

**NORTHMAVINE COMMUNITY DEVELOPMENT
COMPANY**

**CONSOLIDATED FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2022

Company Registration Number: SC338675

Scottish Charity Number: SC039396

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY
TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT)
YEAR ENDED 31ST MARCH 2022

The trustees have pleasure in presenting their annual report and the audited financial statements of the charitable group and company for the year ended 31st March 2022.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Memorandum and Articles of Association, and 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).

OBJECTS OF THE CHARITY, PRINCIPAL ACTIVITIES AND ORGANISATION OF OUR WORK

Purpose and Activities

Purpose

The main purpose of our charity as set out in the company's memorandum of association is to:

"Advance community development in Scotland by promoting, alone or in conjunction with others, the development of the Community."

Vision

The vision that shapes our annual activities is to be a connected, active, enterprising community with a thriving population of locals, returners and incomers alike who are actively involved in new and existing local businesses and contributing to a vibrant community life for all.

'We fight da slokkin o da light'

We endeavour to encourage all within our community to get involved to help shape, develop and make happen the projects that stem from their Northmavine Development Plan. The main aim of the charity is to work with the community of Northmavine and its partner agencies, links and networks to help make Northmavine a better place to work, live or visit.

Objectives

The company has been formed to benefit the community of Northmavine to encourage and promote development and other measures to help fulfil the following five objectives:

- **COMMUNAL:** To work with the community of Northmavine through clear and regular communication to reverse population decline and improve services.
- **ECONOMIC:** To develop a diverse and robust economy in Northmavine to meet the needs, skills and aspirations of the community.
- **ENVIRONMENTAL:** To protect and develop the environment of Northmavine, ensuring the sustainable use of its resources.
- **CULTURAL:** To celebrate, enhance and promote the cultural heritage of Northmavine.
- **PROMOTIONAL:** To raise the profile of Northmavine and generate greater awareness of the area's unique character and quality.

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Putting these aims and objectives into action, we have three major themes, arising from the community development plan and consultation with the people of Northmavine. These are:

- Social Enterprise and Business
- Housing
- Renewables and Environment

DEVELOPMENT, ACTIVITIES PERFORMANCE AND ACHIEVEMENTS THIS YEAR

Who benefited from our activities?

Our main focus for the year continued to be to working with the Northmavine community to make Northmavine a better place to work, live and visit.

Northmavine has a widespread population of around 770, across five main settlements in Sullom, Eshaness, Ollaberry, North Roe and Hillswick.

In April 2022 our Growing Local Project Officer left and we had two part time project officers take over the project as a job share.

We review our activities regularly to ensure we are prioritising the needs and aspirations of the community. This involves canvassing the community and asking for anecdotal evidence of the group's results. The group's performance and success are also measured by reviewing the investment brought into the community.

Social Enterprise and Business

Lettings agency

NCDC continues to act as an agent for several local house owners in letting their properties, with general success.

Business advice

Business advice services are still part of our work, and the role of the charity is to signpost individuals to the appropriate service or agency. We also provide support and assistance where appropriate.

Hillswick Shop

Hillswick Shop Ltd opened as a community owned and run business in November 2009 and has now been trading for over a decade. The company is a trading arm of NCDC, who lease the premises to Hillswick Shop Ltd. Under the company structure, any surplus profits generated by Hillswick Shop Ltd are gifted back to NCDC and used for the benefit of the Northmavine community.

The board of directors continue to work with staff and the community to try to increase sales and reduce expenditure. Through 2022, the shop has had to deal with significant price increases from suppliers and staff have worked hard to take in different brands to the shop, keeping prices as competitive as they can. The shop ended 2022 with a small profit.

The board continues to look at ways expenditure can be reduced, and income increased.

NCDC have bought 5 electric bikes with the assistance of grant aid and have set up the rental business with the Hillswick shop. They were popular throughout the summer of 2021 and through 2022. NCDC are looking to move the bikes to Bruckland in 2023 to make the hiring process easier for staff.

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Polycrubs

Our trading arm, Nortenergy Ltd, designed and markets the Polycrub® horticultural building particularly for our climate and offering Storm Strength from Shetland across Scotland and beyond. The company has a focus on the environment, recycling plastic waste from the aquaculture industry. Kits continue to be sold in Shetland and across the UK. 2 Distribution hubs have been set up on the mainland reducing delivery costs for customers. The Polycrub continues to attract much national and now some international attention. Turnover for Nortenergy Ltd has increased again this year. Nortenergy continue to progress the business case and invest in marketing. Highlands and Islands Enterprise will continue to provide grant support to support growth. Working during lockdown and COVID proved a tricky time for Nortenergy. Materials were scarce, and demand was extremely high.

During 2021 Nortenergy employed two new full time staff members and started to build a new shed which was completed in December 2022 and will allow Nortenergy to expand the business. Profits from the company are passed back to NCDC for the benefit of the Northmavine community.

The Weaving Shed Gallery and Accommodation

NCDC has, since February 2019 administered the Weaving Shed Gallery and studio flat on behalf of the owner, organising limited AirBnB holiday rentals for the flat and booking exhibitions into the gallery. During 2021 there were three creators in residence, AirBnB bookings for long and short term stays and 2 exhibitions in the gallery. Through the summer of 2022 there was a joint exhibition between two local makers and 2 creators and residence. The accommodation continued to be very popular.

Creator in Residence programme

During 2021 there were 3 creators in residence who each stayed for around a month and in 2022 there were another 3 creators.

Growing Local Northmavine Project

The aim of this two-year project is to support local growing and food production by both individuals and groups in Northmavine for their own use, for sharing with others, and/ or for sale.

Building on developments around local growing in Shetland such as the Shetland Fair Food Policy and Grow Shetland, the Growing Local project aims to promote local growing to help increase access to locally-grown produce, highlight the benefits of growing to health and wellbeing, reduce 'food miles', and identify business opportunities linked to locally grown produce.

So far, the project has co-ordinated Peerie Voar Seed kits sent to every home in Northmavine in 2021 and 2022, organised a Maker's Market, a plant sale, a variety of gardening and cookery workshops, liaised with the Nort Trow Community Garden including getting a work experience student during 2022, created a growing group for residents of Northmavine and started selling Shetland Kale Seed.

In Spring 2022 3 seed packets were sent out to each household in Northmavine and the plant swap boxes set up at the shop again.

During February/March 2022 there was a recruitment process for a new Growing Local Project Officer. By the end of March we had two part time project officers doing a job share in place to continue the project.

The project is funded through the Shetland Islands Council Coastal Communities Fund financed from net revenues generated by Crown Estate assets in Scotland.

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Christmas Voucher Scheme

In mid-November 2021 every household in Northmavine received a newsletter updating them on the work going on by NCDC and a £25 voucher to spend at either the Ollaberry or Hillswick Shop by the end of December 2021. The vouchers have been well received by the community and is putting money back into the local economy. The scheme was run again in December 2022 and January 2023 and uptake increased by 5% from 2021.

Community Fridge

During November 2022, NCDC were successful in a funding application to the Hubbub Foundation for £4000 to set up a community fridge. We will be getting a Poly Opyl built at Bruckland to house a fridge and freezer and it will be open 2023.

Housing**Shoormal**

The 3-bedroom property next to the Hillswick shop was occupied during 19/20 but became vacant during 2020 and was empty for a while during the tighter restrictions of travel. We now have new tenants leasing the property again since October 2020.

