

REGISTERED COMPANY NUMBER: SC333698 (Scotland)  
REGISTERED CHARITY NUMBER: SC039673

**REPORT OF THE TRUSTEES AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022  
FOR  
COMMUNITY ENERGY SCOTLAND LIMITED**

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**CHAIR'S REPORT**  
**for the year ended 31 March 2022**

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Community Energy Scotland (CES) can report another year of success for our organisation as we continued our work with communities and partners to support, promote and represent the community energy sector and champion the role of community-led action in the transition to a low-carbon future.

Our four strategic priorities continued to guide our work in the last year:

**Increasing community understanding and influence:** for the first time CES assumed project management of the UK Community Energy State of the Sector research programme. The report aims to describe how and why the sector is changing, highlights its potential, and provides a strong evidence base to encourage policy-makers and other stakeholders to create a more supportive policy landscape for community energy at local, regional and national level. This was the second year that Scottish data was collected and these valuable insights will enable us to better understand the progress of community energy in Scotland and enable us to support and advocate for our members.

**Increasing community ownership, control & benefits:** we continued our technical support of Community Power Outer Hebrides, Community Power Orkney and the project development via the Orkney Reflex project. In terms of policy engagement, we submitted responses to the Scottish Government's Offshore Wind statement and Heat in Buildings strategy, as well as Ofgem's Access and Forward Looking Charges consultation. In all cases we continued to emphasise the role of community energy in the energy transition, highlighting the economic and social benefits of locally owned and controlled energy.

**Control energy costs and reduce fossil fuel use:** work began on two new exciting projects. The Uist Local Energy Plan, delivered by a partnership between North Uist Development Company, Community Energy Scotland and Coimhearsnachd Bharraigh agus Bhatarsaigh, accesses a wealth of local island expertise in community energy. The plan enables the local community to look at its existing and future energy needs (in terms of power, heat and transport) and state where it sees priorities for action. Another new project, N76 Energy in Motion, supports communities throughout the Nith Valley region to develop low carbon community transport initiatives. The first year focused on community consultation and capacity building; including baseline data gathering and local transport plans produced with each participating community.

**Make CES sustainable & more effective:** CES completed our membership review in our efforts to build a stronger network among our membership. In recognition of those who do not represent a constituted community organisation, we introduced our new 'Supporter' membership tier. This is open to anyone with an interest in our work i.e. students, individuals, businesses, and other registered organisations, allowing us to raise awareness of our work more widely. We received a further distribution of £100,000 from the Fishermen Three windfarm (jointly owned with Berwickshire Housing Association) via our trading arm, Community Energy Scotland Trading Limited, with £75,000 passed through to CES to support project development and delivery.

Dr Philip Revell  
CES Chair



# COMMUNITY ENERGY SCOTLAND LIMITED

## REPORT OF THE TRUSTEES for the year ended 31 March 2022

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### REFERENCE AND ADMINISTRATIVE DETAILS

**Registered Company number**

SC333698 (Scotland)

**Registered Charity number**

SC039673

**Registered office**

Community Energy Scotland Limited  
67A Castle Street  
Inverness  
IV2 3DU

**Trustees**

A C G Hardie  
D M G Boyd  
D R Somervell  
Dr P Revell  
Dr A C Pinker  
F L Atherley  
G Hurding  
Dr A Camps  
C A MacDonald  
C M Bell

(appointed 17 December 2021)  
(resigned 17 December 2021)

**Company Secretary**

Mrs L K Walker-Knowles

**Auditors**

MacKenzie Kerr Limited  
Chartered Accountants and  
Statutory Auditor  
Redwood  
19 Culduthel Road  
Inverness  
IV2 4AA

**Chief executive**

Z Holliday  
Dr J P Foggie  
N L Gubbins

(appointed 10 October 2022)  
(resigned 11 February 2022)  
(resigned 20 April 2021)

**REPORT OF THE TRUSTEES**  
**for the year ended 31 March 2022**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

Community Energy Scotland (CES) is an independent Scottish charity. Community Energy Scotland was set up to help communities cut their energy costs, reduce their carbon footprint and generate new sources of income through using renewable energy technologies.

CES continues to complete its aims and objectives in project work and in partnership. The RIPEET – Responsible Research and Innovation Policy Experimentations for Energy Transition project, which has been awarded Horizon 2020 funding, is led by the Austrian Centre for Social Innovation and has 11 partners in total from across the EU, including Highlands and Islands Enterprise (HIE). It seeks to create a smarter approach to applying innovations driven by scientific research, which takes account of how the real world / society operates, based on geographical territories within which characteristic 'ecosystems' of people / organisations operate. The Highlands and Islands is one of three territories covered by the project, the other two are Extremadura (Spain) and Ostrobothnia (Finland).

Scottish Power Energy Networks: – CES was commissioned by SPEN to assist in the development of the Community Energy Strategy, which involved a mix of background development work, liaison with SPEN staff and stakeholder groups and Community Energy England (CEE) & Community Energy Wales (CEW). The completed community energy strategy was included as an appendix to SPEN's RIIO ED2 business plan for operating its distribution network which is currently being reviewed by Ofgem. The strategy will enable SPEN to understand the unique issues and challenges faced by the sector across their licence areas and provide them with a framework within they can measure their impact. This strategic approach will highlight how community energy can be a key partner to SPEN in the transition to a more flexible, low carbon network.

'Community Energy England have commissioned a Community Energy UK State of the Sector report (SotS) over the last few years to provide a reference point for policy action & influence, mostly targeted at the UK Government. CES have contributed information in the past but have not taken a full role in the work, mainly because the Scottish Government commissioned the Energy Savings Trust to provide an annual 'Local and Community Energy' report for Scotland. As a consequence, the SotS report has not really had full UK coverage. Closer working links between CEE and CEW over the last couple of years, and recognition that Scottish Government reporting does not disaggregate community' and 'local' energy datasets, led to CES taking on the role of full delivery partner, undertaking the research and producing the report on behalf of the three organisations in 2021.

During 2021-22 the reach of CES on a UK level and on a European level through RIPEET and SMILE has been developed and consolidated. Further work to ensure stability for CES and wider reach and impact will form the direction for the next 3 year business plan.

Community Energy Scotland Limited as a parent charity holds two investments, the first investment is a 100% shareholding in a subsidiary undertaking, Community Energy Scotland Trading Limited. The subsidiary's profit for the year amounted to £140,895 (2021 – loss £4,648) and its net assets at 31 March 2022 were £133,645 (2021 – net liabilities £7,250). The second investment is a 100% shareholding in Community Energy Innovations Limited. Community Energy Innovations Limited was incorporated on 8 July 2016 and has not yet commenced trading.

