

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

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024
FOR
COMMUNITY ENERGY SCOTLAND LIMITED**

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CHAIR'S REPORT

for the year ended 31 March 2024

Community Energy Scotland (CES) had another successful year as we continue with our mission to work with communities and partners to support, promote and represent the community energy sector.

In 2023, in collaboration with our staff and board of trustees, we updated our strategic priorities. Our work towards each during this financial year has been outlined below:

Building community understanding, participation and benefits from the energy system.

Project development across Scotland was supported by the provision of capacity building and facilitation of information exchange between members. The second year of the N76 project, through which CES supports six community groups in Dumfries and Galloway and Ayrshire, saw projects developed on the ground, including the arrival of e-bikes and an e-cargo bike, and ongoing path creation projects learning from each other. We continued to provide technical support to Community Power Outer Hebrides and Community Power Orkney, and our annual conference had more than 100 participants and showcased some of the most innovative approaches in Scotland.

Projects that came to an end this year included the RIPEET project and Heat Pumps Plus, and so the focus during this year was on ensuring that learnings were captured from these projects and knowledge shared with partners and relevant stakeholders.

Increasing community resilience and ability to prosper from equitable benefits of a decarbonised society.

We continued to work alongside community organisations to support them to input in local and national energy planning and take ownership of transport and energy assets. As ever, we had a strong presence on the Scottish islands; the second year of the Carbon Neutral Islands project built on the Climate Change Action Plans that had been developed in 22/23 to create fully costed business plans in conjunction with HIE. Meanwhile, work started at pace on the ICNZ project, a 10-year project in partnership with Aquatera, EMEC, CnES, Orkney Islands Council and Shetlands Islands Council. Open Day events took place in Stromness, Stornoway and Lerwick to launch the project.

Two Net Zero Living partnership projects in Orkney and Shetland were completed successfully and led to a successful joint bid between Orkney and Shetland for the Rural Energy Hubs project, which started at the end of the year.

Being the national voice on community energy to engage with and influence the wider energy system.

We recruited a Policy Manager which gave us more capacity to respond to consultations and proactively engage with decision-makers on behalf of our members. We also collated information from community groups through the creation of two working groups (Development and Repowering) organising a Repowering Forum in Inverness in February, and participated in other events, including the facilitation of a workshop at the Scottish Rural and Islands Parliament.

We continued to build on strong partnerships with Community Energy England and Community Energy Wales, collaborating and sharing information to identify UK policy opportunities. In Scotland, we initiated a partnership with SCA, DTAS, Community Land Scotland and Scottish Communities Finance to look at policy opportunities and challenges for the UK and Scottish governments around community ownership, shared ownership and community benefits.

Ensure that CES continues to be relevant, resilient and sustainable in a changing world.

We continue to prioritise staff wellbeing and retention, recognising that people are our most valuable asset. Our team grew to 25 members of staff, allowing us to take on more work and have a greater impact. During 2023-24 we created our first staff satisfaction survey which we plan to undertake on an annual basis, and continued to prioritise project development, innovation and financial sustainability. Distributions from the Fisherman Three wind farm (jointly owned by Berwickshire Housing Association) continued to be an important income stream to allow us to continue to grow and develop as an organisation.

K P Lyon
Trustee

COMMUNITY ENERGY SCOTLAND LIMITED

REPORT OF THE TRUSTEES for the year ended 31 March 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC333698

Registered Charity number

SC039673

Registered office

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

Trustees

Dr A Camps	
C A MacDonald	
A MacKellar	
A Pana	(appointed 16 August 2023)
N D Burgess	(appointed 15 April 2024)
L Finlay	(appointed 9 May 2024)
R A E McGlynn	(appointed 8 May 2024)
K P Lyon	(appointed 9 May 2024)
M McDonald-Cooke	(appointed 14 April 2024, resigned 24 June 2024)
D M G Boyd	(resigned 16 November 2023)
N Barnes	(resigned 19 March 2024)
D R Somervell	(resigned 15 April 2024)
Dr P Revell	(resigned 15 April 2024)
A C G Hardie	(resigned 15 April 2024)
G Hurding	(resigned 12 November 2024)

Company Secretary

L K Walker-Knowles

Auditors

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

Chief Executive

Z Holliday

Senior Management Team

Head of Trading	E Norquoy
Director, People and Communities	R Mackay
Technical Director	M Hull
Head of Finance	L K Walker-Knowles
Head of Project Operations	V Mackay

REPORT OF THE TRUSTEES
for the year ended 31 March 2024

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 2023. 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.

In 2023 in collaboration with our staff and board of trustees we updated our strategic priorities and have continued to work towards these in project work and in partnership.

We continued to build community understanding participation and benefits from the energy system, particularly through the delivery of the second year of the N76 project through which CES supports six community groups in Dumfries and Galloway and Ayrshire on sustainable transport and active travel initiatives. We also continued to provide technical support to Community Power Outer Hebrides and Community Power Orkney and our annual conference had more than 100 attendees and showcased innovative projects from across Scotland.

