

**NORTH UIST DEVELOPMENT COMPANY (TRADING)
LIMITED**

Report of the Directors and

Audited Financial Statements for the Year Ended 31 March 2020

Mann Judd Gordon Ltd
Registered Auditors &
Chartered Accountants
26 Lewis Street
Stornoway
Isle of Lewis
HS1 2JF

NORTH UIST DEVELOPMENT COMPANY (TRADING) LIMITED

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for the Year Ended 31 March 2020**

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NORTH UIST DEVELOPMENT COMPANY (TRADING) LIMITED

**Company Information
for the Year Ended 31 March 2020**

MANAGEMENT COMMITTEE: M Hocine - Chair
C A Macleod - Co-Chair
A Ross - Secretary
S Kemp - Treasurer
C Black
A Macleod
A Pendle

SECRETARY: A Ross

REGISTERED OFFICE: Claddach Kirkibost Centre
Claddach Kirkibost
Isle of North Uist
Western Isles
HS6 5EP

MUTUALS PUBLIC REGISTER NUMBER: RS007738

AUDITORS: Mann Judd Gordon Ltd
Registered Auditors &
Chartered Accountants
26 Lewis Street
Stornoway
Isle of Lewis
HS1 2JF

NORTH UIST DEVELOPMENT COMPANY (TRADING) LIMITED

Report of the Management Committee for the Year Ended 31 March 2020

The Management Committee present their report with the financial statements of the Society for the year ended 31 March 2020.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the development and operation of a community wind farm in North Uist.

DIRECTORS

The Management Committee members shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

A Ross
M Hocine
Mrs C A Macleod

Other changes in committee members holding office are as follows:

S Kemp	- appointed 28 September 2019
C Black	- appointed 28 September 2019
A Macleod	- appointed 28 September 2019
Mrs P Macpherson	- appointed 28 September 2019 - resigned 7 January 2020
N Dunn	- appointed 28 September 2019 - resigned 17 February 2020
A Pendle	- appointed 28 September 2019

STATEMENT OF MANAGEMENT COMMITTEE RESPONSIBILITIES

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

The Co-operative and Community Benefit Society Act 2014 requires the Management Committee to prepare financial statements for each financial year. Under that law the Management Committee have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under The Co-operative and Community Benefit Society Act 2014 the Management Committee 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 Management Committee 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 Society will continue in business.

The Management Committee 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Management Committee is aware, there is no relevant audit information of which the Society's auditors are unaware, and each Management Committee Member has taken all the steps that he or she ought to have taken as a Management Committee Member in order to make himself or herself aware of any relevant audit information and to establish that the Society's auditors are aware of that information.

AUDITORS

The auditors, Mann Judd Gordon Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

NORTH UIST DEVELOPMENT COMPANY (TRADING) LIMITED

**Report of the Directors
for the Year Ended 31 March 2020**

ON BEHALF OF THE BOARD:

.....
A Ross - Secretary

30 October 2020

Subject of Audit

**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 'society') for the year ended 31 March 2020 comprise Profit and Loss Account, 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 society's affairs as at 31 March 2020 and of its income and expenditure 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 Co-operative and Community Benefit Societies Act 2014.

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 Society 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the committee of management's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the committee of management has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the society's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The committee of management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the society and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Management Committee.

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the society has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the society's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of Management Committee

As explained more fully in the Management Committee's responsibilities statement, the Management Committee is 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 it determines is 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 Management Committee is responsible for assessing the society'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 Management Committee either intends to liquidate the society or to cease operations, or has 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 a Report of the Auditors 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.

