

Report of the Directors and
Unaudited Financial Statements for the Year Ended 31 May 2022
for
Lochbroom Community Renewables Ltd

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for the Year Ended 31 May 2022

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Lochbroom Community Renewables Ltd

Company Information
for the Year Ended 31 May 2022

DIRECTORS:

A Kaye
A Osborne
Mrs K Donald
R M Gibson
S Burnett
A Parsons

SECRETARY:

A Parsons

REGISTERED OFFICE:

28 Argyle Street
Ullapool
IV26 2UB

REGISTERED NUMBER:

RS007126 (Scotland)

ACCOUNTANTS:

Mackay & Co CA
3 Fodderty Way
Dingwall
Ross-shire
IV15 9XB

Report of the Directors
for the Year Ended 31 May 2022

The directors present their report with the financial statements of the company for the year ended 31 May 2022.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2021 to the date of this report.

A Osborne
Mrs K Donald
R M Gibson

Other changes in directors holding office are as follows:

A Kaye – appointed 26 November 2021
D Maxwell - resigned 26 May 2022
R MacKenzie - appointed 30 October 2021 - resigned 26 May 2022
S Burnett - appointed 30 October 2021
A Parsons - appointed 26 May 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws and regulations.

The law governing Co-operative and Community Benefit Societies requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company 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 society and of the profit or loss of the society for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the society's financial statements 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 society will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society 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 society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Lochbroom Community Renewables Ltd

Report of the Directors - continued
for the Year Ended 31 May 2022

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

.....
R M Gibson - Director

.....
A Parsons - Director and Secretary

.....
A Kaye - Director

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Lochbroom Community Renewables Ltd

Income Statement
for the Year Ended 31 May 2022

	Notes	31.5.22 £	31.5.21 £
TURNOVER		98,725	87,795
Administrative expenses		<u>48,444</u>	<u>50,435</u>
		50,281	37,360
Other operating income		<u>2,320</u>	<u>-</u>
OPERATING PROFIT	4	52,601	37,360
Interest receivable and similar income		<u>89</u>	<u>240</u>
		52,690	37,600
Interest payable and similar expenses		<u>22,088</u>	<u>24,354</u>
PROFIT BEFORE TAXATION		30,602	13,246
Tax on profit		<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u>30,602</u>	<u>13,246</u>

The notes form part of these financial statements

Balance Sheet
31 May 2022

	Notes	31.5.22		31.5.21	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		729,918		750,704
CURRENT ASSETS					
Debtors	6	16,186		16,379	
Cash at bank		<u>146,967</u>		<u>102,190</u>	
		163,153		118,569	
CREDITORS					
Amounts falling due within one year	7	<u>3,689</u>		<u>2,993</u>	
NET CURRENT ASSETS			<u>159,464</u>		<u>115,576</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>889,382</u>		<u>866,280</u>
CAPITAL AND RESERVES					
Called up share capital			829,550		837,050
Capital redemption reserve			79,490		71,990
Retained earnings			<u>(19,658)</u>		<u>(42,760)</u>
			<u>889,382</u>		<u>866,280</u>

The directors consider that the society is entitled to exemption from audit under section 84 of the Co-operative and Community Benefit Societies Act 2014 ("the Act") and members have not required the society to obtain an audit for the year in question in accordance with the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act 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 Section 1A 'Small Entities' of Financial Reporting Standard 102.

Balance Sheet - continued
31 May 2022

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

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

.....
R M Gibson - Director

.....
A Parsons - Director and Secretary

.....
A Kaye - Director

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Lochbroom Community Renewables Ltd

Statement of Changes in Equity
for the Year Ended 31 May 2022

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 June 2020	895,840	(506)	13,200	908,534
Changes in equity				
Purchase of own shares	(58,790)	-	-	(58,790)
Total comprehensive income	-	(42,254)	58,790	16,536
Balance at 31 May 2021	<u>837,050</u>	<u>(42,760)</u>	<u>71,990</u>	<u>866,280</u>
Changes in equity				
Purchase of own shares	(7,500)	-	-	(7,500)
Total comprehensive income	-	23,102	7,500	30,602
Balance at 31 May 2022	<u>829,550</u>	<u>(19,658)</u>	<u>79,490</u>	<u>889,382</u>

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

The continuing activities of Lochbroom Community Renewables Limited is the development and operation of a hydro-electric scheme.