We continued to work alongside community organisations to increase their resilience and ability to prosper from the benefits of a decarbonised society. As ever, we had a strong presence on the Scottish islands; the second year of the Carbon Neutral Islands project built on the Climate Change Action Plans that had been developed in 22/23, and work started at pace on the ICNZ project, a 10 year project in partnership with Aquatera, EMEC, CnES, Orkney Islands Council and Shetlands Islands Council. Also in Orkney and Shetland, the Rural Energy Hubs project started at the end of the year.

We increased focus on our priority to be the national voice on community energy by recruiting a new Policy Manager and creating two working groups (Development and Repowering). We continued to build on strong partnerships with Community Energy England and Community Energy Wales and created a new coalition in Scotland with SCA, DTAS, CLS and SCF.

Our aim to ensure that CES continues to be relevant, resilient and sustainable remains at the core of our work. We continue to prioritise staff wellbeing and retention, recognising that people are our most valuable asset. Our team grew to 25 members of staff, allowing us to take on more work and have a greater impact. Distributions from the Fisherman Three wind farm continued to be an important income stream to allow us to continue to grow and develop as an organisation.

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 £151,019 (2023 – £192,095) and its net assets at 31 March 2024 were £148,625 (2023 – £103,338). 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 2024

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, focusing around a smaller number of key partnership projects.

Principal funding sources

The main funding sources of the group and charitable company were from project funding, especially from ICNZ and CNI.

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 or £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

A number of projects from 2023-24 will continue into 2024-25 including ICNZ, CNI and Rural Energy Hubs. Wherever possible we will look to apply for multi-year funding, recognising that this increases the organisation's sustainability as well as job security for staff.

Community Energy Scotland will continue to work with community groups to campaign to overcome existing barriers, and to develop sustainable energy projects – which may be in the fields of transport, energy efficiency, renewable electricity and heat or storage and flexibility. Community energy remains relevant and important in order to achieve the Scottish Government's vision of a Just Transition and we will continue to work alongside and on behalf of community groups in Scotland to maximise on these opportunities.

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. D M G Boyd resigned on 16 November 2023, N Barnes on 19 March 2024 and D R Somerville, Dr P Revell and A C G Hardie all resigned on 15 April 2024. G Hurding resigned on 12 November 2024. A Pana was appointed on 16 August 2023, N D Burgess on 15 April 2024, R A E McGlynn on 8 May 2024, L Finlay and K S P Lyon were appointed on 9 May 2024. M McDonald-Cooke was appointed on 14 April 2024 but resigned on 24 June 2024.

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 two. The trustees make strategic decisions as and when required and the day-to-day operations are managed by the Chief Executive (CEO).

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 2024

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 18 December 2024 and signed on the board's behalf by:

.....
K P Lyon - Trustee

Opinion

We have audited the consolidated financial statements of Community Energy Scotland Limited (the charitable group and charitable company) 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 2024 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 this gives rise to a material misstatement in the financial statement themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

Auditor's 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.

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

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. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable group and 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 group and 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

19 December 2024

COMMUNITY ENERGY SCOTLAND LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the year ended 31 March 2024

		Unrestricted funds	Restricted funds	2024 Total funds	2023 Total funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	2,690	-	2,690	188,018
Charitable activities	5				
Project delivery		50,190	7,867	58,057	88,276
ReFLEX project		200	-	200	120,487
Carbon Neutral Islands		584,322	135,884	720,206	750,710
Aragon Big Hit		13	-	13	-
RIPEET		20,433	13,546	33,979	47,083
Other projects		266,474	38,747	305,221	47,404
Other incoming resources					
Other trading activities	3	-	63,952	63,952	59,229
Investment income	4	273	277,078	277,351	240,774
Total incoming resources		924,595	537,074	1,461,669	1,541,981
EXPENDITURE ON					
Raising funds - Other trading activities	6	-	45,766	45,766	46,317
		-	45,766	45,766	46,317
Charitable activities	7				
Project delivery		331,628	7,867	339,495	321,533
ReFLEX project		200	-	200	82,485
Carbon Neutral Islands		437,449	94,217	531,666	655,956
Aragon Big Hit		13	41,226	41,239	17
SMILE – refund of grant received		19,315	-	19,315	-
TraDER		-	-	-	14,327
RIPEET		17,126	21,445	38,571	39,184
Other projects		251,229	39,623	290,852	130,913
Total resources expended		1,056,960	250,144	1,307,104	1,290,732
NET INCOME/(EXPENDITURE)		(132,365)	286,930	154,565	251,249
Transfers between funds	23	158,333	(158,333)	-	-
NET MOVEMENTS IN FUNDS		25,968	128,597	154,565	251,249
TOTAL FUNDS BROUGHT FORWARD		246,349	349,930	596,279	345,030
TOTAL FUNDS CARRIED FORWARD		272,317	478,527	750,844	596,279