The company has met its charitable aims in the current period by continuing to provide funding and support to communities to develop sustainable energy projects.

**Membership:**

The fees for membership are as follows:

Community Membership Entry Level	free
Associate Membership Business, Public Sector	£based on turnover
Associate Membership Academic	£150 annually
National charity	£50 annually
Associate Membership Individual	£30 annually

To become a member, applicants can complete an online application form which can be accessed on the Community Energy Scotland website at:

<https://www.communityenergyscotland.org.uk/membership>

**REPORT OF THE TRUSTEES**  
for the year ended 31 March 2022

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**STRATEGIC REPORT**

**Financial review**

*Financial position*

With a more challenging funding environment for community energy projects, the scale of restricted funds under management reduced from the previous year, focused around a smaller number of key partnership projects. Unfunded charitable activity and project bid preparation resulted in an end of year trading deficit.

*Principal funding sources*

The main funding sources of the company were from the delivery of the Innovate UK (ReFLEX Project), Responsible Research and Innovation Policy Experimentations for Energy Transition, Heat Pumps Plus, Adapt and Thrive and the N76 project.

*Investment policy and objectives*

The directors have the authority to invest the monies of the charity not immediately required for its purposes as they see fit for the benefit of the charity. The company has a subsidiary company, Community Energy Scotland Trading Limited, which manages a small wind turbine portfolio and is a partner in Berwickshire Community Renewables LLP (BCR). The subsidiary sells electricity to the Grid and Gift Aids its profits to the charity to provide funding to support its activities. The company owns all 100 ordinary shares in the company which were purchased at par. Any surplus funds are currently held as cash.

*Reserves policy*

The company requires a level of reserves to be built up to ensure financial stability in the event that major contracts are not renewed. This would enable the company to continue for a period whilst new contracts were sought. The trustees have examined the charity's requirements for reserves in light of the nature of the charity's work and the trustees have decided that a prudent reserve is equivalent to one month's total running costs of £52,000. The absolute risk reserve should not drop below £30,000. The remaining cash reserves would be held as 'unallocated reserves' for use in easing cash flow or for other purposes as the trustees decide.

**Future plans**

With significant changes in the policy environment, it is becoming more difficult for community groups to take forward renewable energy projects. On the other hand, there remains great potential to help communities benefit from their renewable energy resources and the 'Smart Energy' agenda will create new opportunities for this to happen. CES, owing to its innovative work on local energy solutions, is well placed to help make this happen and will strengthen its role in this area. CES will continue to evolve in response to community group requirements and wider policy developments.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document and members' liability**

The organisation is a charitable company limited by guarantee, incorporated on 9 November 2007 and registered as a charity on 30 June 2008. It is governed by its Memorandum and Articles of Association. In the event of the charity being wound up, each member is liable to pay a maximum of £1 to the charity to cover any shortfall of assets.

The company's operating area is primarily Scotland but it is authorised under its objectives to operate in any other location the trustees may from time to time determine as appropriate.

**Recruitment, appointment and training of trustees**

The trustees in office at the end of the period are listed on page two. At its AGM on 17 December 2021, the co-opted directors Angus Hardie, David Somervell, Gillian Hurdling and Annabel Pinker stood down as required by the constitution. Elected directors Philip Revell, Carola Bell and Ameena Camps stood down as required by the constitution. There were three vacancies for elected directors. A nomination had been received for Calum Macdonald of Point and Sandwick Development Trust. As no election was necessary, all nominees were duly elected, Philip Revell, Ameena Camps and Calum Macdonald.

The directors of the company are also the charity trustees for the purposes of the charity. Potential new trustees are nominated for election by community members at the Annual General Meeting. New trustees are provided with the Office of the Scottish Charity Regulator booklet - Guidance for Charity Trustees - "Acting with care and diligence".

**Organisational structure**

The management structure comprises the trustees and secretary detailed on page four. The trustees make strategic decisions as and when required and the day-to-day operations are managed by the Chief Executive (CEO). N L Gubbins resigned as CEO at the end of April 2021 and Dr J P Foggie was appointed as the new CEO. Dr J P Foggie subsequently resigned on 11 February 2022. Victoria Mackay and Rona Mackay were appointed as acting CEOs until 10 October 2022 when Zoe Holliday was appointed as the new Chief Executive.

The company has two subsidiary companies, Community Energy Scotland Trading Limited which started undertaking activities in 2012 and Community Energy Innovations Limited which has not yet commenced trading.

**REPORT OF THE TRUSTEES**  
**for the year ended 31 March 2022**

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**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Community Energy Scotland Limited for the purposes of company law) are responsible for preparing 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".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 9 December 2022 and signed on the board's behalf by:

.....  
Dr Philip Revell - Trustee



### **Opinion**

We have audited the consolidated financial statements of Community Energy Scotland Limited comprising the Consolidated Statement of Financial Activities, the Parent Charity Statement of Financial Activities, the Consolidated Balance Sheet, the Parent Charity Balance Sheet, the Consolidated Cash Flow Statement, the Parent Charity Cash Flow Statement and notes to the consolidated 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable group's and charitable company's affairs as at 31 March 2022 and of the charitable group's and charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 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 charitable 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 trustees' 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 Charity'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 responsibility of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent 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 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.

### **Opinion 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 Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees 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 trustees determine 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 trustees are responsible for assessing the charitable group's and charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Our 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 Independent 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

*Identifying and assessing risks related to irregularities:*

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006 and UK Tax legislation. (See below).