The society is a private company limited by shares and is incorporated in the United Kingdom and registered in Scotland. It is also registered with the FCA. Details of the registered office can be found on the company information page of these financial statements. The society's registered number is RS007126.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with applicable law and United Kingdom Account Standards including Section 1A 'Small Entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

The preparation of financial statements in compliance with Section 1A 'Small Entities' of FRS 102 requires the use of certain critical accounting estimates. It also requires managements to exercise judgement in applying the company accounting policies.

The directors have considered a period of at least 12 months from the date on which the accounts have been signed and consider that the society can continue to trade for at least this period and consequently these financial statements have been prepared on a going concern basis.

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.

Plant and machinery etc - at varying rates on cost

Taxation

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

Notes to the Financial Statements - continued
for the Year Ended 31 May 2022

2. **ACCOUNTING POLICIES - continued**

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.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was NIL (2021 - NIL).

4. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.5.22	31.5.21
	£	£
Depreciation - owned assets	<u>20,786</u>	<u>20,799</u>

5. **TANGIBLE FIXED ASSETS**

COST

At 1 June 2021
and 31 May 2022

Plant and
machinery
etc
£

830,070

DEPRECIATION

At 1 June 2021
Charge for year

79,366
20,786

At 31 May 2022

100,152

NET BOOK VALUE

At 31 May 2022

729,918

At 31 May 2021

750,704

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.5.22	31.5.21
	£	£
Other debtors	<u>16,186</u>	<u>16,379</u>

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.5.22	31.5.21
	£	£
Taxation and social security	1,689	993
Other creditors	<u>2,000</u>	<u>2,000</u>
	<u>3,689</u>	<u>2,993</u>

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Chartered Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
Lochbroom Community Renewables Ltd

In order to assist you to fulfil your duties under the Co-operative and Community Benefit Societies Act 2014, we have prepared for your approval the financial statements of Lochbroom Community Renewables Limited for the year ended 31 May 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the company's accounting records and from information and explanations you have given to us.

As a member of the the Institute of Chartered Accountants of Scotland (ICAS), we are subject to ethical and other professional requirements which are detailed at <http://icas.com/professional-resources/ethics/icas-code-of-ethics>.

This report is made solely to the Board of Directors of Lochbroom Community Renewable Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Lochbroom Community Renewables Limited and state those matters that we have agreed to state to the Board of Directors of Lochbroom Community Renewables Limited. To the fullest extent permitted by law, we not accept or assume responsibility to anyone other than Lochbroom Community Renewables Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Lochbroom Community Renewables 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 loss of Lochbroom Community Renewables Limited. You consider that Lochbroom Renewables Limited is exempt from the statutory audit requirement for the year.

In our opinion:

- the income statement and balance sheet for the year ended 31 May 2022 are in agreement with the books of account kept by the company under section 75 of the Co-operative and Community Benefit Societies Act 2014;
- having regard to, and on the basis of the information contained in the books of account, the income statement and balance sheet for the year ended 31 May 2022 comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- the company met the financial criteria enabling it to disapply the requirement to have an audit of the accounts for the year specified in section 84 of the Cop-operative and Community Benefit Societies Act 2014.

Mackay & Co CA
3 Fodderty Way
Dingwall
Ross-shire
IV15 9XB

Date:

Lochbroom Community Renewables Ltd

Detailed Profit and Loss Account
for the Year Ended 31 May 2022

	31.5.22		31.5.21	
	£	£	£	£
Turnover				
Sales	33,575		15,395	
Feed in tariff	65,050		63,775	
Member donations	<u>100</u>		<u>8,625</u>	
		98,725		87,795
Other income				
Grants received	2,320		-	
Deposit account interest	<u>89</u>		<u>240</u>	
		2,409		240
		101,134		88,035
Expenditure				
Insurance	6,615		6,421	
Light and heat	467		460	
Telephone	355		355	
Advertising	260		30	
Community benefit admin cost	900		900	
Community benefit donations	10,013		5,000	
Grid connection services	-		194	
Turbine costs	1,850		844	
Lease of land	2,023		2,920	
Sundry expenses	90		-	
Accountancy	2,100		2,099	
Bookkeeping	334		414	
Subscriptions	735		335	
Legal fees	-		9,051	
Depreciation of tangible fixed assets	20,786		20,799	
Project management and consulting	<u>1,800</u>		<u>500</u>	
		48,328		50,322
		52,806		37,713
Finance costs				
Bank charges	116		113	
Shareholder interest payments	<u>22,088</u>		<u>24,354</u>	
		22,204		24,467
NET PROFIT		<u>30,602</u>		<u>13,246</u>

This page does not form part of the statutory financial statements