Land at Urafirth, Shetland

After receiving funding from the Shetland Community Benefit Fund to undertake a structural survey in 2020, this was eventually completed in 2022 by Mott MacDonald. After numerous discussions with SIC and the Scottish Land Fund, NCDC were successful in a bid for Stage 1 SLF funding in February 2023 to undertake a housing needs assessment and get an architectural survey done.

Land at Stucca, Hillswick

NCDC decided they would look to sell the site. In 2022 the company got the land valued and are looking whether to get planning in principle for the site before putting it on the market.

Renewables and Environment**Community Wind Turbines**

In March 2015, our trading arm Nortenergy Ltd, erected two small 5KW wind turbines. The energy they produce is being used by two small local businesses. The community benefits from the Feed in Tariffs paid to Nortenergy Ltd for energy production.

Bruckland SCRAN

Bruckland SCRAN has been extremely successful since opening, with a membership of 60 and others who use it on a "pay-for-use" basis. During September 2021, we purchased a card machine giving people the option of paying for their membership or purchasing goods by card.

Tourism**Northmavine Tourist Guide**

This continue to be well received by tourists and locals alike.

Be-Nort da Grind App

The Growing Local project officers have been working with Rachel Gambro from the Rural Food Tourism project to develop a new self-guided driving app about live in Northmavine which will be launched in Spring 2023.

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Pop up Craft Shop

Initial meetings to set up a craft shop in Northmavine were held in January 2023 with 10 crafters interested in being involved in the project. NCDC is still currently trying to rent premises for the summer season.

Phone Boxes

NCDC have purchased two phone boxes in Northmavine with plans to use one as an information point for tourists. Both boxes need some refurbishment which has been held up due to COVID but is likely to progress during 2022.

Marketing and internet

The project officer continues to update the Northmavine.com website, as well as social media through Twitter, Facebook and Instagram. This has proved very effective both in communicating information and general area marketing, and in marketing specific events and products such as housing. NCDC has also started sending out a monthly newsletter to all members via email or post.

Events

Nort About Exhibition

Nort About was a joint exhibition between two local artists which ran for 6 weeks from June to the end of July 2022. It proved a great success, and one of the artists has booked again in 2023.

Maker's Market

In August 2021, the Growing Local Project officer co-ordinated a maker's market in the Hillswick Hall with local produce and crafts available for sale, cooking demonstrations and local musicians playing. There were an estimated 300 people who attended with other local businesses also reporting extra trade and visitors on the day.

Book Launch

In November 2021 NCDC helped to organise the book launch of Climate Change: Children's Voices book which included artwork by children from schools in Northmavine. Unfortunately, the event was cancelled last minute due to a rise in COVID-19 cases locally.

Community Consultation

During the summer of 2022, 4 drop ins were held in the local halls giving the community the opportunity to chat to staff and other local agencies about upcoming projects, thoughts on ways to improve the community and any support they felt was needed. Questionnaires were also sent out to local businesses and community groups. The information gathered was collated and will be used to inform the next Northmavine Development Plan.

Produce Show

In August 2022, the Growing Local Project officers organised a produce show with a huge variety of classes including flowers, fruit, vegetables, preserves and baking. There was a great turn out with people looking forward to the event again in 2023.

Our staff and volunteers

Staffing

In April 2021, a new project officer was employed on a 2 year contract to lead the Growing Local Northmavine Project. A part time delivery driver was also employed in April 2021. In March 2022, our project officer for Growing Local left and was replaced by two part time project officers doing a job share.

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In May 2021, our part time development officer left and was replaced by a full time development officer in August 2021.

NCDC is very involved in the community and relies on voluntary help to develop and implement the community projects.

Bruckland

Bruckland, our community waste and recycling scheme for Northmavine has the support of more than thirty volunteers. We hope to get the volunteers helping at Bruckland during 2022/23. Without the involvement of volunteers in our activities, much of the regeneration work we undertake could not happen. The recycling project is a great opportunity to engage with the community.

FINANCIAL REVIEW

NCDC continues to take a long-term view on the finances. To continue to be a sustainable part of the community we again look to our future in terms of income generation to become self-sustaining. We no longer receive financial support from Highlands and Islands Enterprise (HIE), though the agency continues to account manage NCDC.

Much of the community work and support that NCDC undertakes result in little or no income generation for the charity, so to continue our work in the community it is necessary to carry out income generating work and services to help finance our future.

During the year we have undertaken administration/book-keeping services. We offer consultancy services for community organisations. In addition, we are receiving donations for upcycling materials from Bruckland SCRAM. The Weaving shed creator in residence scheme and AirBnB bookings also makes a small percentage profit for NCDC. These projects are all in line with our aims and objectives and add to our ability to generate income.

The current year results show a group total net surplus in funds of £432,951 (2021: £498,481). The main source of incoming resources is attributable to the results of the two trading subsidiaries, Hillswick Shop Limited and Nortenergy Limited, which are responsible for total income of £2,019,199 (2021: £1,700,420).

Investment Policy and Returns

Under the memorandum and articles of association, the charity has the power to make any investment, which the trustees see fit. The trustees have chosen to use a bonus reserve account with the Royal Bank of Scotland.

Given the levels of return on investments are generally low everywhere, the trustees consider the return on investments to be satisfactory. Trustees are aware that the opportunity to access increased return on investments will typically have a higher level of financial risk involved. Trustees do not consider this an option.

Risk Review

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the company and are satisfied those systems are in place to mitigate our exposure to the major risks.

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In terms of NCDC, some new income streams have opened up with Bruckland memberships and donations for goods for upcycling. The trustees are always aware that some of the income generating activities could cease at any time. For this reason, trustees mitigate that risk by spreading income generation activity over several smaller tasks, rather than one or two larger ones. The continued trend of low or no profit from the Hillswick Shop Ltd means the board of Hillswick Shop Ltd will continue to work closely with NCDC. The purpose of the Hillswick Shop Ltd is essentially to provide services to the community, but secondly to provide income through gift of profits to NCDC.

Nortenergy Ltd continues to grow, with the setting up of distribution hubs on the mainland and engaging more trusted constructors. Associated risks are being managed and mitigated.

Reserves Policy

Funding has been in the form of grants and donations to carry out specific projects. Such income is shown as restricted reserves in the financial statements.

Trustees continue to review the policy and recognise the need to be able to weather any potential storm. The board has a reserves policy which has set the minimum target level for its reserves at the equivalent of two months' general core cost spending, to be held in its reserves. This is based around the rate in which income comes into the charity and any worst-case scenario delays or changes to this. The amount of monies held is monitored daily via internet banking and management accounts.

Total funds as of 31 March 2022 are £1,298,646 (2021: £865,695). This is split between Total Restricted Funds of £181,093 (2021: £150,597) and Total Unrestricted Funds of £1,117,553 (2021: £715,098). Unrestricted Funds includes a Revaluation Reserve of £26,883. The Trustees consider the Unrestricted Income Funds of £1,090,670 more than meet the reserves policy requirements.

PLANS FOR THE FUTURE

The charity continues to progress the aspirations and needs identified by the community in line with the community development plan and the NCDC business plan. A review of the projects we have on the back burner due to COVID was discussed at our planning day in November 2020. We will now go out to the community with ideas that came forward, that are in line with company aims and objectives. Projects currently being pursued include housing, staycation tourism and green projects.

We continue to be an account managed social enterprise with Highlands & Islands Enterprise (HIE), and we will continue to develop relationships with our funders and look for ways to increase our partnership working. Which is an important part of our ethos.