*Audit response to risks identified:*

We considered the extent of compliance with these laws and regulation as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the Responsible Individual (RI) drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriate journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the RI's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF COMMUNITY ENERGY SCOTLAND LIMITED - CONTINUED

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There are inherent limitations in the audit procedures described above 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. Also, 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 or intentional misrepresentations, or through collusion

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the trustees those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Sanderson Bsc (Hons) CA (Senior Statutory Auditor)  
for and on behalf of MacKenzie Kerr Limited  
Chartered Accountants and  
Statutory Auditor  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
Redwood  
19 Culduthel Road  
Inverness  
IV2 4AA

12 December 2022

COMMUNITY ENERGY SCOTLAND LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
for the year ended 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	-	-	-	2,022
<b>Charitable activities</b>	5				
Project delivery		158,415	20,584	178,999	159,629
ReFLEX project		353,878	-	353,878	452,843
Surf 'n' Turf project		-	-	-	80,000
Aragon Big Hit		1,784	-	1,784	1,600
SMILE		-	-	-	198,423
Robertson Trust		765	-	765	9,860
TraDER		-	40,698	40,698	70,852
UKRI		-	-	-	59,598
RIPEET		-	18,487	18,487	-
Other grants		24,798	148,435	173,233	-
<b>Other incoming resources</b>					
Other trading activities	3	-	59,299	59,299	61,206
Government grants	12	3,274	-	3,274	18,755
Miscellaneous income		646	-	646	-
Investment income	4	15	153,949	153,964	(4,536)
<b>Total incoming resources</b>		543,575	441,452	985,027	1,110,252
<b>EXPENDITURE ON</b>					
<b>Raising funds - Other trading activities</b>	6	-	53,201	53,201	49,329
		-	53,201	53,201	49,329
<b>Charitable activities</b>	7				
Project delivery		305,081	12,047	317,128	266,628
ReFLEX project		323,874	-	323,874	428,888
Surf 'n' Turf project		-	-	-	185,980
Aragon Big Hit		182	1,032	1,214	280,593
SMILE		1,201	135,566	136,767	244,400
SMILE – refund of grant received		-	23,376	23,376	-
Robertson Trust		765	-	765	10,160
TraDER		-	21,162	21,162	76,061
UKRI		-	-	-	59,598
RIPEET		-	18,487	18,487	-
Other grants		19,692	69,943	89,635	-
<b>Total resources expended</b>		650,795	334,814	985,609	1,601,637
<b>NET INCOME/(EXPENDITURE)</b>		(107,220)	106,638	(582)	(491,385)
Transfers between funds	23	75,000	(75,000)	-	-
<b>NET MOVEMENTS IN FUNDS</b>		(32,220)	31,638	(582)	(491,385)
<b>TOTAL FUNDS BROUGHT FORWARD</b>		(9,165)	354,777	345,612	836,997
<b>TOTAL FUNDS CARRIED FORWARD</b>		(41,385)	386,415	345,030	345,612

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

COMMUNITY ENERGY SCOTLAND LIMITED

CHARITY STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted funds	Restricted funds	2022 Total funds	2021 Total funds
	Notes	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	-	-	-	2,022
<b>Charitable activities</b>	5				
Project delivery		178,995	20,584	199,579	177,558
ReFLEX project		353,878	-	353,878	452,843
Surf 'n' Turf project		-	-	-	80,000
Aragon Big Hit		1,784	-	1,784	1,600
SMILE		-	-	-	198,423
Robertson Trust		765	-	765	9,860
TraDER		-	40,698	40,698	70,852
UKRI		-	-	-	59,598
RIPEET		-	18,487	18,487	-
Other grants		24,798	148,435	173,233	-
Investment income	4	75,015	-	75,015	16
Miscellaneous income		646	-	646	-
Government grants	12	3,274	-	3,274	18,755
<b>Total incoming resources</b>		639,155	228,204	867,359	1,071,527
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	7				
Project delivery		303,056	12,047	315,103	268,030
ReFLEX project		323,874	-	323,874	428,888
Surf 'n' Turf project		-	-	-	185,980
Aragon Big Hit		182	1,032	1,214	280,593
SMILE		1,201	135,566	136,767	244,400
SMILE – refund of grant received		-	23,376	23,376	-
Robertson Trust		765	-	765	10,160
TraDER		-	21,162	21,162	76,061
UKRI		-	-	-	59,598
RIPEET		-	18,487	18,487	-
Other grants		19,692	69,943	89,635	-
<b>Total resources expended</b>		648,770	281,613	930,383	1,553,710
<b>NET INCOME/(EXPENDITURE)</b>		(9,615)	(53,409)	(63,024)	(482,183)
<b>RECONCILIATION OF FUNDS</b>					
<b>TOTAL FUNDS BROUGHT FORWARD</b>		239,567	201,890	441,457	923,640
<b>TOTAL FUNDS CARRIED FORWARD</b>		229,952	148,481	378,433	441,457

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

**CONSOLIDATED BALANCE SHEET**  
**At 31 March 2022**

		Unrestricted funds	Restricted funds	2022 Total funds	2021 Total funds
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	15	<u>10,730</u>	<u>130,940</u>	<u>141,670</u>	<u>161,864</u>
		10,730	130,940	141,670	161,864
<b>CURRENT ASSETS</b>					
Debtors	17	77,233	62,626	139,859	273,288
Cash at bank		<u>-</u>	<u>475,974</u>	<u>475,974</u>	<u>491,485</u>
		77,233	538,600	615,833	764,773
<b>CREDITORS</b>					
Amounts falling due within one year	18	<u>(129,348)</u>	<u>(63,630)</u>	<u>(192,978)</u>	<u>(387,236)</u>
<b>NET CURRENT ASSETS</b>		<u>(52,115)</u>	<u>474,970</u>	<u>422,855</u>	<u>377,537</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(41,385)	605,910	564,525	538,401
<b>CREDITORS</b>					
Amounts falling due after more than one year	19	-	(174,950)	(174,950)	(155,295)
<b>PROVISIONS FOR LIABILITIES</b>	22	-	(44,545)	(44,545)	(38,494)
<b>NET ASSETS</b>		<u>(41,385)</u>	<u>386,415</u>	<u>345,030</u>	<u>345,612</u>
<b>FUNDS</b>	23				
Unrestricted funds				(41,385)	(9,165)
Restricted funds				<u>386,415</u>	<u>354,777</u>
<b>TOTAL FUNDS</b>				<u>345,030</u>	<u>345,612</u>

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that 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 charitable company as at the end of each financial year and of its surplus or deficit 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 charitable company.

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

The financial statements were approved by the Board of Trustees and authorised for issue on 9 December 2022 and were signed on its behalf by:

.....  
Dr Philip Revell -Trustee



The notes form part of these financial statements

**CHARITY BALANCE SHEET**  
**At 31 March 2022**

		Unrestricted funds	Restricted funds	2022 Total funds	2021 Total funds
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	15	10,730	4,863	15,593	23,180
Investments	16	<u>101</u>	<u>-</u>	<u>101</u>	<u>101</u>
		10,831	4,863	15,694	23,281
<b>CURRENT ASSETS</b>					
Debtors	17	152,233	38,850	191,083	257,190
Cash at bank		<u>185,276</u>	<u>156,960</u>	<u>342,236</u>	<u>487,426</u>
		337,509	195,810	533,319	744,616
<b>CREDITORS</b>					
Amounts falling due within one year	18	<u>(118,388)</u>	<u>(52,192)</u>	<u>(170,580)</u>	<u>(326,440)</u>
<b>NET CURRENT ASSETS</b>		<u>219,121</u>	<u>143,618</u>	<u>362,739</u>	<u>418,176</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		229,952	148,481	378,433	441,457
<b>CREDITORS</b>					
Amounts falling due after more than one year	19	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>		<u>229,952</u>	<u>148,481</u>	<u>378,433</u>	<u>441,457</u>
<b>FUNDS</b>	23				
Unrestricted funds				229,952	239,567
Restricted funds				<u>148,481</u>	<u>201,890</u>
<b>TOTAL FUNDS</b>				<u>378,433</u>	<u>441,457</u>

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that 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 charitable company as at the end of each financial year and of its surplus or deficit 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 charitable company.