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 2024

		Unrestricted funds	Restricted funds	2024 Total funds	2023 Total funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	2,690	-	2,690	188,018
Charitable activities	5				
Project delivery		76,391	7,867	84,258	109,923
ReFLEX project		200	-	200	120,487
Carbon Neutral Islands		584,322	135,884	720,206	750,710
Aragon Big Hit		13	-	13	-
RIPEET		20,433	13,546	33,979	47,083
Other projects		266,474	38,747	305,221	47,404
Investment income	4	106,005	-	106,005	150,023
Total incoming resources		1,056,528	196,044	1,252,572	1,413,648
EXPENDITURE ON					
Charitable activities	7				
Project delivery		332,224	7,867	340,091	322,234
ReFLEX project		200	-	200	82,485
Carbon Neutral Islands		437,449	94,217	531,666	655,956
Aragon Big Hit		13	41,226	41,239	17
SMILE – refund of grant received		19,315	-	19,315	-
TraDER		-	-	-	14,327
RIPEET		17,126	21,445	38,571	39,184
Other projects		251,229	39,623	290,852	130,913
Total resources expended		1,057,556	204,378	1,261,934	1,245,216
NET INCOME/(EXPENDITURE)		(1,028)	(8,334)	(9,362)	168,432
RECONCILIATION OF FUNDS					
TOTAL FUNDS BROUGHT FORWARD		538,531	8,334	546,865	378,433
TOTAL FUNDS CARRIED FORWARD		537,503	-	537,503	546,865

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 2024

		Unrestricted funds	Restricted funds	2024 Total funds	2023 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	15	13,081	91,692	104,773	126,996
Investments		<u>-</u>	<u>114,816</u>	<u>114,816</u>	<u>-</u>
		13,081	206,508	219,589	126,996
CURRENT ASSETS					
Debtors	17	151,584	256,616	408,200	480,233
Cash at bank		<u>223,405</u>	<u>185,206</u>	<u>408,611</u>	<u>494,161</u>
		374,989	441,822	816,811	974,394
CREDITORS					
Amounts falling due within one year	18	(115,753)	(39,236)	(154,989)	(347,835)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CURRENT ASSETS		<u>259,236</u>	<u>402,586</u>	<u>661,822</u>	<u>626,559</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		272,317	609,094	881,411	753,556
CREDITORS					
Amounts falling due after more than one year	19	-	(130,567)	(130,567)	(153,452)
PROVISIONS FOR LIABILITIES	22	-	-	-	(3,824)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS		<u>272,317</u>	<u>478,527</u>	<u>750,844</u>	<u>596,279</u>
FUNDS	23				
Unrestricted funds				272,317	246,349
Restricted funds				<u>478,527</u>	<u>349,930</u>
TOTAL FUNDS				<u>750,844</u>	<u>596,279</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 17 December 2024 and were signed on its behalf by:

.....
K P Lyon - Trustee

The notes form part of these financial statements

CHARITY BALANCE SHEET
At 31 March 2024

		Unrestricted funds	Restricted funds	2024 Total funds	2023 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	15	13,081	-	13,081	13,527
Investments	16	<u>101</u>	<u>-</u>	<u>101</u>	<u>101</u>
		13,182		13,182	13,628
CURRENT ASSETS					
Debtors	17	286,288	1,000	287,288	548,308
Cash at bank		<u>353,787</u>	<u>-</u>	<u>353,787</u>	<u>301,247</u>
		640,075	1,000	641,075	849,555
CREDITORS					
Amounts falling due within one year	18	(115,754)	(1,000)	(116,754)	(316,318)
		<u></u>	<u></u>	<u></u>	<u></u>
NET CURRENT ASSETS		<u>524,321</u>	<u>-</u>	<u>524,321</u>	<u>533,237</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>537,503</u>	<u>-</u>	<u>537,503</u>	<u>546,865</u>
NET ASSETS		<u><u>537,503</u></u>	<u><u>-</u></u>	<u><u>537,503</u></u>	<u><u>546,865</u></u>
FUNDS	23				
Unrestricted funds				537,503	538,531
Restricted funds				<u>-</u>	<u>8,334</u>
TOTAL FUNDS				<u><u>537,503</u></u>	<u><u>546,865</u></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 18 December 2024 and were signed on its behalf by:

.....
K P Lyon - Trustee

The notes form part of these financial statements

COMMUNITY ENERGY SCOTLAND LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Group		Charity	
		2024	2023	2024	2023
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	1	(205,131)	(132,911)	62,668	(35,472)
Interest paid		(10,522)	(11,825)	-	-
Finance costs		(3,273)	(3,930)	(2,960)	(3,494)
Net cash provided by (used in) operating activities		<u>(218,926)</u>	<u>(148,666)</u>	<u>59,708</u>	<u>(38,966)</u>
Cash flows from investing activities					
Purchase of tangible fixed assets		(7,441)	(13,386)	(7,441)	(13,386)
Proceeds from sale of fixed assets		3,604	11,340	-	11,340
Interest received		378	53	273	23
Distribution of profits received		158,333	200,000	-	-
Net cash provided by (used in) investing activities		<u>154,874</u>	<u>198,007</u>	<u>(7,168)</u>	<u>(2,023)</u>
Cash flows from financing activities:					
Loan repayments		(21,498)	(20,195)	-	-
Loan received		-	-	-	-
Net cash provided by (used in) financing activities		<u>(21,498)</u>	<u>(20,195)</u>	<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		<u>(85,550)</u>	<u>29,146</u>	<u>52,540</u>	<u>(40,989)</u>
Cash and cash equivalents at the beginning of the period		<u>494,161</u>	<u>465,015</u>	<u>301,247</u>	<u>342,236</u>
Cash and cash equivalents at the end of the period		<u>408,611</u>	<u>494,161</u>	<u>353,787</u>	<u>301,247</u>