Our main priority projects are developing and expanding Bruckland SCRAN, looking for housing solutions, developing tourism marketing, and fighting climate change.

NCDC is keen to meet housing needs in Northmavine but recognises that housing projects have the potential to incur major capital costs. Therefore, it is imperative that any developments are in line with community need and local and national policy.

The charity will also continue to support the development of the Hillswick Shop Ltd and Nortenergy Ltd where we are able in terms of resources and regulation.

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REFERENCE AND ADMINISTRATIVE DETAILS

Name of Charity	Northmavine Community Development Company	
Company Number	SC338675	
Charity Number	SC039396	
Registered Address	Ollaberry Hall Ollaberry Shetland ZE2 9RT	
Trustees	Mr S Balfour Mr D Brown Mr J A Cromarty Mr H Haslam Mrs L Jamieson Mr W H Manson Mr R McGeady Mr S Moore Ms M I Roberts Ms C Slater Mr J Titcomb Mr A J Williamson	(resigned 25 January 2023) (appointed 19 March 2023) (appointed 28 March 2022, resigned 25 January 2023) (resigned 2 May 2022) (appointed 25 January 2023) (resigned 26 July 2021)
Company Secretary	The A9 Partnership Ltd	
Chairperson	Mr J A Cromarty	
Development Officer	Ms C Anderson	
Support Officer	Mr I Davidson	
Auditor	The A9 Partnership Ltd 47 Commercial Road Lerwick Shetland ZE1 0NJ	
Bankers	Royal Bank of Scotland 81 Commercial Street Lerwick Shetland ZE1 0AD	
Solicitors	Neil Risk Nordhus, North Ness Business Park Lerwick Shetland ZE1 0LZ	

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document and organisation

The Northmavine Community Development Company is a Scottish Charity, constituted as a company limited by guarantee and therefore governed by a memorandum and articles of association. The charity is governed by a Board of Trustees who are responsible for long-term planning and strategic decision making. Any full-time resident of Northmavine is welcome to become a member. Membership currently stands at 92 and is rising after remaining static for many years. Members are aware of the need to contribute £1 should the charity wind up.

Directors of the company are also trustees of the charity, and there are no other trustees. The Board has the power to appoint additional trustees as it considers fit to do so.

The NCDC board of trustees meet on a regular basis, usually monthly, to set the strategic direction of the company in line with the needs of the community as highlighted in the Northmavine Community Development Plan, and the business plan. At present there are nine trustees/directors. Bi-annual meetings are also held to concentrate on strategic direction. The meetings also focus on the outcomes of the company during the year and the future direction.

Day to day decision making, based on the strategic guidance of the board, is delegated to the Development Officer (DO). The DO is supported by a support officer (part time). The DO liaises with the Chairperson to ensure that day to day business is in line with the board direction.

Trustee, Margaret Roberts is the line manager for the DO. The Chairperson, John Alex Cromarty, oversees NCDC meetings. In the absence of the Chairperson, the Vice Chairperson, Bob McGeady, is responsible for directing meetings and line-managing the DO. The DO post has been split into a job share so the DO part of the post is now part time, and the other part time position is admin. During the 2019/20-year, Ms M Roberts resigned as chair after 14 years and was replaced by Mr JA Cromarty.

Appointment of trustees, their induction and training

Trustees are appointed by the committee. New trustees will be provided with information necessary for the responsibility of holding office of trustee as available from OSCR. New trustees are also given an induction to the company, structure and strategies by the Chairperson, or board director. In addition, a new directors' handbook is also given to each new person who joins the board. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Related Parties

None of our trustees receive remuneration or other benefit from their work with the charity. Some trustees of the charity also serve on each of the two trading subsidiaries. Full training is given to all NCDC directors with regard to conflict of interests and maintaining the interest of the company they represent at that time.

The charity has a close relationship with Northmaven Community Council (NCC). The support officer is clerk to the NCC and one charity trustee is a member of the NCC. NCDC at times, applies to NCC for small grant funding. Both the clerk and the trustee declare an interest and offer to leave the room during discussion and decision of the grant request. This would be the case should any other related party matters arise.

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY
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Pay policy for senior staff

The trustees consider that the charity's trustees and senior management team comprise the key management personnel of the charity in charge of direction and controlling, running and operating the charity of a day-to-day basis. All trustees give their time freely and no trustee received remuneration in the year.

Pay structures for NCDC and its subsidiaries, including that of key management personnel, are reviewed annually at board meetings of each respective company. Any pay increase is dependent on the performance of the company and the ability to be able to afford any such increase. Any increase of pay award is made in line with current rates of inflation, except in special circumstances.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of Northmavine Community Development Company for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, these trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company, and the group, and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group 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 auditor is 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 auditor is aware of that information.

AUDITOR

A resolution proposing that The A9 Partnership Limited be reappointed auditor of the charity will be put to the Annual General Meeting.

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TRUSTEES' ANNUAL REPORT (INCLUDING DIRECTORS' REPORT)
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APPROVAL

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The report was approved by the board of directors and trustees on ~~31/03/2022~~ 31/03/2023 and signed on its behalf.

Registered office:
Ollaberry Hall
Ollaberry
Shetland
ZE2 9RT

Signed by order of the trustees



JA Cromarty
Director and Chair

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY LIMITED
FOR THE YEAR ENDED 31 MARCH 2022**

OPINION

We have audited the financial statements of Northmavine Community Development Company (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31st March 2022 which comprise the Group and Parent Charitable Company Statements of Financial Activities (incorporating Income and Expenditure Accounts), the Group and Parent Charitable Company Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31st March 2022 and of the group's and parent charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

BASIS OF 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the 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 trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, 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 Trustees' Annual Report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF
NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY LIMITED (continued...)
FOR THE YEAR ENDED 31 MARCH 2022**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 group's and parent 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 group or the parent 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and its industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Charities and Trustee Investment (Scotland) Act 2005, Companies Act 2006, Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities SORP (FRS 102).

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates. Also there is the risk of fraudulent misappropriation of: stock, cash or other assets.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.
- Reviewing legal fees incurred in the year for indications of non-compliance or litigation.

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF
NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY LIMITED (continued...)
FOR THE YEAR ENDED 31 MARCH 2022**

Our audit procedures in relation to fraud included but were not limited to:


- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.
- Performing sales completeness testing and agreeing receipts from cash sales to subsequent bank lodgement.
- Attending the charity's year end stock take and carrying out test counts of stock items to confirm physical existence

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulations. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. The primary responsibility for the prevention and detection of irregularities including fraud rests with management.

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 auditor's report.

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 trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



JAYNE ANDERSON FCCA
(Senior Statutory Auditor)
for and on behalf of The A9 Partnership Ltd, Statutory Auditor
The A9 Partnership Ltd is eligible to act as an auditor in terms of section 1212
of the Companies Act 2006.