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

The financial statements were approved by the Board of Trustees and authorised for issue on 9 December 2022 and were signed on its behalf by:

.....  
Dr Philip Revell -Trustee



The notes form part of these financial statements

COMMUNITY ENERGY SCOTLAND LIMITED

CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
<b>Cash flows from operating activities</b>					
Cash generated from operations	1	(121,403)	149,504	(140,887)	115,761
Interest paid		(15,822)	(17,485)	-	1,613
Finance costs		(4,304)	(2,115)	(3,038)	(1,925)
<b>Net cash provided by (used in) operating activities</b>		<u>(141,529)</u>	<u>129,904</u>	<u>(143,925)</u>	<u>115,449</u>
<b>Cash flows from investing activities</b>					
Purchase of tangible fixed assets		(1,280)	(3,377)	(1,280)	(3,377)
Interest received	15	15	16	15	16
Distribution of profits received		160,000	-	-	-
<b>Net cash provided by (used in) investing activities</b>		<u>158,735</u>	<u>(3,361)</u>	<u>(1,265)</u>	<u>(3,361)</u>
<b>Cash flows from financing activities:</b>					
Loan repayments		(243,676)	(134,398)	-	(102,738)
Loan received		200,000	-	-	-
<b>Net cash provided by (used in) financing activities</b>		<u>(43,676)</u>	<u>(134,398)</u>	<u>-</u>	<u>(102,738)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(26,470)</u>	<u>(7,855)</u>	<u>(145,190)</u>	<u>9,350</u>
<b>Cash and cash equivalents at the beginning of the period</b>		<u>491,485</u>	<u>499,340</u>	<u>487,426</u>	<u>478,076</u>
<b>Cash and cash equivalents at the end of the period</b>		<u><u>465,015</u></u>	<u><u>491,485</u></u>	<u><u>342,236</u></u>	<u><u>487,426</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**  
**for the year ended 31 March 2022**

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	Group		Charity	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	£	£	£	£
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	(582)	(491,385)	(63,024)	(482,183)
<b>Adjustments for:</b>				
Depreciation charges	21,474	120,458	8,867	107,850
Loss on disposal of fixed assets	-	442,034	-	442,034
Interest received	(15)	(16)	(15)	(16)
Interest paid	15,822	17,485	-	(1,613)
Finance charges	4,304	2,115	3,038	1,925
Income from participating interests	6,051	4,552	-	-
Distribution of profits received	(160,000)	-	-	-
Decrease / (increase) in debtors	133,429	(77,908)	66,107	(81,416)
(Decrease)/increase in creditors	(141,886)	132,169	(155,860)	129,180
	<u>(121,403)</u>	<u>149,504</u>	<u>(140,887)</u>	<u>115,761</u>



## 1. ACCOUNTING POLICIES

### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the entity.

These financial statements consolidate the results of the charitable company and its wholly owned trading subsidiaries, Community Energy Scotland Trading Limited and Community Energy Innovations Limited, on a line by line basis.

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. Incoming resources that do not meet the criteria for recognition in the Statement of Financial Activities are accounted for as deferred income and included as liabilities at the balance sheet date. Income is deferred only when the charity has to fulfil conditions before becoming entitled to the funds or where the donor has specified that the income is to be expended in a future period.

The following specific policies are applied to particular categories of income:

#### Donations and legacies:

Income from donations and legacies are receivable by way of donations and other voluntary income and is included when it is receivable.

#### Income from charitable activities:

Income from charitable activities are derived from grants and fees and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income from revenue grants, where related to performance and specific deliverables are accounted for as the charity earns the right to consideration by its performance.

#### Investment income:

Income from investments is recognised on an accruals basis.

### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

### **Charitable activities**

Charitable activities comprise those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

### **Governance costs**

Governance costs include those associated with meeting constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**for the year ended 31 March 2022**

**1. ACCOUNTING POLICIES – continued****Tangible fixed assets**

Fixed assets are stated at cost, being purchase price, less accumulated depreciation. The costs of minor additions are not capitalised.

Depreciation is provided at the following annual rates in order to write off the cost of each asset, less its estimated residual value, over its estimated useful life as follows:

Leasehold improvements	20% straight line
Furniture & fittings	20% straight line
Office equipment	20% straight line
Plant & machinery	20% straight line
Motor Vehicles	20% straight line
Turbines	10% straight line

Fixed assets are stated at cost, being purchase price, less accumulated depreciation.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Unrestricted funds are further split into designated and general. Designated funds are funds allocated by the trustees for a specific purpose. General funds are all other unrestricted funds.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

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

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Investments**

Investments in associated entities are stated at cost plus the group's share of the associated entities profits or losses. Where accumulated losses have occurred which result in a net negative investment, this is shown as a provision in the consolidated financial statements.

**2. DONATIONS AND LEGACIES – Group and charity**

	2022	2021
	£	£
Donations	-	2,022
Memberships	-	-
Conference fees	-	-
	<u>-</u>	<u>2,022</u>

**COMMUNITY ENERGY SCOTLAND LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
for the year ended 31 March 2022

**3. OTHER TRADING ACTIVITIES – Group only**

	2022	2021
	£	£
Export FIT	1,816	2,286
Generation FIT	42,717	43,976
Technical assistance	14,766	14,701
Other	-	243
	<u>59,299</u>	<u>61,206</u>

The wholly owned trading subsidiary, Community Energy Scotland Trading Limited is incorporated in the United Kingdom. The activities of Community Energy Scotland Trading Limited include the generation of electricity and the development of energy projects. The individual summary performance of Community Energy Scotland Trading Limited is as follows:

	2022	2021
	£	£
Turnover	59,299	61,206
Cost of sales and administration costs	(60,373)	(47,970)
Other income	161,654	1,404
Finance costs	(17,088)	(19,288)
Net profit/(loss)	<u>143,492</u>	<u>(4,648)</u>
Amount gift aided to the charity	<u>75,000</u>	<u>-</u>
Retained in subsidiary	<u>68,492</u>	<u>(4,648)</u>
The assets and liabilities of the subsidiary were:		
Fixed assets	176,077	188,684
Current assets	175,371	59,249
Current liabilities	(115,255)	(99,888)
Non-current liabilities	(174,950)	(155,295)
Total net assets	<u>61,243</u>	<u>(7,250)</u>
Reserves	<u>61,243</u>	<u>(7,250)</u>

**4. INVESTMENT INCOME**

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Share of (loss)/profit in participating interests	(6,051)	(4,552)	-	-
Distribution of profits from participating interests	160,000	-	-	-
Donation from trading subsidiary	-	-	75,000	-
Bank interest received	15	16	15	16
Other interest received	-	-	-	-
	<u>153,964</u>	<u>(4,536)</u>	<u>75,015</u>	<u>16</u>

COMMUNITY ENERGY SCOTLAND LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
for the year ended 31 March 2022

5. INCOME FROM CHARITABLE ACTIVITIES

GROUP

	Project delivery	Projects	2022 Total activities	2021 Total activities
	£	£	£	£
Consultancy fees	178,999	-	178,999	159,629
Grants	-	588,845	588,845	793,176
European Marine Energy Centre Limited	-	-	-	80,000
	<u>178,999</u>	<u>588,845</u>	<u>767,844</u>	<u>1,032,805</u>

CHARITY

	Project delivery	Projects	2022 Total activities	2021 Total activities
	£	£	£	£
Consultancy fees	199,579	-	199,579	177,558
Grants	-	588,845	588,845	793,176
European Marine Energy Centre Limited	-	-	-	80,000
	<u>199,579</u>	<u>588,845</u>	<u>788,424</u>	<u>1,050,734</u>

Grants received, included in the above, are as follows:

	2022	2021
	£	£
Aragon Big Hit	1,784	1,600
SMILE	-	198,423
ReFLEX	353,878	452,843
RIPEET	18,487	-
Robertson Trust	765	9,860
TraDER	40,698	70,852
UKRI	-	59,598
Foundation Scotland	12,659	-
Paths 4 All	38,850	-
Adapt & Thrive	28,053	-
Network 76	23,800	-
Uist Local Energy	14,502	-
Other miscellaneous	55,369	-
	<u>588,845</u>	<u>793,176</u>

COMMUNITY ENERGY SCOTLAND LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
for the year ended 31 March 2022

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6. OTHER TRADING ACTIVITIES – Group only

	2022	2021
	£	£
Rent	4,809	4,761
Equipment servicing	13,318	6,485
Insurance	378	78
Depreciation	12,608	12,608
Interest payable and similar charges	17,088	20,662
Support costs	<u>5,000</u>	<u>4,735</u>
	<u>53,201</u>	<u>49,329</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**for the year ended 31 March 2022**

**7. CHARITABLE ACTIVITIES COSTS**

<b>Group</b>	<b>Direct costs</b>	<b>Grant funding of activities</b>	<b>Support costs (See note 9)</b>	<b>Totals</b>
	£	£	£	£
Project delivery	240,076	-	77,053	317,129
ReFLEX project	323,874	-	-	323,874
Aragon Big Hit	1,214	-	-	1,214
SMILE	160,142	-	-	160,142
RIPEET	18,487	-	-	18,487
TraDER	21,162	-	-	21,162
Robertson Trust	765	-	-	765
Other grants	89,635	-	-	89,635
	<u>855,355</u>	<u>-</u>	<u>77,053</u>	<u>932,408</u>

<b>Charity</b>	<b>Direct costs</b>	<b>Grant funding of activities</b>	<b>Support costs (See note 9)</b>	<b>Totals</b>
	£	£	£	£
Project delivery	238,051	-	77,053	315,104
ReFLEX project	323,874	-	-	323,874
Aragon Big Hit	1,214	-	-	1,214
SMILE	160,142	-	-	160,142
RIPEET	18,487	-	-	18,487
TraDER	21,162	-	-	21,162
Robertson Trust	765	-	-	765
Other grants	89,635	-	-	89,635
	<u>853,330</u>	<u>-</u>	<u>77,053</u>	<u>930,383</u>

**8. SUPPORT COSTS**

	<b>Management £</b>	<b>Governance costs £</b>	<b>Totals £</b>
Other trading activities – Group only	-	3,680	3,680
Project delivery – Group and charity	<u>70,733</u>	<u>6,320</u>	<u>77,053</u>
	<u>70,733</u>	<u>10,000</u>	<u>80,733</u>

**COMMUNITY ENERGY SCOTLAND LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
for the year ended 31 March 2022

**9. SUPPORT COSTS**

Support costs, included in the above, are as follows:

			2022	2021
	Other trading activities	Project delivery	Total activities	Total activities
	£	£	£	£
Interest payable and similar charges	-	3,038	3,038	312
Auditors' remuneration	3,680	6,320	10,000	10,200
Accountancy and legal fees	-	6,412	6,412	9,839
Pensions	-	23,833	23,833	26,366
Rent	-	1,234	1,234	7,626
Insurance	-	7,787	7,787	12,143
Light and heat	-	(56)	(56)	661
Telephone	-	5,085	5,085	8,723
Postage and stationery	-	1,025	1,025	249
Advertising	-	-	-	306
Sundries	-	3,906	3,906	4,915
Repairs and maintenance	-	113	113	607
Room hire	-	2,040	2,040	-
Other management and administration costs	-	9,325	9,325	11,265
Depreciation	-	6,991	6,991	7,091
Trustees' remuneration etc.	-	-	-	-
Other governance costs	-	-	-	-
	<u>3,680</u>	<u>77,053</u>	<u>80,733</u>	<u>100,303</u>

**10. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging:

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Auditors' Remuneration	10,000	10,000	7,250	7,250
Depreciation - owned assets	21,474	120,458	8,867	107,850
Other operating leases	6,043	12,150	1,234	7,389
Loss on disposal of fixed asset	-	442,034	-	442,034

**11. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

**Trustees' expenses**

	2022	2021
	£	£
Trustees' expenses	<u>-</u>	<u>-</u>

During the year no trustee received reimbursement for out of pocket expenses of (2021 – no trustees -£nil)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
for the year ended 31 March 2022

12. STAFF COSTS – Group and charity

	2022	2021
	£	£
Wages and salaries	430,073	486,109
Social security costs	35,021	39,005
Other pension costs	<u>23,833</u>	<u>26,366</u>
	<u>488,927</u>	<u>551,480</u>

The average monthly number of employees during the year was as follows:

	2022	2020
	No.	No.
Average monthly employees	<u>17</u>	<u>19</u>

No employees received emoluments in excess of £60,000.