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/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the society's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

John E Moffat BA FCA (Senior Statutory Auditor)
for and on behalf of Mann Judd Gordon Ltd
Registered Auditors &
Chartered Accountants
26 Lewis Street
Stornoway
Isle of Lewis
HS1 2JF

Date:

NORTH UIST DEVELOPMENT COMPANY (TRADING) LIMITED

**Profit and Loss Account
for the Year Ended 31 March 2020**

		31.3.20	31.3.19 (Unaudited)
	Notes	£	£
TURNOVER		222,831	-
Administrative expenses		<u>121,839</u>	<u>35,379</u>
		100,992	(35,379)
Other operating income		<u>37,613</u>	<u>4,943</u>
OPERATING PROFIT/(LOSS)	5	138,605	(30,436)
Interest receivable and similar income		<u>33</u>	<u>66</u>
		138,638	(30,370)
Interest payable and similar expenses		<u>66,609</u>	<u>-</u>
PROFIT/(LOSS) BEFORE TAXATION		72,029	(30,370)
Tax on profit/(loss)		<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u><u>72,029</u></u>	<u><u>(30,370)</u></u>

The notes form part of these financial statements

Balance Sheet
31 March 2020

	Notes	31.3.20		31.3.19 (Unaudited)	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		2,665,129		986,219
CURRENT ASSETS					
Debtors	7	155,844		163,816	
Cash at bank		<u>983,436</u>		<u>307,551</u>	
		1,139,280		471,367	
CREDITORS					
Amounts falling due within one year	8	<u>275,527</u>		<u>365,714</u>	
NET CURRENT ASSETS			<u>863,753</u>		<u>105,653</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,528,882		1,091,872
CREDITORS					
Amounts falling due after more than one year	9		(2,914,060)		(646,769)
PROVISIONS FOR LIABILITIES			(74,557)		-
ACCRUALS AND DEFERRED INCOME			<u>(62,133)</u>		<u>(39,000)</u>
NET ASSETS			<u><u>478,132</u></u>		<u><u>406,103</u></u>
CAPITAL AND RESERVES					
Called up share capital	11		453,850		453,850
Other reserves	12		1		1
Turbine constraint reserve	12		24,281		-
Retained earnings	12		<u>-</u>		<u>(47,748)</u>
SHAREHOLDERS' FUNDS			<u><u>478,132</u></u>		<u><u>406,103</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 October 2020 and were signed on its behalf by:

.....
M Hocine - Chair

.....
C A Macleod – Co-Chair

NORTH UIST DEVELOPMENT COMPANY (TRADING) LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2020

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.

Going Concern

The Society is a going concern and there are no material uncertainties casting significant doubt over its ability to continue as a going concern.

Significant judgements and estimates

Fixed asset net book value and depreciation charges are the areas of the accounts which are affected by significant judgements and estimates. The management committee exercise judgement in determining both the useful economic life and the likely residual value of the company's assets. This judgement affects the rates of and charge for depreciation in the accounts for the year. It also therefore affects the net book value of the assets in the balance sheet.

Turnover

Turnover is derived from the export of electricity, 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 the cost less estimated residual value of each asset over its estimated useful life.

Windfarm Development - Depreciation has been charged from date of operation on the basis of straight line depreciation over the 20 years specified in the lending agreement from Triodos.

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Government grants

Income from government and other grants, whether capital grants or revenue grants, is recognised when the Society has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

NORTH UIST DEVELOPMENT COMPANY (TRADING) LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 March 2020

3. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss 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.

Debtors and creditors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions are recognised where the Society has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Turbine constraint reserve

The Management Committee acknowledge that there is the potential for the turbines to be constrained in their operation for periods in an operational year. Such constraints reduce income and therefore increase pressure on cashflow required to meet repayments to lenders.

In order to ensure that such difficulties do not arise the Management Committee have decided that a reserve be set up, in addition to those required by lenders, equal to the sum of one months energy export income.

In the period to March 2020 this sum would equate to £40,000, based on average monthly production.

However as retained profits are £24,282, the reserve in the accounts to 31 March 2020 has been set at £24,282.

This reserve will be reviewed and adjusted annually.

4. EMPLOYEES AND MANAGEMENT COMMITTEE

The average number of employees during the year was NIL (2019 - NIL).