THE A9 PARTNERSHIP LIMITED
Chartered Accountants
47 Commercial Road
Lerwick
Shetland
ZE1 0NJ

30/03/2023

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

GROUP STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating a group income and expenditure account)

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022			2021	
		Unrestricted Funds £	Restricted Funds £	Restricted Capital Funds £	Total Funds £	
INCOME AND ENDOWMENTS FROM:						
Donations	2	39,516	38,179	47,314	125,009	181,892
Charitable activities	5	-	-	-	-	-
Other trading activities	3	2,046,924	-	-	2,046,924	1,719,821
Investments	4	-	-	-	-	-
Other income	6	4,238	-	-	4,238	3,984
Total income		2,090,678	38,179	47,314	2,176,171	1,905,697
EXPENDITURE ON:						
Costs of raising funds	8	1,589,259	-	-	1,589,259	1,327,103
Expenditure on charitable activities	9	114,623	39,338	-	153,961	89,535
Total expenditure		1,703,882	39,338	-	1,743,220	1,416,638
NET INCOME/(EXPENDITURE) ON ORDINARY ACTIVITIES BEFORE TAXATION						
	12	386,796	(1,159)	47,314	432,951	489,059
Tax on Ordinary Activities	14	-	-	-	-	9,422
NET INCOME/(EXPENDITURE)		386,796	(1,159)	47,314	432,951	498,481
TRANSFERS BETWEEN FUNDS						
Gross transfers between funds	28	15,659	(618)	(15,041)	-	-
NET MOVEMENT IN FUNDS		402,455	(1,777)	32,273	432,951	498,481
RECONCILIATION OF FUNDS						
Total Funds brought forward at 1 April 2021		715,098	7,165	143,432	865,695	367,214
Total Funds carried forward at 31 March 2022	29	1,117,553	5,388	175,705	1,298,646	865,695

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

The notes on pages 20-34 form part of these financial statements

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an income and expenditure account)

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022			2021	
		Unrestricted Funds £	Restricted Funds £	Restricted Capital Funds £	Total Funds £	Total Funds £
INCOME AND ENDOWMENTS FROM:						
Donations and voluntary income	2	152	38,179	5,434	43,765	139,144
Charitable activities	5	3,243	-	-	3,243	4,485
Other trading activities	3	32,657	-	-	32,657	30,852
Investments	4	400,337	-	-	400,337	75,065
Other income	6	4,278	-	-	4,278	4,064
Total income		440,667	38,179	5,434	484,280	253,610
EXPENDITURE ON:						
Costs of raising funds	8	1,814	-	-	1,814	1,976
Expenditure on charitable activities	9	113,978	39,338	-	153,316	88,323
Total expenditure		115,792	39,338	-	155,130	90,299
NET INCOME/(EXPENDITURE) ON ORDINARY ACTIVITIES BEFORE TAXATION						
	12	324,875	(1,159)	5,434	329,150	163,311
Tax on Ordinary Activities	14	-	-	-	-	-
NET INCOME/(EXPENDITURE)		324,875	(1,159)	5,434	329,150	163,311
TRANSFERS BETWEEN FUNDS						
Gross transfers between funds	28	14,452	(618)	(13,834)	-	-
NET MOVEMENT IN FUNDS		339,327	(1,777)	(8,400)	329,150	163,311
RECONCILIATION OF FUNDS						
Total Funds brought forward at 1 April 2021		282,915	7,165	137,668	427,748	264,437
Total Funds carried forward at 31 March 2022	29	622,242	5,388	129,268	756,898	427,748

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

The notes on pages 20-34 form part of these financial statements

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

GROUP BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022		2021	
		£	£	£	£
FIXED ASSETS					
Intangible Assets	15		4,995		-
Tangible Assets	16		311,641		162,809
Investments	17		133,967		134,357
Total fixed assets			<u>450,603</u>		<u>297,166</u>
CURRENT ASSETS					
Stock	18	163,056		117,463	
Debtors	19	97,842		56,285	
Cash at Bank and in hand		806,022		773,338	
Total current assets		<u>1,066,920</u>		<u>947,086</u>	
LIABILITIES					
Creditors: Amounts falling due within one year	20	<u>185,995</u>		<u>328,057</u>	
Net current assets			<u>880,925</u>		<u>619,029</u>
Total assets less current liabilities			1,331,528		916,195
Creditors: Amounts falling due after more than one year	21		<u>32,882</u>		<u>50,500</u>
			1,298,646		865,695
Provisions for liabilities					
Deferred taxation	22		-		-
TOTAL NET ASSETS			<u><u>1,298,646</u></u>		<u><u>865,695</u></u>
<u>THE FUNDS OF THE CHARITY</u>					
Restricted Capital Funds	28		175,705		143,432
Restricted Income Funds	28		5,388		7,165
Unrestricted Income Funds	28		1,090,670		688,215
Unrestricted Revaluation Reserve	28		26,883		26,883
			<u>1,298,646</u>		<u>865,695</u>

These financial statements have been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

These financial statements were approved by the directors on 30/03/ 2023 and are signed on their behalf by:



J A Cromarty
Trustee

Company Registration Number: SC338675

The notes on pages 20-34 form part of these financial statements

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022		2021	
		£	£	£	£
FIXED ASSETS					
Intangible Assets	15		4,995		-
Tangible Assets	16		94,409		93,798
Investments	17		234,068		134,459
Total fixed assets			<u>333,472</u>		<u>228,257</u>
CURRENT ASSETS					
Debtors (including £0 due in more than 1 year, 2021: £6,000)	19	41,862		16,687	
Cash at Bank and in hand			<u>396,772</u>		<u>200,511</u>
Total current assets			<u>438,634</u>		<u>217,198</u>
LIABILITIES					
Creditors: Amounts falling due within one year	20	<u>15,208</u>		<u>17,707</u>	
Net current assets			<u>423,426</u>		<u>199,491</u>
Total assets less current liabilities			756,898		427,748
Creditors: Amounts falling due after more than one year	21		<u>-</u>		<u>-</u>
TOTAL NET ASSETS			<u><u>756,898</u></u>		<u><u>427,748</u></u>
THE FUNDS OF THE CHARITY					
Restricted Capital Funds	28		129,268		137,668
Restricted Income Funds	28		5,388		7,165
Unrestricted Income Funds	28		595,359		256,032
Unrestricted Revaluation Reserve	28		<u>26,883</u>		<u>26,883</u>
			<u>756,898</u>		<u>427,748</u>

These financial statements have been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

These financial statements were approved by the directors on 30/03/..... 2023 and are signed on their behalf by:



 J A Cromarty
 Trustee

Company Registration Number: SC338675

The notes on pages 20-34 form part of these financial statements

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows used in operating activities		
Net income/(expenditure) for the reporting period (as per statement of financial activities)	432,951	498,481
<i>Adjustments for:</i>		
Depreciation	25,291	13,499
Profit on disposal of assets	(5,513)	1,065
Interest received	(351)	(378)
Interest paid	603	1,491
Tax on profit	-	(9,424)
Decrease/(Increase) in stock	(45,593)	(38,843)
(Increase) in debtors	(41,557)	(2,035)
(Decrease) in creditors	(152,563)	110,506
	<u>(219,683)</u>	<u>75,881</u>
Net cash provided by/(used in) operating activities	213,268	574,362
Cash flows from investing activities		
Interest received	351	378
Interest paid	(603)	(1,491)
Proceeds from sale of fixed asset	7,000	-
Purchase of property, plant and equipment	(175,220)	(84,038)
Purchase of intangible fixed assets	(4,995)	-
	<u>(173,467)</u>	<u>(85,151)</u>
Net cash provided by/(used in) operating activities	(173,467)	(85,151)
Cash flows from financing activities		
Repayment of borrowing	(7,118)	(11,506)
Cash inflows from new borrowing	-	50,000
	<u>(7,118)</u>	<u>38,494</u>
Net cash provided by/(used in) operating activities	(7,118)	38,494
Change in cash and cash equivalents in the reporting period	32,683	527,705
Cash and cash equivalents at the beginning of the reporting period	<u>773,338</u>	<u>245,633</u>
Cash and cash equivalents at the end of the reporting period	<u>806,021</u>	<u>773,338</u>
Analysis of cash and cash equivalents	2022 £	2021 £
Cash in hand	3,928	4,354
Cash at bank including overdrafts	<u>802,093</u>	<u>768,984</u>
	<u>806,021</u>	<u>773,338</u>
Analysis of changes in net debt	£	£
Cash and cash equivalents at 1st April 2021		773,338
Borrowings at 1st April 2021		(50,000)
Net debt as at 1st April 2021		<u>723,338</u>
Cash Flows	32,683	
Repayment of Borrowing	<u>7,118</u>	
		<u>39,801</u>
Net debt as at 31st March 2022		<u>763,139</u>
Cash and cash equivalents at 31st March 2022		806,021
Borrowings at 31st March 2022		<u>(42,882)</u>
Net debt as at 31st March 2022		<u>763,139</u>