During the year, the group and charity paid £16,087 (2021 - £nil) as part of redundancy and termination payments.

During the year, the charity and group received £3,274 (2021 - £18,755) in Government assistance towards payroll costs as part of the Government's Furlough Scheme.

**Key Management Personnel**

Community Energy Scotland considers that the key management personnel comprise the Trustees and Senior Management Team being the Chief Executive, Trading Manager, Head of Operations and Governance, Head of Innovation and the Finance Manager. The total employee benefits of the key management personnel during the year were £153,238 (2021 - £156,345).



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**for the year ended 31 March 2022**

**13. COMPARATIVES FOR THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	2,022	-	2,022
<b>Charitable activities</b>			
Project delivery	118,392	41,237	159,629
ReFLEX project	452,843	-	452,843
Surf'n'Turf project	-	80,000	80,000
Aragon Big Hit project	1,600	-	1,600
SMILE project	65,708	132,715	198,423
Robertson Trust	9,860	-	9,860
TraDER	-	70,852	70,852
UKRI	-	59,598	59,598
Other trading activities	-	61,206	61,206
Government grants	18,755	-	18,755
Investment income	16	(4,552)	(4,536)
<b>Total</b>	<b>669,196</b>	<b>441,056</b>	<b>1,110,252</b>
<b>EXPENDITURE ON</b>			
Other trading activities	-	49,329	49,329
<b>Charitable activities</b>			
Project delivery	236,764	19,864	266,628
ReFLEX project	428,888	-	428,888
Surf'n'Turf project	-	185,980	185,980
Aragon Big Hit project	128	280,465	280,593
SMILE project	66,437	177,963	244,400
Robertson Trust	10,160	-	10,160
TraDER	-	76,061	76,061
UKRI	-	59,598	59,598
<b>Total</b>	<b>742,377</b>	<b>859,260</b>	<b>1,601,637</b>
<b>NET (EXPENDITURE)</b>	<b>(73,181)</b>	<b>(418,204)</b>	<b>(491,385)</b>
<b>Transfers between funds</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>	<b>(73,181)</b>	<b>(418,204)</b>	<b>(491,385)</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<b>64,016</b>	<b>772,981</b>	<b>836,997</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>(9,165)</b>	<b>354,777</b>	<b>345,612</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**for the year ended 31 March 2022**

**14. COMPARATIVES FOR THE CHARITY STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	2,022	-	2,022
<b>Charitable activities</b>			
Project delivery	136,321	41,237	177,558
ReFLEX project	452,843	-	452,843
Surf'n'Turf project	-	80,000	80,000
Aragon Big Hit project	1,600	-	1,600
SMILE project	65,708	132,715	198,423
Robertson Trust	9,860	-	9,860
TraDER	-	70,852	70,852
UKRI	-	59,598	59,598
Investment income	16	-	16
Government grants	18,755	-	18,755
<b>Total</b>	<b>687,125</b>	<b>384,402</b>	<b>1,071,527</b>
<b>EXPENDITURE ON</b>			
Raising funds	-	-	-
<b>Charitable activities</b>			
Project delivery	238,166	29,864	268,030
ReFLEX project	428,888	-	428,888
Surf'n'Turf project	-	185,980	185,980
Aragon Big Hit project	128	280,465	280,593
SMILE project	66,437	177,963	244,400
Robertson Trust	10,161	-	10,161
TraDER	-	76,061	76,061
UKRI	-	59,598	59,598
<b>Total</b>	<b>743,779</b>	<b>809,931</b>	<b>1,553,710</b>
<b>NET (EXPENDITURE)</b>	<b>(56,654)</b>	<b>(425,529)</b>	<b>(482,183)</b>
<b>Transfers between funds</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>	<b>(56,654)</b>	<b>(425,529)</b>	<b>(482,183)</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<b>296,221</b>	<b>627,419</b>	<b>923,640</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>239,567</b>	<b>201,890</b>	<b>441,457</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**for the year ended 31 March 2022**

**15. TANGIBLE FIXED ASSETS**

<u>Group</u>	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 April 2021	328,788	8,174	133,269	470,231
Additions	-	-	1,280	1,280
Disposals	-	-	-	-
At 31 March 2022	<u>328,788</u>	<u>8,174</u>	<u>134,549</u>	<u>471,511</u>
<b>DEPRECIATION</b>				
At 1 April 2021	178,540	7,854	121,973	308,367
Charge for year	17,127	124	4,223	21,474
Disposals	-	-	-	-
At 31 March 2022	<u>195,667</u>	<u>7,978</u>	<u>126,196</u>	<u>329,841</u>
<b>NET BOOK VALUE</b>				
At 31 March 2022	<u>133,121</u>	<u>196</u>	<u>8,353</u>	<u>141,670</u>
At 31 March 2021	<u>150,248</u>	<u>320</u>	<u>11,296</u>	<u>161,864</u>
 <u>Charity</u>	 Plant and machinery £	 Fixtures and fittings £	 Computer equipment £	 Totals £
<b>COST</b>				
At 1 April 2021	22,601	8,174	133,269	164,044
Additions	-	-	1,280	1,280
Disposals	-	-	-	-
At 31 March 2022	<u>22,601</u>	<u>8,174</u>	<u>134,549</u>	<u>165,324</u>
<b>DEPRECIATION</b>				
At 1 April 2021	11,037	7,854	121,973	140,864
Charge for year	4,520	124	4,223	8,867
Disposals	-	-	-	-
At 31 March 2022	<u>15,557</u>	<u>7,978</u>	<u>126,196</u>	<u>149,731</u>
<b>NET BOOK VALUE</b>				
At 31 March 2022	<u>7,044</u>	<u>196</u>	<u>8,353</u>	<u>15,593</u>
At 31 March 2021	<u>11,564</u>	<u>320</u>	<u>11,296</u>	<u>23,180</u>

**COMMUNITY ENERGY SCOTLAND LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
for the year ended 31 March 2022

**16. FIXED ASSET INVESTMENTS**

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
<b>MARKET VALUE</b>				
At 1 April 2021	-	-	101	101
Additions	-	-	-	-
At 31 March 2022	<u>-</u>	<u>-</u>	<u>101</u>	<u>101</u>
<b>NET BOOK VALUE</b>				
At 31 March 2022	<u>-</u>	<u>-</u>	<u>101</u>	<u>101</u>
At 1 April 2021	<u>-</u>	<u>-</u>	<u>101</u>	<u>101</u>

There were no investment assets outside the UK.