The notes form part of these financial statements

COMMUNITY ENERGY SCOTLAND LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2024

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

	Group		Charity	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	£	£	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	154,565	251,249	(9,362)	168,432
Adjustments for:				
Depreciation charges	15,612	21,728	4,151	9,120
Loss/(gain) on disposal of fixed assets	10,448	(5,008)	3,736	(5,008)
Interest received	(378)	(53)	(273)	(23)
Interest paid	10,522	11,825	-	-
Finance charges	3,273	3,930	2,960	3,494
Income from participating interests	(118,640)	(40,721)	-	-
Distribution of profits received	(158,333)	(200,000)	-	-
Decrease / (increase) in debtors	72,033	(340,374)	261,020	(357,225)
(Decrease)/increase in creditors	(194,233)	164,513	(199,564)	145,738
	<u>(205,131)</u>	<u>(132,911)</u>	<u>62,668</u>	<u>(35,472)</u>

The notes form part of these financial statements

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 2024

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

	2024	2023
	£	£
Donations	2,690	188,018
Memberships	-	-
Conference fees	-	-
	<u>2,690</u>	<u>188,018</u>

COMMUNITY ENERGY SCOTLAND LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 March 2024

3. OTHER TRADING ACTIVITIES – Group only

	2024	2023
	£	£
Export FIT	2,094	2,047
Generation FIT	44,165	41,662
Technical assistance	17,693	15,520
	<u>63,952</u>	<u>59,229</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:

	2024	2023
	£	£
Turnover	63,952	59,229
Cost of sales and administration costs	(61,445)	(56,140)
Other income	159,034	200,831
Finance costs	(10,522)	(11,825)
Net profit/(loss)	<u>151,019</u>	<u>192,095</u>
Amount gift aided to the charity	<u>(105,732)</u>	<u>(150,000)</u>
Retained in subsidiary	<u>45,287</u>	<u>42,095</u>
The assets and liabilities of the subsidiary were:		
Fixed assets	141,692	163,469
Current assets	233,474	236,477
Current liabilities	(95,974)	(143,156)
Non-current liabilities	(130,567)	(153,452)
Total net assets	<u>148,625</u>	<u>103,338</u>
Reserves	<u>148,625</u>	<u>103,338</u>

4. INVESTMENT INCOME

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Share of profit in participating interests	118,640	40,721	-	-
Distribution of profits from participating interests	158,333	200,000	-	-
Donation from trading subsidiary	-	-	105,732	150,000
Bank interest received	378	53	273	23
	<u>277,351</u>	<u>240,774</u>	<u>106,005</u>	<u>150,023</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 March 2024

5. INCOME FROM CHARITABLE ACTIVITIESGROUP

	Project delivery	Projects	2024 Total activities	2023 Total activities
	£	£	£	£
Consultancy fees	58,057	-	58,057	88,276
Grants	-	1,059,619	1,059,619	965,684
	<u>58,057</u>	<u>1,059,619</u>	<u>1,117,676</u>	<u>1,053,960</u>

CHARITY

	Project delivery	Projects	2024 Total activities	2023 Total activities
	£	£	£	£
Consultancy fees	84,258	-	84,258	109,923
Grants	-	1,059,619	1,059,619	965,684
	<u>84,258</u>	<u>1,059,619</u>	<u>1,143,877</u>	<u>1,075,607</u>

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

	2024	2023
	£	£
Carbon Neutral Islands	720,206	750,710
ReFLEX	200	120,487
RIPEET	33,979	47,083
Heat Pumps +	17,546	44,404
Paths 4 All (also Network 76)	32,073	3,000
Network 76	36,377	-
ICNZ Orkney	110,096	-
Innovate UK NZL Orkney	19,475	-
Innovate UK NZL ICNZ CNES	64,230	-
Innovate UK NZL Shetland	18,861	-
Other miscellaneous	6,576	-
	<u>1,059,619</u>	<u>965,684</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 March 2024

6. OTHER TRADING ACTIVITIES – Group only

	2024	2023
	£	£
Rent	4,872	5,878
Equipment servicing	5,976	10,737
Insurance	380	403
Depreciation	11,462	12,608
Loss on disposal of fixed asset	6,711	-
Interest payable and similar charges	10,522	11,825
Support costs	<u>5,843</u>	<u>4,866</u>
	<u>45,766</u>	<u>46,317</u>

7. CHARITABLE ACTIVITIES COSTS

Group – current year	Direct costs	Grant funding of activities	Support costs (See note 9)	Totals
	£	£	£	£
Project delivery	189,834	-	149,661	339,495
ReFLEX project	200	-	-	200
Aragon Big Hit	41,239	-	-	41,239
Carbon Neutral Islands	531,666	-	-	531,666
RIPEET	38,571	-	-	38,571
SMILE – repayment of grant	19,315	-	-	19,315
Other grants	<u>290,852</u>	<u>-</u>	<u>-</u>	<u>290,852</u>
	<u>1,111,677</u>	<u>-</u>	<u>149,661</u>	<u>1,261,338</u>