The notes on pages 20-34 form part of these financial statements

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared on a going concern basis under the historical cost convention with items recognised at cost of transaction value unless otherwise stated in the relevant notes to these accounts, and include the results of the charity's operations which are described in the Trustees' Annual Report and all of which are continuing.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity constitutes a public benefit entity as defined by FRS 102. The charity is a registered public charity, registered in Scotland and limited by guarantee. The address of the charity's registered office and a description of the charity's operations and principal activities are further discussed in the Trustees' Report.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

Group Accounts

These financial statements consolidate the results of the charitable company and its wholly owned subsidiaries, Hillswick Shop Limited and Nortenergy Limited.

Critical accounting estimates and areas of judgement

The charity makes estimates and assumptions concerning the future. The charity has not identified any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for the next 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Fund accounting

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Restricted capital funds are grant funding that has been received in respect of specific capital expenditure. These grants are amortised over the useful life of the assets the grants were received for. The amount transferred between funds relates to the amortisation of the capital grants.

Unrestricted funds can be used at the discretion of the Trustees in furtherance of the objectives of the charity.

Income

All income is recognised gross in the statement of financial activities. Income is only recognised when all of the following criteria is met:

- Entitlement: control over the rights or other access to the economic benefit has passed to the charity;
- Probable: it is more likely than not that the economic benefits associated with the transaction or gift will flow to the charity; and
- Measurement: the monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is generally recognised when entitlement has occurred. Where income is earned from goods not yet delivered or services not yet provided such amounts are classed as deferred income on the balance sheet, carried forward and released in the year to which the income relates once the goods or services have been provided.

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

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Interest income is included when receivable.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Income is analysed and directly attributed to the appropriate activity that produced the income.

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (continued)**Expenditure**

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis to reflect the use of the resource.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. These costs include staff costs, overheads and governance costs.

Value Added Tax

Irrecoverable value added tax is written off when the expenditure to which it relates is incurred.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Geotourist App	10% straight line
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Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. All fixed assets are initially stated at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows.

Plant & Machinery	15% and 25% reducing balance
Motor Vehicles	25% reducing balance
Tenants Improvements	4% and 10% straight line
Wind Turbine	5% straight line
Office Equipment	33.3% reducing balance
Solar panels on investment property	25 years straight line

It is the policy of the charity that freehold land is not subject to depreciation.

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the assets were already of an age and in the condition expected at the end of its useful life.

Investment property

Investment property is measured initially at cost and subsequently at fair value at the reporting date with changes in fair value recognised in "Net gains/(losses) on investments" in the SoFA.

Depreciation is not provided on investment property.

Investment in subsidiaries

Investments in subsidiaries are stated at cost less amounts written off.

Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Debtors

Trade and other debtors, that are receivable within one year, are measured at their recoverable amounts and include amounts owed to the charity for the provision of goods and services or amounts paid in advance for goods and services that the charity will receive.

Liabilities

Liabilities arise from legal or constructive obligations that commit the charity to expenditure. A liability and related expenditure is recognised when all of the following criteria are met:

- Obligation: a present legal or constructive obligation exists at the reporting date as a result of a past event;
- Probable: it is more likely than not that a transfer of economic benefits, often cash, will be required in settlement; and
- Measurement: the amount of the obligation can be measured or estimated reliably.

Liabilities that are classified as payable within one year on initial recognition are measured at the undiscounted amount of cash or other consideration expected to be paid. Amounts are included in liabilities when authorised and committed.

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (continued)**Cash at bank and in hand**

Cash at bank and in hand is held to meet the short-term cash commitments as they fall due rather than for any investment purposes.

Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at their transaction value and subsequently measured at their settlement value. Non-basic financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Concessionary loans

Concessionary loans are initially recognised as a loan at the amount paid or received and are subsequently updated to reflect accrued interest, repayments and any impairments in the value of the loan.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised as expenditure in the SoFA and is allocated to the heading under which the asset is deployed.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

	Group					Company				
	2022 £	2022 £	2022 £	2022 £	2021 £	2022 £	2022 £	2022 £	2022 £	2021 £
	Unrestricted Funds	Restricted Funds	Restricted Capital Funds	Total	Total	Unrestricted Funds	Restricted Funds	Restricted Capital Funds	Total	Total
2. Donations										
Grant funded income										
Shetland Islands Council										
Growing local	-	38,179	5,434	43,613	-	-	38,179	5,434	43,613	-
	-	38,179	5,434	43,613	-	-	38,179	5,434	43,613	-
Hillhead Wind Ltd										
Hillhead wind benefit	-	-	-	-	2,700	-	-	-	-	2,700
	-	-	-	-	2,700	-	-	-	-	2,700
Northmavine Community Council										
NCC grant award	-	-	-	-	900	-	-	-	-	900
	-	-	-	-	900	-	-	-	-	900
HIE Shetland										
Nortenergy	39,364	-	-	39,364	-	-	-	-	-	-
Nortenergy - Shed	-	-	41,880	41,880	-	-	-	-	-	-
Core Funding	-	-	-	-	-	-	-	-	-	-
	39,364	-	41,880	81,244	-	-	-	-	-	-
Inspiring Scotland										
Islands Green Recovery Programme	-	-	-	-	82,387	-	-	-	-	82,387
	-	-	-	-	82,387	-	-	-	-	82,387
Scottish Hydro Electric										
Bruckland electrical connection	-	-	-	-	8,250	-	-	-	-	8,250
	-	-	-	-	8,250	-	-	-	-	8,250
Miscellaneous - Coronavirus funding										
Shetland Islands Council										
Covid-19 funding	-	-	-	-	10,000	-	-	-	-	10,000
Hillswick Shop	-	-	-	-	10,000	-	-	-	-	-
Corra Foundation Fund										
Covid-19 funding	-	-	-	-	2,000	-	-	-	-	2,000
SSE										
Hillswick Shop	-	-	-	-	775	-	-	-	-	-
HIE Shetland										
Covid-19 funding	-	-	-	-	32,397	-	-	-	-	32,397
Nortenergy	-	-	-	-	27,053	-	-	-	-	-
Scottish Government										
BB loan interest cover	-	-	-	-	937	-	-	-	-	-
HMRC CJRS and SSP										
Hillswick Shop	-	-	-	-	334	-	-	-	-	-
Nortenergy	-	-	-	-	3,649	-	-	-	-	-
	-	-	-	-	87,145	-	-	-	-	44,397
Non-grant funded voluntary income										
Donations										
	152	-	-	152	510	152	-	-	152	510
	152	-	-	152	510	152	-	-	152	510
	39,516	38,179	47,314	125,009	181,892	152	38,179	5,434	43,765	139,144

In the prior year, donated income of £90,637 received by the charity and group was considered to be restricted. The remaining balances of £48,507 of the charity's income and £91,255 of the group's income was unrestricted.

