		38,000	
Cash at bank and in hand		<b>1,835</b>		<u>7,513</u>	
		<b>1,590,995</b>		1,502,525	
<b>CREDITORS</b>					
Amounts falling due within one year		<b>2,208,772</b>		<u>1,976,439</u>	
<b>NET CURRENT LIABILITIES</b>			<b>(617,777)</b>		<u>(473,914)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>581,891</b>		421,886
<b>CREDITORS</b>					
Amounts falling due after more than one year	4		<b>343,149</b>		<u>292,126</u>
<b>NET ASSETS</b>			<b>238,742</b>		<u>129,760</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	5		<b>2,000</b>		2,000
Profit and loss account			<b>236,742</b>		<u>127,760</u>
<b>SHAREHOLDERS' FUNDS</b>			<b>238,742</b>		<u>129,760</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2014.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2014 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

**ABBREVIATED BALANCE SHEET - continued**  
**31 December**  
**2014**

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the director on 5 June 2015 and were signed by:

Bruno Leo Nello Berardelli - Director

**NOTES TO THE ABBREVIATED ACCOUNTS  
For The Year Ended 31 December  
2014**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2010, is being amortised evenly over its estimated useful life of one years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 20% on cost and 6.67% on cost
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on reducing balance

Included in Plant & Machinery are two biomass boiler installations which are used for the provision of heat to specific customers. One is at Mallaig Swimming Pool; the asset cost £151,711 and is being depreciated at a rate of 6.6% on cost. The other is in the process of being commissioned; costs incurred at 31 December 2014 were £666,628, £303,641 (2013); this asset has not been depreciated in these financial statements. Depreciation will be charged at 6.6% on cost once the boiler is in commission.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Deferred tax**

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

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

NOTES TO THE ABBREVIATED ACCOUNTS - continued  
For The Year Ended 31 December  
2014

2. INTANGIBLE FIXED ASSETS

Total  
£

**COST**

At 1 January 2014  
and 31 December 2014

1

**AMORTISATION**

At 1 January 2014  
and 31 December 2014

1

**NET BOOK VALUE**

At 31 December 2014

-

At 31 December 2013

-

3. TANGIBLE FIXED ASSETS

Total  
£

**COST**

At 1 January 2014

1,282,657

Additions

377,527

Disposals

(7,213)

At 31 December 2014

1,652,971

**DEPRECIATION**

At 1 January 2014

386,857

Charge for year

71,376

Eliminated on disposal

(4,930)

At 31 December 2014

453,303

**NET BOOK VALUE**

At 31 December 2014

1,199,668

At 31 December 2013

895,800

4. CREDITORS

Creditors include the following debts falling due in more than five years:

	2014 £	2013 £
Repayable by instalments	<u>167,503</u>	<u>142,855</u>

5. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014 £	2013 £
2,000	Ordinary	£1	<u>2,000</u>	<u>2,000</u>

**NOTES TO THE ABBREVIATED ACCOUNTS - continued  
For The Year Ended 31 December  
2014**

**6. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES**

The Director of Highland Wood Energy Ltd and his wife are controlling Directors of Lochaber Heat Supply. Highland Wood Energy Ltd. supplies Lochaber Heat Supply with wood fuel and maintenance services; during the year the value of these transactions were £22,814..

**7. HIGHLAND WOOD ENERGY EMPLOYEE BENEFITS TRUST**

By resolution of the Company's board of Directors on 27 May 2012 a trust known as the Highland Wood Energy Employee Benefits Trust ("Trust") was established. The Trust is intended to be an employees' share scheme within the meaning of Section 743 of the Companies Act 1985.

The Trust has four Trustees, of which one is Bruno Berardelli, one of the Directors of Highland Wood Energy Limited.

On 27 June 2012 the Directors approved a loan facility to the Trust of up to £76,000, the terms of the loan are that it should be repaid ten years after draw down. The purpose of the loan is for the purchase of shares in the Company by the Trust. The first draw down was on 5 July 2012 for £19,000. Further £19,000 draw downs by the Trust took place in July 2013 and 2014. At the date of approval of these financial statements the loan balance stood at £57,000.