5. OPERATING PROFIT/(LOSS)

The operating profit (2019 - operating loss) is stated after charging:

	31.3.20	31.3.19 (Unaudited)
	£	£
Depreciation - owned assets	<u>79,539</u>	<u>-</u>

NORTH UIST DEVELOPMENT COMPANY (TRADING) LIMITED

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

6. TANGIBLE FIXED ASSETS

		Windfarm Development £
COST		
At 1 April 2019		986,219
Additions		<u>1,758,449</u>
At 31 March 2020		<u>2,744,668</u>
DEPRECIATION		
Charge for year		<u>79,539</u>
At 31 March 2020		<u>79,539</u>
NET BOOK VALUE		
At 31 March 2020		<u><u>2,665,129</u></u>
At 31 March 2019		<u><u>986,219</u></u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20	31.3.19 (Unaudited)
	£	£
Other debtors	<u>155,844</u>	<u>163,816</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20	31.3.19 (Unaudited)
	£	£
Bank loans	113,952	-
Trade creditors	115,718	104,307
Other creditors	<u>45,857</u>	<u>261,407</u>
	<u>275,527</u>	<u>365,714</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.20	31.3.19 (Unaudited)
	£	£
Bank loans	2,258,195	-
Other creditors	<u>655,865</u>	<u>646,769</u>
	<u>2,914,060</u>	<u>646,769</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans more 5 yr by instal	<u>1,778,555</u>	<u>-</u>

NORTH UIST DEVELOPMENT COMPANY (TRADING) LIMITED

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

10. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.20	31.3.19 (Unaudited)
	£	£
Bank loans	2,372,147	-
Scottish Enterprise	<u>619,881</u>	<u>575,095</u>
	<u><u>2,992,028</u></u>	<u><u>575,095</u></u>

The Society have agreed to borrow funds from Triodos Bank N.V. and Scottish Enterprise (as administrator of the 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).

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	31.3.20	31.3.19
Number:	Class:	£1	£	£
453,850	Community	£1	<u>453,850</u>	<u>453,850</u>

12. RESERVES

	Retained earnings £	Other reserves £	Turbine constraint reserve £	Totals £
At 1 April 2019	(47,748)	1	-	(47,747)
Profit for the year	72,029			72,029
Transfer to Turbine constraint reserve	<u>(24,281)</u>	<u>-</u>	<u>24,281</u>	<u>-</u>
At 31 March 2020	<u><u>-</u></u>	<u><u>1</u></u>	<u><u>24,281</u></u>	<u><u>24,282</u></u>

NORTH UIST DEVELOPMENT COMPANY (TRADING) LIMITED

**Detailed Profit and Loss Account
for the Year Ended 31 March 2020**

	31.3.20		31.3.19	
	£	£	£	£
Energy Export		222,831		-
Other income				
Sundry receipts	-		10	
Other Revenue grants	20,748		-	
Government grants	-		4,933	
GDUOS Income	16,865		-	
Deposit account interest	33		66	
		<u>37,646</u>		<u>5,009</u>
		260,477		5,009
Expenditure				
Insurance	4,312		-	
Light and heat	3,042		-	
Staff expenses	744		-	
Telephone	145		-	
Advertising	4,788		-	
Rent	11,985		-	
Subscriptions & computer costs	545		307	
Sundry expenses	942		-	
Accountancy	5,000		500	
Administration charges	1,101		15,000	
Share issue costs	-		19,514	
Consultancy fees	5,644		-	
Legal fees	736		-	
		<u>38,984</u>		<u>35,321</u>
		221,493		(30,312)
Finance costs				
Bank charges	5,183		58	
Bank interest	1,862		-	
Bank loan interest	41,704		-	
Loan	23,043		-	
		<u>71,792</u>		<u>58</u>
		149,701		(30,370)
Depreciation				
Plant and machinery	79,539		-	
Deferred grant release	(1,867)		-	
		<u>77,672</u>		<u>-</u>
NET PROFIT/(LOSS)		<u>72,029</u>		<u>(30,370)</u>

This page does not form part of the statutory financial statements