

**Report of the Directors and
Financial Statements for the Year Ended 30 June 2022**
for
**North Uist Development Company (Trading)
Limited**

**North Uist Development Company (Trading)
Limited**

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for the Year Ended 30 June 2022**

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**North Uist Development Company (Trading)
Limited**

**Company Information
for the Year Ended 30 June 2022**

DIRECTORS:

A Ross
C A MacLeod
C Black

SECRETARY:

A Ross

REGISTERED OFFICE:

Claddach Kirkibost Centre
Isle of North Uist
HS6 5EP

REGISTERED NUMBER:

RS007738 (Scotland)

AUDITORS:

Chiene + Tait LLP (trading as CT)
Fairways House
Fairways Business Park
Inverness
Highland
IV2 6AA

**North Uist Development Company (Trading)
Limited**

**Report of the Directors
for the Year Ended 30 June 2022**

The directors present their report with the financial statements of the company for the year ended 30 June 2022.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the operation of wind turbines.

DIRECTORS

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

A Ross
C A MacLeod
C Black

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company 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 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 company and of the profit or loss of the company 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, CT, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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:


C A MacLeod - Director

Date: 5-8-23

**Report of the Independent Auditors to the Members of
North Uist Development Company (Trading)
Limited**

Opinion

We have audited the financial statements of North Uist Development Company (Trading) Limited (the 'company') for the year ended 30 June 2022 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its profit 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 Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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 prescribed by the Companies Act 2006

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

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

**Report of the Independent Auditors to the Members of
North Uist Development Company (Trading)
Limited**

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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 company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the company's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying support documentation;
- we have reviewed journal entries for large and unusual entries and for evidence of management override of controls;
- enquiries of management;
- review of Board minutes throughout the year; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

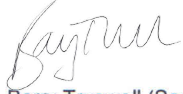
There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditors-responsibilities. This description forms part of our auditor's report.

Report of the Independent Auditors to the Members of
North Uist Development Company (Trading)
Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Barry Truswell (Senior Statutory Auditor)
for and on behalf of CT
Fairways House
Fairways Business Park
Inverness
Highland
IV2 6AA

Date: 7. August 2023.....

North Uist Development Company (Trading)
Limited

Income Statement
for the Year Ended 30 June 2022

	Notes	Year Ended 30.6.22 £	Period 1.4.20 to 30.6.21 as restated £
TURNOVER		498,460	524,523
Administrative expenses		<u>211,679</u>	<u>274,999</u>
		286,781	249,524
Other operating income		<u>3,260</u>	<u>4,000</u>
OPERATING PROFIT	5	290,041	253,524
Interest receivable and similar income		<u>790</u>	<u>1,952</u>
		290,831	255,476
Interest payable and similar expenses		<u>148,659</u>	<u>181,661</u>
PROFIT BEFORE TAXATION		142,172	73,815
Tax on profit	6	<u>52,184</u>	<u>34,930</u>
PROFIT FOR THE FINANCIAL YEAR		<u>89,988</u>	<u>38,885</u>

The notes form part of these financial statements

**North Uist Development Company (Trading)
Limited (Registered number: RS007738)**

**Balance Sheet
30 June 2022**

		30.6.22		30.6.21 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8		2,335,882		2,461,210
CURRENT ASSETS					
Debtors	9	200		-	
Prepayments and accrued income		82,605		112,239	
Cash at bank		<u>1,281,837</u>		<u>1,132,361</u>	
		1,364,642		1,244,600	
CREDITORS					
Amounts falling due within one year	10	<u>800,810</u>		<u>183,530</u>	
NET CURRENT ASSETS			<u>563,832</u>		<u>1,061,070</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,899,714		3,522,280
CREDITORS					
Amounts falling due after more than one year	11		(1,992,741)		(2,730,414)
PROVISIONS FOR LIABILITIES	14		(161,521)		(109,487)
ACCRUALS AND DEFERRED INCOME			<u>(102,465)</u>		<u>(129,379)</u>
NET ASSETS			<u>642,987</u>		<u>553,000</u>
CAPITAL AND RESERVES					
Called up share capital	15		453,850		453,850
Other reserves	16		-		1
Turbine constraint reserve	16		35,000		35,000
Retained earnings	16		<u>154,137</u>		<u>64,149</u>
SHAREHOLDERS' FUNDS			<u>642,987</u>		<u>553,000</u>

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 5/8/2023 and were signed on its behalf by:


C A MacLeod - Director

The notes form part of these financial statements

**North Uist Development Company (Trading)
Limited**

**Notes to the Financial Statements
for the Year Ended 30 June 2022**

1. STATUTORY INFORMATION

North Uist Development Company (Trading) Limited is a Community Benefit Society registered under the Co-operative and Community Benefit Societies Act 2014 and regulated by the Financial Conduct Authority (FCA).

The Society's Mutuals Public registered number and registered office address can be found on the Society Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The financial statements are rounded to the nearest £1.