Charity – current year	Direct costs	Grant funding of activities	Support costs (See note 9)	Totals
	£	£	£	£
Project delivery	190,430	-	149,661	340,091
ReFLEX project	200	-	-	200
Aragon Big Hit	41,239	-	-	41,239
Carbon Neutral Islands	531,666	-	-	531,666
RIPEET	38,571	-	-	38,571
SMILE – repayment of grant	19,315	-	-	19,315
Other grants	<u>290,852</u>	<u>-</u>	<u>-</u>	<u>290,852</u>
	<u>1,112,273</u>	<u>-</u>	<u>149,661</u>	<u>1,261,934</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 March 2024

7. CHARITABLE ACTIVITIES COSTS

Group – prior year	Direct costs	Grant funding of activities	Support costs (See note 9)	Totals
	£	£	£	£
Project delivery	213,572	-	107,961	321,533
ReFLEX project	82,485	-	-	82,485
Aragon Big Hit	17	-	-	17
Carbon Neutral Islands	655,956	-	-	655,956
RIPEET	39,184	-	-	39,184
TraDER	14,327	-	-	14,327
Other grants	130,913	-	-	130,913
	<u>1,136,454</u>	<u>-</u>	<u>107,961</u>	<u>1,244,415</u>

Charity – prior year	Direct costs	Grant funding of activities	Support costs (See note 9)	Totals
	£	£	£	£
Project delivery	214,373	-	107,961	322,334
ReFLEX project	82,485	-	-	82,485
Aragon Big Hit	17	-	-	17
Carbon Neutral Islands	655,956	-	-	655,956
RIPEET	39,184	-	-	39,184
TraDER	14,327	-	-	14,327
Other grants	130,913	-	-	130,913
	<u>1,137,255</u>	<u>-</u>	<u>107,961</u>	<u>1,245,216</u>

8. SUPPORT COSTS

Current year – group and charity	Management £	Governance costs £	Totals £
Other trading activities – Group only	-	4,250	4,250
Project delivery – Group and charity	<u>142,161</u>	<u>7,500</u>	<u>149,661</u>
	<u>142,161</u>	<u>11,750</u>	<u>153,911</u>

Prior year – group and charity	Management £	Governance costs £	Totals £
Other trading activities – Group only	-	3,830	3,830
Project delivery – Group and charity	<u>100,961</u>	<u>7,000</u>	<u>107,961</u>
	<u>100,961</u>	<u>10,830</u>	<u>111,791</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 March 2024

9. SUPPORT COSTS

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

			2024	2023
	Other trading activities	Project delivery	Total activities	Total activities
	£	£	£	£
Interest payable and similar charges	-	2,960	2,960	3,494
Auditors' remuneration	4,250	7,500	11,750	10,830
Accountancy and legal fees	-	7,499	7,499	11,503
Pensions	-	34,419	34,419	22,853
Rent	-	9,134	9,134	2,685
Insurance	-	16,016	16,016	18,198
Light and heat	-	393	393	127
Telephone and IT support	-	25,511	25,511	13,219
Postage and stationery	-	595	595	1,576
Advertising	-	7	7	306
Sundries	-	14,852	14,852	8,733
Repairs and maintenance	-	795	795	1,024
Room hire	-	2,349	2,349	3,133
Other management and administration costs	-	19,744	19,744	9,998
Depreciation	-	4,151	4,151	9,120
(Gain) on disposal of assets	-	3,736	3,736	(5,008)
Trustees' remuneration etc.	-	-	-	-
Other governance costs	-	-	-	-
	<u>4,250</u>	<u>149,661</u>	<u>153,911</u>	<u>111,791</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging:

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Auditors' Remuneration	11,750	10,830	7,500	7,000
Depreciation - owned assets	15,612	21,728	4,151	9,120
Other operating leases	14,006	8,563	9,134	2,685
Loss/ (gain) on disposal of fixed asset	<u>10,448</u>	<u>(5,008)</u>	<u>3,736</u>	<u>(5,008)</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2023.

Trustees' expenses

	2024	2023
	£	£
Trustees' expenses	<u>-</u>	<u>-</u>

During the year no trustee received reimbursement for out of pocket expenses of £nil (2023 – no trustees -£nil)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 March 2024

12. STAFF COSTS – Group and charity

	2024	2023
	£	£
Wages and salaries	715,792	484,492
Social security costs	63,916	40,225
Other pension costs	<u>34,419</u>	<u>22,863</u>
	<u>814,127</u>	<u>547,580</u>

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

	2024	2023
	No.	No.
Average monthly employees	<u>25</u>	<u>18</u>

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

Key Management Personnel

Community Energy Scotland considers that the key management personnel comprise the Trustees and Senior Management Team being the Chief Executive, Head of Trading, Director of People and Communities, Technical Director and the Head of Finance. The total employee benefits of the key management personnel during the year were £227,253 (2023 - £186,051).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 March 2024