Community Energy Scotland Limited as a parent charity holds two investments, the first investment is a 100% shareholding in a subsidiary undertaking, Community Energy Scotland Trading Limited. The subsidiary's profit for the year amounted to £143,493 (2021 – loss £4,648) out of which it distributed £75,000 (2021 - £nil) to Community Energy Scotland Limited and its net assets at 31 March 2022 were £61,143 (2021 – net liabilities £7,250).

On 26 November 2021, Community Energy Scotland Trading Limited received a loan of £200,000 from Triodos Bank for an eight year term at a fixed interest rate of 6.301% per annum for the first five years. This loan is secured by a bond and floating charge over all the assets of the company.

The second investment held by Community Energy Scotland Limited is a 100% shareholding in Community Energy Innovations Ltd. Community Energy Innovations Ltd was incorporated on 8 July 2016 and has not yet commenced trading.

The company's investments at the balance sheet date in the share capital of companies include the following:

**Community Energy Scotland Trading Limited – registration number SC349233**

Registered office: 67A Castle Street, Inverness, IV2 3DU

Nature of business: Operation of wind turbines

	% holding	2022	2021
		£	£
Class of share:			
Ordinary £1	100		
Aggregate capital and reserves		61,143	(7,249)
Profit/ (loss) for the year		<u>143,493</u>	<u>(4,697)</u>

**Community Energy Innovations Limited – registration number SC539817**

Registered office: 67A Castle Street, Inverness, IV2 3DU

Nature of business: Dormant

	% holding
Class of share:	
Ordinary £1	100

Community Energy Innovations Limited was incorporated on 8 July 2016 and has not commenced trading.

# COMMUNITY ENERGY SCOTLAND LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED for the year ended 31 March 2022

### 16. FIXED ASSET INVESTMENTS - continued

In addition to the above investments, Community Energy Scotland Trading Limited has also invested in a limited liability partnership, Berwickshire Community Renewables LLP. The investment is for a one-third partnership share in the LLP. The investment represents the company's partnership investment of £50,000 in the LLP less its share of the accumulated losses to date. An analysis of the investment is as follows:

	Investment £	Other movements £	Total £
Berwickshire Community Renewables LLP			
As at 1 April 2021	50,000	(88,494)	(38,494)
Group share of loss less distributions	-	(6,051)	(6,051)
As at 31 March 2022	<u>50,000</u>	<u>(94,545)</u>	<u>(44,545)</u>

During the year, Community Energy Scotland Trading Limited received £160,000 (2021 - £nil) being its share of a distribution of accumulated profits.

### 17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	36,955	83,281	35,479	69,401
Accrued income	96,266	187,857	74,310	185,949
Amounts owed by group undertakings	-	-	75,000	-
Prepayments	6,638	2,150	6,294	1,840
	<u>139,859</u>	<u>273,288</u>	<u>191,083</u>	<u>257,190</u>

### 18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Other loans (see note 20)	20,195	83,526	-	-
Bank overdraft	10,959	-	-	-
Trade creditors	23,985	33,655	19,884	32,055
Amounts owed to group undertakings	-	-	28,816	39,093
Social security and other taxes	8,495	12,730	8,495	12,730
VAT	5,247	5,296	4,689	5,034
Pension fund contributions	2,899	4,164	2,899	4,164
Accrued expenses	40,684	113,541	25,283	99,040
Refund of grant received	23,376	-	23,376	-
Deferred income	47,083	124,324	47,083	124,324
Other creditors	10,055	10,000	10,055	10,000
	<u>192,978</u>	<u>387,236</u>	<u>170,580</u>	<u>326,440</u>

Deferred income of £124,324 brought forward from 2021 was all released in the current year. Income of £47,083 receivable in the current year has been deferred to future periods. All deferred income relates to the group and the charity.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**for the year ended 31 March 2022**

**19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Other loans (see note 20)	174,950	155,295	-	-
	<u>174,950</u>	<u>155,295</u>	<u>-</u>	<u>-</u>

**20. LOANS**

An analysis of the maturity of loans is given below:

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year on demand				
SIS Loans	-	83,526	-	-
Triodos Bank Loan	<u>20,195</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	83,526	-	-
Amounts falling due between one and two years				
SIS Loans	-	58,938	-	-
Triodos Bank loan	<u>21,498</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>21,498</u>	<u>58,938</u>	<u>-</u>	<u>-</u>
Amounts due between two and five years:				
SIS Loans	-	96,357	-	-
Triodos Bank loan	<u>153,452</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>195,145</u>	<u>96,357</u>	<u>-</u>	<u>-</u>

On 26 November 2021, the SIS loan advanced to Community Energy Scotland Trading Limited was repaid and replaced by a loan of £200,000 from Triodos Bank for an eight year term at a fixed interest rate of 6.301% for the first five years.

**21. SECURED DEBTS – Group only**

The following secured debts are included within creditors:

	2022	2021
	£	£
Triodos Bank (2021 - SIS Loans)	<u>195,145</u>	<u>238,821</u>

The Social Investment Scotland (SIS) was secured and has now been repaid in full. The Triodos Bank loan balance of £195,145 is secured by a bond and floating charge over all the assets of the borrowing company – Community Energy Scotland Trading Limited.

COMMUNITY ENERGY SCOTLAND LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
for the year ended 31 March 2022

22. PROVISIONS

	2022 £	2021 £
Berwickshire Community Renewables LLP	<u>44,545</u>	<u>38,494</u>

The provision represents the net negative investment in Berwickshire Community Renewables LLP which has arisen from the net investment less the charity's share of capital distributions and accumulated profits and losses.