2. STATEMENT OF COMPLIANCE

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 Co-operative and Community Benefit Societies Act 2014..

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

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 for the company wind turbine is provided at the 5% straight line, in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Financial instruments

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

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.

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.

Going concern

The company depends on its existing group bank facilities to meet its day to day working capital requirements. The company expects to be able to operate within these facilities for the foreseeable future.

**North Uist Development Company (Trading)
Limited**

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2022**

4. EMPLOYEES AND MANAGEMENT COMMITTEE

The average number of employees during the year was 1 (2021 - NIL).

One employee commenced employment with the company in March 2022.

Wage costs totalling £3,808 were paid during the year.

5. OPERATING PROFIT

The operating profit is stated after charging:

	Year Ended 30.6.22	Period 1.4.20 to 30.6.21 as restated
	£	£
Depreciation - owned assets	<u>137,297</u>	<u>169,383</u>

6. TAXATION

Analysis of the tax charge

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

	Year Ended 30.6.22	Period 1.4.20 to 30.6.21 as restated
	£	£
Current tax:		
UK corporation tax	150	-
Deferred tax	<u>52,034</u>	<u>34,930</u>
Tax on profit	<u>52,184</u>	<u>34,930</u>

UK corporation tax has been charged at 19%.

7. PRIOR YEAR ADJUSTMENT

During the preparation of the accounts for the year ended 30 June 2022, it was identified that a loan balance of £35,983 had been incorrectly accounted for as being due to another entity. This balance has been adjusted against opening profit & loss reserves at 01 July 2020.

North Uist Development Company (Trading)
Limited

Notes to the Financial Statements - continued
for the Year Ended 30 June 2022

8.	TANGIBLE FIXED ASSETS		Wind turbines £
	COST		
	At 1 July 2021		2,710,132
	Additions		<u>11,969</u>
	At 30 June 2022		<u>2,722,101</u>
	DEPRECIATION		
	At 1 July 2021		248,922
	Charge for year		<u>137,297</u>
	At 30 June 2022		<u>386,219</u>
	NET BOOK VALUE		
	At 30 June 2022		<u>2,335,882</u>
	At 30 June 2021		<u>2,461,210</u>
9.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	30.6.22	30.6.21 as restated
	Trade debtors	£ <u>200</u>	£ <u>-</u>
10.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	30.6.22	30.6.21 as restated
	Bank loans and overdrafts	£ 120,000	£ 119,061
	Trade creditors	4,243	-
	Taxation and social security	22,605	36,860
	Other creditors	<u>653,962</u>	<u>27,609</u>
		<u>800,810</u>	<u>183,530</u>
11.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	30.6.22	30.6.21 as restated
	Bank loans	£ 1,992,741	£ 2,110,000
	Other creditors	-	<u>620,414</u>
		<u>1,992,741</u>	<u>2,730,414</u>
	Amounts falling due in more than five years:		
	Repayable by instalments		
	Bank loans more 5 yr by instal	1,465,000	1,603,000
	Other loans more 5yrs instal	-	<u>525,933</u>
		<u>1,465,000</u>	<u>2,128,933</u>

**North Uist Development Company (Trading)
Limited**

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2022**

12. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	30.6.22	30.6.21 as restated
	£	£
Within one year	9,611	8,936
Between one and five years	38,444	35,746
In more than five years	<u>350,805</u>	<u>330,649</u>
	<u>398,860</u>	<u>375,331</u>

The rent payable during the term of the lease is calculate by both base and variable rent. The term of the lease also has two defined periods.

The base rent for the first period due to 11/01/33 is the higher of (i) £3,600 per annum index linked and (ii) £4,000 index linked per megawatt of installed capacity.

The base rent for the second period due from 12/01/33 to expiry date of 11/01/49 is the higher of (i) of £7,200 per annum index linked and (ii) £8,000 index linked per megawatt of installed capacity.

The base rent commitment disclosed above has been calculated by using the most recent issued based rent figure, with no adjustment for future indexation, as this is currently unknown.

The variable rent due on the lease has not been provided for and is based on the number of megawatt hours of electricity produced by the turbines on the property in each year of the lease multiplied by (i) during the first period by the sum of £2.75 per MWh index linked and (ii) during the second period the sum of £4.50 per MWh index linked.

13. SECURED DEBTS

The following secured debts are included within creditors:

	30.6.22	30.6.21 as restated
	£	£
Bank loans	2,112,741	2,229,061
Other loans	<u>653,780</u>	<u>640,023</u>
	<u>2,766,521</u>	<u>2,869,084</u>

The Society have agreed to borrow funds from Triodos Bank N.y. and Scottish Enterprise (as administrator of he Energy Investment Fund) in order to fund the development of its Community Wind Farm in North Uist.