13. COMPARATIVES FOR THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	188,018	-	188,018
Charitable activities			
Project delivery	88,276	-	88,276
ReFLEX project	120,487	-	120,487
Carbon Neutral Islands	348,478	402,232	750,710
RIPEET	-	47,083	47,083
Other projects	-	47,404	47,404
Other trading activities	-	59,229	59,229
Investment income	23	240,751	240,774
Total	745,282	796,699	1,541,981
EXPENDITURE ON			
Other trading activities	-	46,317	46,317
Charitable activities			
Project delivery	305,996	15,537	321,533
ReFLEX project	82,485	-	82,485
Carbon Neutral Islands	212,057	443,899	655,956
Aragon Big Hit project	-	17	17
TraDER	-	14,327	14,327
RIPEET	-	39,184	39,184
Other projects	7,010	123,903	130,913
Total	607,548	683,184	1,290,732
NET (EXPENDITURE)	137,734	113,515	251,249
Transfers between funds	150,000	(150,000)	-
Net movement in funds	287,734	(36,485)	251,249
RECONCILIATION OF FUNDS			
Total funds brought forward	(41,385)	386,415	345,030
TOTAL FUNDS CARRIED FORWARD	246,349	349,930	596,279

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 March 2024

14. COMPARATIVES FOR THE CHARITY STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	188,018	-	188,018
Charitable activities			
Project delivery	109,923	-	109,923
ReFLEX project	120,487	-	120,487
Carbon Neutral Islands	348,478	402,232	750,710
RIPEET	-	47,083	47,083
Other projects	-	47,404	47,404
Investment income	150,023	-	150,023
Total	916,929	496,719	1,413,648
EXPENDITURE ON			
Raising funds	-	-	-
Charitable activities			
Project delivery	306,798	15,536	322,334
ReFLEX project	82,485	-	82,485
Carbon Neutral Islands	212,057	443,899	655,956
Aragon Big Hit project	-	17	17
TraDER	-	14,327	14,327
RIPEET	-	39,184	39,184
Other projects	7,010	123,903	130,913
Total	608,350	636,866	1,245,216
NET (EXPENDITURE)	308,579	(140,147)	168,432
Transfers between funds	-	-	-
Net movement in funds	308,579	(140,147)	168,432
RECONCILIATION OF FUNDS			
Total funds brought forward	229,952	148,481	378,433
TOTAL FUNDS CARRIED FORWARD	538,531	8,334	546,865

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 March 2024

15. TANGIBLE FIXED ASSETS

<u>Group</u>	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2023	328,788	8,174	139,850	476,812
Additions	-	229	7,212	7,441
Disposals	<u>(35,902)</u>	<u>(181)</u>	<u>(1,780)</u>	<u>(37,863)</u>
At 31 March 2024	<u>292,886</u>	<u>8,222</u>	<u>145,282</u>	<u>446,390</u>
DEPRECIATION				
At 1 April 2023	212,277	8,074	126,465	349,816
Charge for year	11,567	41	4,004	15,612
Disposals	<u>(22,707)</u>	<u>(127)</u>	<u>(977)</u>	<u>(23,811)</u>
At 31 March 2024	<u>201,137</u>	<u>7,988</u>	<u>132,492</u>	<u>341,617</u>
NET BOOK VALUE				
At 31 March 2024	<u>91,749</u>	<u>234</u>	<u>12,790</u>	<u>104,773</u>
At 31 March 2023	<u>116,511</u>	<u>100</u>	<u>10,385</u>	<u>126,996</u>
 <u>Charity</u>	 Plant and machinery £	 Fixtures and fittings £	 Computer equipment £	 Totals £
COST				
At 1 April 2023	22,601	8,174	139,850	170,625
Additions	-	229	7,212	7,441
Disposals	<u>(8,066)</u>	<u>(181)</u>	<u>(1,780)</u>	<u>(10,027)</u>
At 31 March 2024	<u>14,535</u>	<u>8,222</u>	<u>145,282</u>	<u>168,039</u>
DEPRECIATION				
At 1 April 2023	19,559	8,074	129,465	157,098
Charge for year	106	41	4,004	4,151
Disposals	<u>(5,187)</u>	<u>(127)</u>	<u>(977)</u>	<u>(6,291)</u>
At 31 March 2024	<u>14,478</u>	<u>7,988</u>	<u>132,492</u>	<u>154,958</u>
NET BOOK VALUE				
At 31 March 2024	<u>57</u>	<u>234</u>	<u>12,790</u>	<u>13,081</u>
At 31 March 2023	<u>3,042</u>	<u>100</u>	<u>10,385</u>	<u>13,527</u>

COMMUNITY ENERGY SCOTLAND LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 March 2024

16. FIXED ASSET INVESTMENTS

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
MARKET VALUE				
At 1 April 2023	-	-	101	101
Additions	114,816	-	-	-
At 31 March 2024	<u>114,816</u>	<u>-</u>	<u>101</u>	<u>101</u>
NET BOOK VALUE				
At 31 March 2024	<u>114,816</u>	<u>-</u>	<u>101</u>	<u>101</u>
At 1 April 2023	<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 £151,019 (2023 – £192,095) out of which it distributed £105,732 (2023 - £150,000) to Community Energy Scotland Limited and its net assets at 31 March 2024 were £148,625 (2023 – £103,338). Its nature of business is the operation of wind turbines.

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 registered office is 67A Castle Street, Inverness, IV2 3DU and registration number is SC349233.