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

	Group					Company				
	2022 £	2022 £	2022 £	2022 £	2021 £	2022 £	2022 £	2022 £	2022 £	2021 £
	Unrestricted Funds	Restricted Funds	Restricted Capital Funds	Total	Total	Unrestricted Funds	Restricted Funds	Restricted Capital Funds	Total	Total
3. Other trading activities										
Northmavine Community Council	4,276	-	-	4,276	4,266	4,276	-	-	4,276	4,266
Northmainland Notes	-	-	-	-	(218)	-	-	-	-	(218)
Office costs - Nortenergy Ltd.	-	-	-	-	-	4,932	-	-	4,932	4,932
Labour costs - Nortenergy Ltd.	-	-	-	-	-	-	-	-	-	6,519
Rent receivable - Shoormal	6,000	-	-	6,000	3,779	6,000	-	-	6,000	3,779
Book-keeping services	555	-	-	555	3,950	555	-	-	555	3,950
Bruckland income	10,776	-	-	10,776	7,624	10,776	-	-	10,776	7,624
Van deliveries/hire	5,894	-	-	5,894	-	5,894	-	-	5,894	-
Shetland kale seed packs	224	-	-	224	-	224	-	-	224	-
Hillswick Shop subsidiary	498,272	-	-	498,272	474,935	-	-	-	-	-
Nortenergy subsidiary	1,520,927	-	-	1,520,927	1,225,485	-	-	-	-	-
	<u>2,046,924</u>	<u>-</u>	<u>-</u>	<u>2,046,924</u>	<u>1,719,821</u>	<u>32,657</u>	<u>-</u>	<u>-</u>	<u>32,657</u>	<u>30,852</u>

In the prior year, all trading income received by the group and by the charity was considered to be unrestricted.

4. Investment income										
Bank and Loan interest receivable	-	-	-	-	-	351	-	-	351	-
Donations from subsidiaries	-	-	-	-	-	399,986	-	-	399,986	75,065
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400,337</u>	<u>-</u>	<u>-</u>	<u>400,337</u>	<u>75,065</u>

In the prior year, all investment income received by the group and by the charity was considered to be unrestricted.

5. Charitable activities										
Insurance recharged - Hillswick shop	-	-	-	-	-	493	-	-	493	1,735
Rent receivable - Hillswick shop	-	-	-	-	-	2,750	-	-	2,750	2,750
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,243</u>	<u>-</u>	<u>-</u>	<u>3,243</u>	<u>4,485</u>

In the prior year, all charitable activity income received by the group and by the charity was considered to be unrestricted.

6. Other income										
Miscellaneous income	4,238	-	-	4,238	3,984	4,278	-	-	4,278	4,064
	<u>4,238</u>	<u>-</u>	<u>-</u>	<u>4,238</u>	<u>3,984</u>	<u>4,278</u>	<u>-</u>	<u>-</u>	<u>4,278</u>	<u>4,064</u>

In the prior year, all other income received by the group and by the charity was considered to be unrestricted.

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

7. DEFERRED INCOME	Group		Company	
	2022	2021	2022	2021
Opening Balance	7,000	7,500	-	-
Incoming resources deferred in the current year	-	-	-	-
Amounts released from previous years	(500)	(500)	-	-
Closing Balance	6,500	7,000	-	-

8. COSTS OF RAISING FUNDS	Group				Company			
	2022 £	2022 £	2022 £	2021 £	2022 £	2022 £	2022 £	2021 £
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
Hillswick Shop costs of trading	491,670	-	491,670	474,926	1,814	-	1,814	1,976
Nortenergy costs of trading	1,097,589	-	1,097,589	852,177	-	-	-	-
	1,589,259	-	1,589,259	1,327,103	1,814	-	1,814	1,976

In the prior year, all costs of raising funds expended by the group and by the charity was considered to be unrestricted.

9. CHARITABLE ACTIVITIES	Group				Company			
	2022 £	2022 £	2022 £	2021 £	2022 £	2022 £	2022 £	2021 £
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
Cost of activities & support costs 10 (a)	95,995	39,338	135,333	70,014	100,796	39,338	140,134	76,718
Governance costs 11	17,915	-	17,915	15,370	12,469	-	12,469	7,454
Activities undertaken directly								
Shoormal 10 (b)	713	-	713	4,151	713	-	713	4,151
	114,623	39,338	153,961	89,535	113,978	39,338	153,316	88,323

In the prior year, £2,198 of expenditure on charitable activities by the group and by the charity was considered to be restricted. All remaining expenditure was considered to be unrestricted. Support costs have not been split between activities as there is no reliable way to do so.

10. CHARITABLE ACTIVITIES	Group				Company			
	2022 £	2022 £	2022 £	2021 £	2022 £	2022 £	2022 £	2021 £
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
(a) COST OF ACTIVITIES & SUPPORT COSTS								
Purchases	104	-	104	526	104	-	104	526
Rent	2,030	-	2,030	2,000	2,030	-	2,030	2,000
Community spending	11,552	-	11,552	17,125	11,552	-	11,552	22,124
Insurance	1,639	-	1,639	607	1,639	-	1,639	607
Repairs and maintenance	25	-	25	738	25	-	25	738
Skip hire	184	1,777	1,961	2,198	184	1,777	1,961	2,198
Wages and salaries	48,883	25,544	74,427	33,788	48,883	25,544	74,427	33,788
Pension costs	1,241	685	1,926	746	1,241	685	1,926	746
Travel and training	1,933	-	1,933	1,001	1,933	-	1,933	1,001
Telephone	820	-	820	923	820	-	820	923
Subscriptions	457	-	457	225	457	-	457	225
Bruckland expenses	(199)	-	(199)	-	4,602	-	4,602	1,705
Growing local expenses	2,281	11,332	13,613	-	2,281	11,332	13,613	-
Office expenses	1,475	-	1,475	3,224	1,475	-	1,475	3,224
Advertising	1,001	-	1,001	748	1,001	-	1,001	748
Entertaining	-	-	-	47	-	-	-	47
Payroll services	497	-	497	252	497	-	497	252
Bank charges	235	-	235	146	235	-	235	146
Bank loan interest	-	-	-	237	-	-	-	237
Sundry expenses	1,261	-	1,261	-	1,261	-	1,261	-
HIE grant underspend	2,647	-	2,647	-	2,647	-	2,647	-
Depreciation	17,929	-	17,929	5,483	17,929	-	17,929	5,483
	95,995	39,338	135,333	70,014	100,796	39,338	140,134	76,718
(b) SHOORMAL								
Insurance	472	-	472	670	472	-	472	670
Heat and light	-	-	-	41	-	-	-	41
Rates	-	-	-	261	-	-	-	261
Repairs and maintenance	241	-	241	3,179	241	-	241	3,179
	713	-	713	4,151	713	-	713	4,151