In doing so it has granted the following security to the lenders:

1. Standard Security over the Lease of the project site at Illeray and Claddach Illeray, Isle of North Uist in favour of Triodos Bank N.V.
2. Bond and Floating Charge in favour of Triodos Bank N.V.
3. Standard Security over the Lease of the project site at Illeray and Claddach Illeray, Isle of North Uist in favour of Scottish Enterprise (as administrator of the Energy Investment Fund).
4. Bond and Floating Charge in favour of Scottish Enterprise (as administrator of the Energy Investment Fund).

Triodos Bank N.V rank in all respects in priority to Scottish Enterprise (as administrator of the Energy Investment Fund).

On 14 July 2022 the company repaid the balance of the Energy Investment Fund loan.

**North Uist Development Company (Trading)
Limited**

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2022**

14.	PROVISIONS FOR LIABILITIES	30.6.22	30.6.21 as restated
		£	£
	Deferred tax	86,964	34,930
	Other provisions	<u>74,557</u>	<u>74,557</u>
		<u>161,521</u>	<u>109,487</u>
			Deferred tax
			£
	Balance at 1 July 2021		34,930
	Charge to Income Statement during year		<u>52,034</u>
	Balance at 30 June 2022		<u>86,964</u>
15.	CALLED UP SHARE CAPITAL		
	Allotted, issued and fully paid:		
	Number: Class:	Nominal value:	30.6.22 30.6.21 as restated
			£ £
	453,850 Ordinary	1	<u>453,850</u> <u>453,850</u>
16.	RESERVES		
		Retained earnings £	Other reserves £
			Turbine constraint reserve £
			Totals £
	At 1 July 2021	64,149	1 35,000 99,150
	Profit for the year	89,988	89,988
	Transfer to retained earnings	<u>-</u>	<u>(1)</u> - (1)
	At 30 June 2022	<u>154,137</u>	<u>-</u> <u>35,000</u> <u>189,137</u>

Following a review of the accounting system it was identified the £1 recorded in other reserves related to an entry in the company accounting system when the company's legal status changed to a community benefit society. This balance has been adjusted to the company's retained earnings.

17. **OTHER FINANCIAL COMMITMENTS**

Smart Energisation Contract

The company has committed to install smart energisation equipment. The costs associated with the installation of the equipment is £35,776.

Technical Asset Management Contract

The company has a technical asset management contract which is due to expire in August 2024. The remaining commitment is estimated to be £25,525.

Turbine Maintenance Contract

The company has an annual maintenance contract for two wind turbines which is due to expire in February 2034.

The cost of the annual maintenance contract is calculated, using several variables such as the service contract price, energy yield MWH and price per MWH. These variables change each accounting period, and the committed amount over the contract cannot therefore be calculated.

The maintenance contract for the year ended 17/09/23 was £33,799.

**North Uist Development Company (Trading)
Limited**

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2022**

18. RELATED PARTY DISCLOSURES

Provision has been made in the financial statements to provide the shareholders of the Community Share Capital, totalling £453,850, a 4% interest payment.

**North Uist Development Company (Trading)
Limited**

**Detailed Profit and Loss Account
for the Year Ended 30 June 2022**

	Year Ended 30.6.22		Period 1.4.20 to 30.6.21 as restated	
	£	£	£	£
Turnover				
Sales	423,785		431,148	
Feed in Tariff	42,791		82,016	
GDUOS income	<u>31,884</u>		<u>11,359</u>	
		498,460		524,523
Other income				
Donations	60		-	
Government grants	3,200		4,000	
Deposit account interest	<u>790</u>		<u>1,952</u>	
		<u>4,050</u>		<u>5,952</u>
		502,510		530,475
Expenditure				
Land rent	12,825		40,803	
Storage	120		-	
Insurance	8,851		9,041	
Energy import	109		1,674	
Meter & Data Collection	216		522	
Wages	3,808		-	
Company mobile	222		254	
Post and stationery	4,195		35	
Repairs and renewals	15,634		-	
HV Inspection	1,350		1,125	
NMK Service fee	2,772		-	
Fraud	(16,785)		15,136	
Data protection fee	75		-	
Accountancy	6,167		6,538	
Bookkeeping	880		670	
Asset Management	11,795		13,225	
Financial modelling services	(950)		5,900	
Professional fees	3,500		-	
Advertising	<u>2,702</u>		<u>1,000</u>	
		<u>57,486</u>		<u>95,923</u>
		445,024		434,552
Finance costs				
Bank charges	6,887		9,693	
HMRC fines & penalties	10,009		-	
Bank interest	-		3	
Bank loan interest	83,121		109,737	
Loan	47,384		53,767	
Interest on community shares	<u>18,154</u>		<u>18,154</u>	
		<u>165,555</u>		<u>191,354</u>
		279,469		243,198
Depreciation				
Depn of turbines		<u>137,297</u>		<u>169,383</u>
NET PROFIT		<u><u>142,172</u></u>		<u><u>73,815</u></u>

This page does not form part of the statutory financial statements