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. Its registered office address is 67A Castle Street, Inverness, IV2 3DU and registration number is SC539817.

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 plus its share of the accumulated profits to date. An analysis of the investment is as follows:

	Investment	Other movements	Total
	£	£	£
Berwickshire Community Renewables LLP			
As at 1 April 2023	50,000	(53,824)	(3,824)
Group share of profits less distributions	-	118,640	118,640
As at 31 March 2024	<u>50,000</u>	<u>64,816</u>	<u>114,816</u>

During the year, Community Energy Scotland Trading Limited received £158,333 (2023 - £200,000) being its share of a distribution of accumulated profits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 March 2024

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	3,696	30,311	1,927	5,879
Accrued income	243,733	408,492	225,912	401,379
Amounts owed by group undertakings	-	-	57,739	100,000
Prepayments	2,438	3,930	1,710	3,550
Other debtors	158,333	37,500	-	37,500
	<u>408,200</u>	<u>480,233</u>	<u>287,288</u>	<u>548,308</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Other loans (see note 20)	22,885	21,498	-	-
Trade creditors	46,295	219,986	46,063	214,117
Amounts owed to group undertakings	-	-	-	11,639
Social security and other taxes	19,557	16,795	19,557	16,795
VAT	2,702	4,397	1,219	4,308
Pension fund contributions	6,538	4,265	6,538	4,265
Accrued expenses	41,035	47,686	27,400	31,986
Deferred income	15,977	23,208	15,977	23,208
Other creditors	-	10,000	-	10,000
	<u>154,989</u>	<u>347,835</u>	<u>116,754</u>	<u>316,318</u>

Deferred income of £23,208 brought forward from 2023 was all released in the current year. Income of £15,977 receivable in the current year has been deferred to future periods. All deferred income relates to the group and the charity.

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

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Other loans (see note 20)	130,567	153,452	-	-
	<u>130,567</u>	<u>153,452</u>	<u>-</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 March 2024

20. LOANS

An analysis of the maturity of loans is given below:

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Amounts falling due within one year on demand				
Triodos Bank Loan	<u>22,885</u>	<u>21,498</u>	<u>-</u>	<u>-</u>
	22,885	21,498	-	-
Amounts falling due between one and two years				
Triodos Bank loan	<u>24,362</u>	<u>22,885</u>	<u>-</u>	<u>-</u>
	24,362	22,885	-	-
Amounts due between two and five years:				
Triodos Bank loan	<u>106,205</u>	<u>130,567</u>	<u>-</u>	<u>-</u>
	153,452	174,950	-	-

On 26 November 2021, the company's subsidiary, 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% for the first five years.

21. SECURED DEBTS – Group only

The following secured debts are included within creditors:

	2024	2023
	£	£
Triodos Bank	<u>153,452</u>	<u>174,950</u>

The Triodos Bank loan balance of £153,452 (2023 - £174,950) is secured by a bond and floating charge over all the assets of the borrowing company – Community Energy Scotland Trading Limited.

22. PROVISIONS – Group only

	2024	2023
	£	£
Berwickshire Community Renewables LLP	<u>-</u>	<u>3,824</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 March 2024

23. MOVEMENT IN FUNDS

<u>Group:</u>	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	<u>246,349</u>	<u>(132,365)</u>	<u>158,333</u>	<u>272,317</u>
	246,349	(132,365)	158,333	272,317
Restricted funds				
RIPEET	7,899	(7,899)	-	-
Big Hit fund	41,226	(41,226)	-	-
Carbon Neutral Islands	(41,667)	41,667	-	-
Other restricted funds	876	(876)	-	-
Non-charitable subsidiary	<u>341,596</u>	<u>295,264</u>	<u>(158,333)</u>	<u>478,527</u>
	349,930	286,930	(158,333)	478,527
TOTAL FUNDS	<u>596,279</u>	<u>154,565</u>	<u>-</u>	<u>750,844</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	924,595	(1,056,960)	(132,365)
Restricted funds			
RIPEET	13,546	(21,445)	(7,899)
Big Hit fund	-	(41,226)	(41,226)
Carbon Neutral Islands	135,884	(94,217)	41,667
Other restricted funds	46,614	(47,490)	(876)
Non-charitable subsidiary	<u>341,030</u>	<u>(45,766)</u>	<u>295,264</u>
	537,074	(250,144)	286,930
TOTAL FUNDS	<u>1,461,669</u>	<u>(1,307,104)</u>	<u>154,565</u>

The transfer from restricted funds to unrestricted funds arose following a distribution of £158,333 paid by the non-charitable subsidiary to Community Energy Scotland Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 March 2024

23. MOVEMENT IN FUNDS - continued

Charity:	At 1.4.23 £	Net movement in funds £	Transfers between funds £	At 31.3.24 £
Unrestricted funds				
General fund	538,531	(1,028)	-	537,503
	538,531	(1,028)	-	537,503
Restricted funds				
RIPEET	7,899	(7,899)	-	-
Big Hit fund	41,226	(41,226)	-	-
Carbon Neutral Islands	(41,667)	41,667	-	-
Other restricted funds	876	(876)	-	-
	8,334	(8,334)	-	-
TOTAL FUNDS	546,865	(9,362)	-	537,503

