

3R ENERGY SOLUTIONS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

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FOR THE YEAR ENDED 31ST MARCH 2021**

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3R ENERGY SOLUTIONS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2021

DIRECTORS: Mr W Mitchell
Mr J Mitchell

SECRETARY: Mr W Mitchell

REGISTERED OFFICE: JRW
19 Buccleuch Street
Hawick
Roxburghshire
TD9 0HL

REGISTERED NUMBER: SC354680 (Scotland)

ACCOUNTANTS: JRW
Riverside House
Ladhope Vale
Galashiels
Selkirkshire
TD1 1BT

3R ENERGY SOLUTIONS LIMITED (REGISTERED NUMBER: SC354680)

**ABRIDGED BALANCE SHEET
31ST MARCH 2021**

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	4		45,211		59,911
CURRENT ASSETS					
Stocks		-		26,636	
Debtors		204,736		982,133	
Cash at bank		<u>205,814</u>		<u>2,799</u>	
		410,550		1,011,568	
CREDITORS					
Amounts falling due within one year		<u>132,641</u>		<u>752,232</u>	
NET CURRENT ASSETS			<u>277,909</u>		<u>259,336</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			323,120		319,247
CREDITORS					
Amounts falling due after more than one year			(19,587)		(27,590)
PROVISIONS FOR LIABILITIES			<u>(8,554)</u>		<u>(11,383)</u>
NET ASSETS			<u>294,979</u>		<u>280,274</u>
CAPITAL AND RESERVES					
Called up share capital			408		408
Share premium			74,798		74,798
Retained earnings			<u>219,773</u>		<u>205,068</u>
			<u>294,979</u>		<u>280,274</u>

The notes form part of these financial statements

ABRIDGED BALANCE SHEET - continued
31ST MARCH 2021

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) 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.

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

All the members have consented to the preparation of an abridged Balance Sheet for the year ended 31st March 2021 in accordance with Section 444(2A) of the Companies Act 2006.

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 11th November 2021 and were signed on its behalf by:

Mr W Mitchell - Director

Mr J Mitchell - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021**

1. STATUTORY INFORMATION

3R Energy Solutions Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

In light of the situation at the year end regarding COVID-19 the Director has considered the potential impact of the current pandemic on the business. The Director is satisfied that the Company has sufficient cash reserves to meet all financial obligations for the foreseeable future. As a result, the Director believes that the company will continue as a going concern and the accounts have been prepared on this basis.

Significant judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that effect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors are of the opinion there are no matters of significant judgements, estimates or assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Turnover

The company provides services in connection with the development of renewable energy projects. Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue is recognised in the accounting period in which the services are rendered and when the outcome of the contract can be measured reliably.

Tangible fixed assets

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

Improvements	- 25% on reducing balance
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 40% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2021

2. ACCOUNTING POLICIES - continued

Financial assets

Basic financial assets, including trade and other debtors and bank balances, are initially recognised at transaction price.

At the end of each reporting period financial assets measured at cost are assessed for evidence of impairment. Any impairment loss is recognised in the Income and Expenditure Account.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled.

Financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These are classed as current liabilities as payment is due within one year or less. If not they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction, or the HMRC advised rate for the relevant month. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2021

2. ACCOUNTING POLICIES - continued

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 profit or loss in the period to which they relate.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 9 (2020 - 11) .

4. TANGIBLE FIXED ASSETS

	Totals £
COST	
At 1st April 2020	115,847
Additions	<u>655</u>
At 31st March 2021	<u>116,502</u>
DEPRECIATION	
At 1st April 2020	55,936
Charge for year	<u>15,355</u>
At 31st March 2021	<u>71,291</u>
NET BOOK VALUE	
At 31st March 2021	<u>45,211</u>
At 31st March 2020	<u>59,911</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2021

5. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	8,003	8,003
Between one and five years	<u>19,587</u>	<u>27,590</u>
	<u>27,590</u>	<u>35,593</u>
	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	6,540	7,020
Between one and five years	<u>-</u>	<u>240</u>
	<u>6,540</u>	<u>7,260</u>

6. SECURED DEBTS

The following secured debts are included within creditors:

	2021	2020
	£	£
Bank borrowing	-	81,254
Lease & HP contracts	<u>27,590</u>	<u>35,593</u>
	<u>27,590</u>	<u>116,847</u>

Bank borrowing is secured by a bond and floating charge over all of the assets of the company, as well as a personal guarantee provided by Mr W Mitchell, in favour of RBS.

7. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The amount of unpaid contributions at the balance sheet date amounted to £1,922 (2020 - £1,678) and are included in other creditors.

8. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The directors' loan account was not in debit at any time during the year.

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
3R ENERGY SOLUTIONS LIMITED**

The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of 3R Energy Solutions Limited for the year ended 31st March 2021 which comprise the Statement of Income and Retained Earnings, Abridged 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 ICAS, we are subject to its ethical and other professional requirements which are detailed at <http://www.icas.com/accountspreparationguidance>.

This report is made solely to the Board of Directors of 3R Energy Solutions Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of 3R Energy Solutions Limited and state those matters that we have agreed to state to the Board of Directors of 3R Energy Solutions Limited, as a body, in this report in accordance with the requirements of ICAS as detailed at <http://www.icas.com/accountspreparationguidance>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that 3R Energy Solutions Limited 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 3R Energy Solutions Limited. You consider that 3R Energy Solutions 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 financial statements of 3R Energy Solutions 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 financial statements.

JRW
Riverside House
Ladhope Vale
Galashiels
Selkirkshire
TD1 1BT

11th November 2021

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.