23. MOVEMENT IN FUNDS

Group:	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
<b>Unrestricted funds</b>				
General fund	<u>(9,165)</u>	<u>(107,220)</u>	<u>75,000</u>	<u>(41,385)</u>
	(9,165)	(107,220)	75,000	(41,385)
<b>Restricted funds</b>				
RIPEET	-	-	-	-
Big Hit fund	42,275	(1,032)	-	41,243
SMILE	158,941	(158,941)	-	-
TraDER	(5,209)	19,536	-	14,327
Other restricted funds	5,883	87,028	-	92,911
Non-charitable subsidiary	<u>152,887</u>	<u>160,047</u>	<u>(75,000)</u>	<u>237,934</u>
	354,777	106,638	(75,000)	386,415
<b>TOTAL FUNDS</b>	<u>345,612</u>	<u>(582)</u>	<u>-</u>	<u>345,030</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	543,575	(650,795)	(107,220)
<b>Restricted funds</b>			
RIPEET	18,487	(18,487)	-
Big Hit fund	-	(1,032)	(1,032)
SMILE	-	(158,941)	(158,941)
TraDER	40,698	(21,162)	19,536
Other restricted funds	169,019	(81,991)	87,028
Non-charitable subsidiary	<u>213,248</u>	<u>(53,201)</u>	<u>160,047</u>
	441,452	(334,814)	106,638
<b>TOTAL FUNDS</b>	<u>985,027</u>	<u>(985,609)</u>	<u>(582)</u>

The transfer from restricted funds to unrestricted funds arose following a distribution of £75,000 paid by the non-charitable subsidiary to Community Energy Scotland Limited.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**for the year ended 31 March 2022**

**23. MOVEMENT IN FUNDS - continued**

<u>Charity:</u>	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
<b>Unrestricted funds</b>				
General fund	<u>239,567</u>	<u>(9,615)</u>	-	<u>229,952</u>
	239,567	(9,615)	-	229,952
<b>Restricted funds</b>				
RIPEET	-	-	-	-
Big Hit fund	42,275	(1,032)	-	41,243
SMILE	158,941	(158,941)	-	-
TraDER	(5,209)	19,536	-	14,327
Other restricted funds	<u>5,883</u>	<u>87,028</u>	-	<u>92,911</u>
	201,890	(53,409)	-	148,481
<b>TOTAL FUNDS</b>	<u>441,457</u>	<u>(63,024)</u>	-	<u>378,433</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	639,155	(648,770)	(9,615)
<b>Restricted funds</b>			
RIPEET	18,487	(18,487)	-
Big Hit fund	-	(1,032)	(1,032)
SMILE	-	(158,941)	(158,941)
TraDER	40,698	(21,162)	19,536
Other restricted funds	<u>169,019</u>	<u>(81,991)</u>	<u>87,028</u>
	228,204	(281,613)	(53,409)
<b>TOTAL FUNDS</b>	<u>867,359</u>	<u>(930,383)</u>	<u>(63,024)</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**for the year ended 31 March 2022**

**23. MOVEMENT IN FUNDS – continued**

Comparatives for the year ended 31 March 2021

<u>Group:</u>	At 1.4.20 £	Incoming resources £	Resources expended £	At 31.3.21 £
<b>Unrestricted funds</b>				
General fund	<u>64,016</u>	<u>669,196</u>	<u>(742,377)</u>	<u>(9,165)</u>
	64,016	669,196	(742,377)	(9,165)
<b>Restricted funds</b>				
Surf 'n' turf fund	105,980	80,000	(185,980)	-
Big Hit fund	322,740	-	(280,465)	42,275
SMILE	204,189	132,715	(177,963)	158,941
TraDER	-	70,852	(76,061)	(5,209)
UKRI	-	59,598	(59,598)	-
Other restricted funds	(5,490)	41,237	(29,864)	5,883
Non-charitable subsidiary	<u>145,562</u>	<u>56,654</u>	<u>(49,329)</u>	<u>152,887</u>
	772,981	441,056	(859,260)	354,777
<b>TOTAL FUNDS</b>	<u>836,997</u>	<u>1,110,252</u>	<u>(1,601,637)</u>	<u>345,612</u>
<u>Charity:</u>	At 1.4.20 £	Incoming resources £	Resources expended £	At 31.3.21 £
<b>Unrestricted funds</b>				
General fund	<u>296,221</u>	<u>687,125</u>	<u>(743,779)</u>	<u>239,567</u>
	296,221	687,125	(743,779)	239,567
<b>Restricted funds</b>				
Surf 'n' turf fund	105,980	80,000	(185,980)	-
Big Hit fund	322,740	-	(280,465)	42,275
SMILE	204,189	132,715	(177,963)	158,941
TraDER	-	70,852	(76,061)	(5,209)
UKRI	-	59,598	(59,598)	-
Other restricted funds	<u>(5,490)</u>	<u>41,237</u>	<u>(29,864)</u>	<u>5,883</u>
	627,419	384,402	(809,931)	201,890
<b>TOTAL FUNDS</b>	<u>923,640</u>	<u>1,071,527</u>	<u>(1,553,710)</u>	<u>441,457</u>

23. MOVEMENT IN FUNDS – continued

General funds:

These represent the free reserves of the charity and have arisen out of past operating results.

Restricted funds:

Big Hit

Building Innovation Green Hydrogen Systems in Isolated Territory: a pilot for Europe (BIG HIT) project has received €5m EU grant funding provided through the Fuel Cells and Hydrogen Joint Undertaking (FCHJU) and expanded on the work delivered through CES' Surf.N.Turf initiative, expanding hydrogen developments to include the island of Shapinsay and develop other associated measures.

SMILE fund

This is an EU funded project under Horizon 2020. The goal of the pilot is to address existing energy challenges by integrating a new Demand Side Management system with the existing smart generation grid. This will provide intelligent control and aggregation of electric heating systems in homes, businesses and council buildings, as well as EV charging points and hydrogen electrolyzers. CES is the lead partner for the Orkney demonstration work.

TraDER fund

This is a UK Government funded project to develop a market platform which will allow small scale energy generators to participate in multiple markets with minimal administrative or technical barriers. Community Energy Scotland is the lead partner in the project

RIPEET

The RIPEET – Responsible Research and Innovation Policy Experimentations for Energy Transition project, which has been awarded Horizon 2020 funding, is led by the Austrian Centre for Social Innovation and has 11 partners in total from across the EU, including HIE. It seeks to create a smarter approach to applying innovations driven by scientific research, which takes account of how the real world / society operates, based on geographical territories within which characteristic 'ecosystems' of people / organisations operate. The Highlands and Islands is one of three territories covered by the project, the other two are Extremadura (Spain) and Ostrobothnia (Finland).

Non-charitable subsidiary:

This fund represents the use of resources by the charities 100% owned subsidiary Community Energy Scotland Trading Limited.

Other minor restricted funds:

These represent other smaller funds with restricted purposes.

**24. RELATED PARTY DISCLOSURES**

There were no disclosable related party transactions within the charitable group during the year ended 31 March 2022 or for the year ended 31 March 2021.

**25. ULTIMATE CONTROLLING PARTY**

Community Energy Scotland Limited is a charitable company limited by guarantee and therefore the ultimate controlling party is considered to be the Board of Trustees.