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,056,528	(1,057,556)	(1,028)
Restricted funds			
RIPEET	13,546	(21,445)	(7,899)
Big Hit fund	-	(41,226)	(41,226)
Carbon Neutral Islands	135,884	(94,217)	41,667
Other restricted funds	46,614	(47,490)	(876)
	196,044	(204,378)	(8,334)
TOTAL FUNDS	1,252,572	(1,261,934)	(9,362)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 March 2024

23. MOVEMENT IN FUNDS – continued**Comparatives for the year ended 31 March 2023**

<u>Group:</u>	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	<u>(41,385)</u>	<u>137,734</u>	<u>150,000</u>	<u>246,349</u>
Restricted funds				
RIPEET	-	7,899	-	7,899
Big Hit fund	41,243	(17)	-	41,226
Carbon Neutral Islands	-	(41,667)	-	(41,667)
TraDER	14,327	(14,327)	-	-
Other restricted funds	92,911	(92,036)	-	875
Non-charitable subsidiary	<u>237,934</u>	<u>253,663</u>	<u>(150,000)</u>	<u>341,597</u>
	386,415	113,515	(150,000)	349,930
TOTAL FUNDS	<u>345,030</u>	<u>251,249</u>	<u>-</u>	<u>596,279</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	745,282	(607,548)	137,734
Restricted funds			
RIPEET	47,083	(39,184)	7,899
Big Hit fund	-	(17)	(17)
Carbon Neutral Islands	402,232	(443,899)	(41,667)
TraDER	-	(14,327)	(14,327)
Other restricted funds	47,404	(139,440)	(92,036)
Non-charitable subsidiary	<u>299,980</u>	<u>(46,317)</u>	<u>253,663</u>
	796,699	(683,184)	113,515
TOTAL FUNDS	<u>1,541,981</u>	<u>(1,290,732)</u>	<u>251,249</u>

The transfer from restricted funds to unrestricted funds arose following a distribution of £150,000 paid by the non-charitable subsidiary to Community Energy Scotland Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 March 2024

23. MOVEMENT IN FUNDS – continued**Comparatives for the year ended 31 March 2023**

Charity:	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	<u>229,952</u>	<u>308,579</u>	<u>-</u>	<u>538,531</u>
Restricted funds				
RIPEET	-	7,899	-	7,899
Big Hit fund	41,243	(17)	-	41,226
Carbon Neutral Islands	-	(41,667)	-	(41,667)
TraDER	14,327	(14,327)	-	-
Other restricted funds	<u>92,911</u>	<u>(92,035)</u>	<u>-</u>	<u>876</u>
	<u>148,481</u>	<u>(140,147)</u>	<u>-</u>	<u>8,334</u>
TOTAL FUNDS	<u><u>378,433</u></u>	<u><u>168,432</u></u>	<u><u>-</u></u>	<u><u>546,865</u></u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	916,929	(608,350)	308,579
Restricted funds			
RIPEET	47,083	(39,184)	7,899
Big Hit fund	-	(17)	(17)
Carbon Neutral Islands	402,232	(443,899)	(41,667)
TraDER	-	(14,327)	(14,327)
Other restricted funds	<u>47,404</u>	<u>(139,439)</u>	<u>(92,035)</u>
	<u>496,719</u>	<u>(636,866)</u>	<u>(140,147)</u>
TOTAL FUNDS	<u><u>1,413,648</u></u>	<u><u>(1,245,216)</u></u>	<u><u>168,432</u></u>

General funds:

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

Restricted funds:

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). This project was completed during the current year.

Carbon Neutral Islands

Carbon Neutral Islands project, delivered in partnership with the Scottish Government on six Scottish islands, takes a ‘bottom up’ approach by supporting six local anchor organisations to engage with the local communities on their priorities and to create a Climate Change Action plan, the first step in the journey towards Net Zero. A similar partnership project set out to create the Uist Local Energy Plan, which identifies the island group’s existing and future energy needs (in terms of power, heat and transport) and sets out priorities for action. The project was completed during the current year.

Non-charitable subsidiary:

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

Other restricted funds:

These represent other funds with restricted purposes. These include:

SPEN strategy Update

The purpose of this work is to review SP Energy Network’s Community Energy Strategy to ensure it continues to accurately reflect their commitment to supporting, delivering and maximising the enablement of community led energy action in its operating areas, as well as supporting the need to meet legally binding Net Zero targets. The work also involved a full review of SP Energy Network’s online Zero Carbon Hub to ensure the content is up to date and continues to offer relevant advice and guidance, showcases the most recent good practice in the community energy sector and reflects the most up to date resources available across the SP Energy Network’s licence areas.

Repowering Workshop

The Repowering Workshop and Discussion event was held in February 2024. The event brought together community groups, experts, and industry to gain and share information, network, and discuss the needs, opportunities, challenges, and barriers to repowering existing renewable generation assets.

ICNZ CNES

Project Managing and delivering the Islands Centre for Net Zero in the Outer Hebrides. This involves financial management, project planning, community and stakeholder engagement and events, and project development.

24. RELATED PARTY DISCLOSURES

There were no disclosable related party transactions within the charitable group during the year ended 31 March 2024 or for the year ended 31 March 2024.

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.