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

	Group				Company			
	2022 £	2022 £	2022 £	2021 £	2022 £	2022 £	2022 £	2021 £
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
11. GOVERNANCE COSTS								
Fees payable to auditor:								
- Preparation of statutory accounts	8,537	-	8,537	7,096	3,516	-	3,516	2,953
- Audit of accounts	7,440	-	7,440	4,385	7,440	-	7,440	4,385
Legal & professional fees	1,938	-	1,938	3,889	1,513	-	1,513	116
	<u>17,915</u>	<u>-</u>	<u>17,915</u>	<u>15,370</u>	<u>12,469</u>	<u>-</u>	<u>12,469</u>	<u>7,454</u>

12. NET INCOME/(EXPENDITURE) FOR THE YEAR

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
	Total Funds	Total Funds	Total Funds	Total Funds
This is stated after charging:				
- Depreciation of fixed assets	24,901	13,111	17,929	5,483
- Stock recognised as expense during the year	1,153,856	1,033,129	-	-
- Audit fees	7,440	4,385	7,440	4,385

13. EMPLOYEES

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Gross salary	225,239	148,907	69,024	31,963
National insurance	11,783	4,826	5,403	1,825
Company pension contributions	5,086	3,329	1,926	746
	<u>242,108</u>	<u>157,062</u>	<u>76,353</u>	<u>34,534</u>
Average number employed	<u>5</u>	<u>5</u>	<u>4</u>	<u>2</u>

There are no employees whose emoluments exceed £60,000 (2021: None).

None of the Trustees were paid any remuneration or reimbursed for expenses by the charity during the year (2021: None).

Included within the above is directors remuneration paid by a subsidiary amounting to: Gross £36,822 (2021: £11,588), National Insurance £3,672 (2021: £1,143) and company pension contributions £1,063 (2021: £387).

One director of a subsidiary is accruing pension benefits under a defined contribution pension scheme.

14. TAXATION OF ORDINARY ACTIVITIES

Major components of tax expense	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Current tax:				
UK Corporation Tax 19% (2021: 19%)	-	-	-	-
Deferred Tax:				
Origination and reversal of timing differences:				
Capital Allowances	-	(9,422)	-	-
Tax on profit on ordinary activities	<u>-</u>	<u>(9,422)</u>	<u>-</u>	<u>-</u>
Profit on ordinary activities before tax	<u>432,951</u>	<u>489,059</u>	<u>329,150</u>	<u>163,311</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 19% (2021: 19%)	82,261	92,921	62,539	31,029
Exempt charitable income and expenditure	62,539	(31,029)	(62,539)	(31,029)
Effect of capital allowances and depreciation	7,016	(321)	-	-
Charitable donation	95	-	-	-
Disallowed expenditure	15	-	-	-
Prior year correction for overstated funds	-	38	-	-
Distributions	12,816	(60,475)	-	-
Unused losses carried forward	-	(1,133)	-	-
Losses utilised	-	1	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

It is not possible to reliably measure the amount of the net reversal of deferred tax assets and liabilities expected to occur during the year beginning after the reporting period.

There is no expiry date for any of the timing differences.

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

15. INTANGIBLE FIXED ASSETS

Group	Total £
COST	
At 1st April 2021	-
Additions	4,995
Disposals	-
At 31st March 2022	<u>4,995</u>
AMORTISATION AND IMPAIRMENT	
At 1st April 2021	-
Charge for Year	-
Eliminated on disposals	-
At 31st March 2022	<u>-</u>
CARRYING AMOUNT	
At 31st March 2022	<u>4,995</u>
At 1st April 2021	<u>-</u>
Company	Geotourist App £
COST	
At 1st April 2021	-
Additions	4,995
At 31st March 2022	<u>4,995</u>
AMORTISATION AND IMPAIRMENT	
At 1st April 2021	-
Charge for Year	-
At 31st March 2022	<u>-</u>
CARRYING AMOUNT	
At 31st March 2022	<u>4,995</u>
At 1st April 2021	<u>-</u>

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

16. TANGIBLE FIXED ASSETS

Group	Freehold Land & Buildings £	Plant & Machinery £	Motor Vehicles £	Tenants Improvements £	Wind Turbine £	Total £
COST						
At 1st April 2021	13,010	87,797	51,294	52,815	58,004	262,920
Additions	156,882	17,807	531	-	-	175,220
Disposals	-	-	14,856	-	-	14,856
At 31st March 2022	<u>169,892</u>	<u>105,604</u>	<u>36,969</u>	<u>52,815</u>	<u>58,004</u>	<u>423,284</u>
DEPRECIATION						
At 1st April 2021	1,660	53,572	13,369	13,755	17,755	100,111
Charge for Year	574	10,505	9,242	1,680	2,900	24,901
Eliminated on disposals	-	-	13,369	-	-	13,369
At 31st March 2022	<u>2,234</u>	<u>64,077</u>	<u>9,242</u>	<u>15,435</u>	<u>20,655</u>	<u>111,643</u>
NET BOOK VALUE						
At 31st March 2022	<u>167,658</u>	<u>41,527</u>	<u>27,727</u>	<u>37,380</u>	<u>37,349</u>	<u>311,641</u>
At 1st April 2021	<u>11,350</u>	<u>34,225</u>	<u>37,925</u>	<u>39,060</u>	<u>40,249</u>	<u>162,809</u>

Company	Freehold Land & Buildings £	Plant & Machinery £	Motor Vehicles £	Tenants Improvements £	Equipment £	Total £
COST						
At 1st April 2021	7,005	14,438	36,438	41,999	6,584	106,464
Additions	2,809	14,203	532	-	606	18,150
At 31st March 2022	<u>9,814</u>	<u>28,641</u>	<u>36,970</u>	<u>41,999</u>	<u>7,190</u>	<u>124,614</u>
DEPRECIATION						
At 1st April 2021	-	6,057	-	2,940	3,669	12,666
Charge for Year	-	5,646	9,242	1,680	971	17,539
At 31st March 2022	<u>-</u>	<u>11,703</u>	<u>9,242</u>	<u>4,620</u>	<u>4,640</u>	<u>30,205</u>
NET BOOK VALUE						
At 31st March 2022	<u>9,814</u>	<u>16,938</u>	<u>27,728</u>	<u>37,379</u>	<u>2,550</u>	<u>94,409</u>
At 1st April 2021	<u>7,005</u>	<u>8,381</u>	<u>36,438</u>	<u>39,059</u>	<u>2,915</u>	<u>93,798</u>

All fixed assets are used directly for charitable purposes.

Included within the Group's Freehold Land and Buildings is land of £164,147 (2021: £7,265) which is not being depreciated.

RBS hold a floating charge over the general assets of the parent charitable company.

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Capital Commitments	<u>30,659</u>	<u>206,122</u>	<u>-</u>	<u>14,203.00</u>

The above amounts were contracted for but not provided in the financial statements.

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

17. INVESTMENTS

Group	Investment Property £
COST	
At 1st April 2021	134,747
Additions	-
Disposals	-
Revaluation	-
At 31st March 2022	<u>134,747</u>
DEPRECIATION	
At 1st April 2021	390
Charge for the year	390
At 31st March 2022	<u>780</u>
NET BOOK VALUE	
At 31st March 2022	<u>133,967</u>
At 1st April 2021	<u>134,357</u>

The investment property is made up of the Hillswick Shop and a dwelling house. All of the property was revalued in a prior year, November 2015, by David Adamson & Partners Ltd, independent chartered surveyors with a recognised and relevant professional qualification and with recent experience in the location and category of the land and buildings. The revaluation was on the basis of an open market value. This also includes land of £10,000. The valuation has not been updated as the directors are of the opinion that the carrying value does not differ materially to the current market value. The historic cost net book value of the investment properties is £84,523 (2021: £86,675).

RBS hold a standard security over the Hillswick Shop, which has a carrying value of £55,000.

The dwelling house is currently let out on rolling monthly basis.

Company	Investment Property £	Group companies £	Total £
COST			
At 1st April 2021	134,747	101	134,848
Additions		100,000	100,000
At 31st March 2022	<u>134,747</u>	<u>100,101</u>	<u>234,848</u>
DEPRECIATION			
At 1st April 2021	390	-	390
Charge for the year	390	-	390
At 31st March 2022	<u>780</u>	<u>-</u>	<u>780</u>
NET BOOK VALUE			
At 31st March 2022	<u>133,967</u>	<u>100,101</u>	<u>234,068</u>
At 1st April 2021	<u>134,357</u>	<u>101</u>	<u>134,458</u>

Northmavine Community Development Company subscribed for 100 shares in its wholly-owned trading subsidiary, Hillswick Shop Limited when it was incorporated on 15 October 2009 at a cost of £100.

Northmavine Community Development Company subscribed 1 share in its wholly-owned trading subsidiary, Nortenergy Limited when it was incorporated on 30 December 2009 at a cost of £1.

Northmavine Community Development Company purchased 100,000 shares in its wholly-owned trading subsidiary, Nortenergy Limited on 25 February 2022 at a cost of £100,000.

Subsidiary undertaking	Company Number	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business	Aggregate amount of assets, liabilities and funds £	Summary of profits/(losses) for the year £
Hillswick Shop Ltd.	SC366918	Scotland	Ordinary shares	100%	General Store	5,930	3,499
Nortenergy Ltd.	SC370600	Scotland	Ordinary shares	100%	Renewable technologies	589,482	459,615

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

18. STOCKS

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Goods for resale	163,056	117,463	-	-
	<u>163,056</u>	<u>117,463</u>	<u>-</u>	<u>-</u>

19. DEBTORS

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	46,637	46,245	529	2,937
Other debtors	1,197	856	-	-
Amounts owed from group companies	-	-	5,025	5,329
Concessionary loans	-	-	-	8,000
Prepayments and accrued income	50,008	9,184	36,308	421
	<u>97,842</u>	<u>56,285</u>	<u>41,862</u>	<u>16,687</u>

Included within Amounts owed from group companies is an amount of £0 (2021: £6,000) in respect of debts owed in more than one year.

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Bank Loan	10,000	7,500	-	-
Trade creditors	112,423	136,571	6,316	11,559
Amounts received on account	1,286	106,641	-	-
Accruals and deferred income	38,762	19,265	6,808	6,274
VAT	9,218	46,192	-	-
PAYE & NI	4,819	912	1,616	(325)
Concessionary loans	-	2,000	-	-
Other creditors	9,487	8,978	468	199
	<u>185,995</u>	<u>328,057</u>	<u>15,208</u>	<u>17,707</u>

Deferred income is recognised when the charity is not yet eligible to recognise the income.

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

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Bank Loan	32,882	42,500	-	-
Concessionary loans	-	8,000	-	-
	<u>32,882</u>	<u>50,500</u>	<u>-</u>	<u>-</u>

Group

Included within creditors falling due after more than one year is an amount of £0 (2021: £2,500) in respect of liabilities repayable by instalments which fall due for payment after more than five years from the balance sheet date.

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

22. DEFERRED TAX

The movement in the deferred tax provision during the period was:

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Provision brought forward	-	9,422	-	-
Statement of Financial Activities movement arising during the period		(9,422)	-	-
Provision carried forward	-	-	-	-

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

Excess of taxation allowances over depreciation on fixed assets	-	-	-	-
Losses	-	-	-	-

23. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows:

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Financial liabilities				
Financial liabilities measured at face value	42,882	50,000	-	-

Financial liabilities measured at face value relate to a "Bounce Back" bank loan. This 5 year loan is at an agreed interest rate of approx 2.5% plus base rate and is repaid in monthly instalments from month 13 onwards. Notional loan interest recognised for the year totalled £312 (2021: £938).

24. CONCESSIONARY LOANS

The carrying amounts for concessionary loans are as follows:

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Concessionary loans due within one year	-	2,000	-	-
Concessionary loans due after more than one year	-	8,000	-	-
	-	10,000	-	-

Concessionary loans have been received by the charitable group in order to finance the subsidiary Nortenergy Limited's renewable technology provisions. Such loans are charged at an interest rate of 1.5% plus base rate and are repayable by instalments. One of the concessionary loans was received from a director of a subsidiary. The total amount payable, included above, to the director is £0 (2021: £2,500).

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

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FOR THE YEAR ENDED 31 MARCH 2022

25. DEFINED CONTRIBUTION PENSION PLAN	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Charge to Statement of Financial Activities in respect of defined contribution schemes	5,086	3,329	1,926	746

The charitable company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

26. RELATED PARTY TRANSACTIONS

Northmavine Community Development Company own 100% of the share capital of Hillswick Shop Limited. At 31st March 2022 there was an inter group loan from Northmavine Community Development Company to Hillswick Shop Limited of £4,000 (2021: £4,000). Interest is being charged on this balance at a rate of 2%. No further amounts were loaned during the year (2021: £0 loaned in the year). No repayment terms were in place at the year end.

Northmavine Community Development Company own 100% of the share capital of Nortenergy Limited. At 31st March 2022 there was an inter group loan from Northmavine Community Development Company to Nortenergy Limited of £0 (2021: £9,051). This includes concessionary loans of £0 (2021: £8,000). Additional detail on the concessionary loans are included at note 24.

During the year, letting agent services were provided to J Cromarty, a trustee of the charity. Income of £2,032 (2021: £960) was received. At 31st March 2022 there was a balance due from J Cromarty of £480 (2021: £0).

During the year ended 31st March 2015, three amounts of £5,000 were loaned to Nortenergy Limited, a 100% subsidiary of Northmavine Community Development Company and included within the consolidated accounts, from M Roberts (who is also a director of Nortenergy Limited), W Manson and J Cromarty, trustees of Northmavine Community Development Company. Interest is charged on these loans at base rate plus 1.5% commencing 31st March 2017. The loans were repaid in full during the year. As a result of these transactions a total balance of £0 is owed to the trustees by Nortenergy Limited (2021: £7,500). These have been treated as concessionary loans as permitted by the SORP, details of which are included at note 24.

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charitable company. This includes the trustees of the charity. The total compensation paid to key management personnel for services provided to the charitable company was £25,487 (2021: £21,985).

27. COMPANY LIMITED BY GUARANTEE

Guarantees have been given by the trustees totalling £1 each.

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

28. STATEMENT OF FUNDS

	Group				Total £
	Unrestricted General Reserves £	Unrestricted Revaluation Reserve £	Restricted General Funds £	Restricted Capital Funds £	
As at 1 April 2021	688,215	26,883	7,165	143,432	865,695
Incoming resources	2,090,678	-	38,179	47,314	2,176,171
Outgoing resources	(1,703,882)	-	(39,338)	-	(1,743,220)
Transfers	15,659	-	(618)	(15,041)	-
As at 31 March 2022	<u>1,090,670</u>	<u>26,883</u>	<u>5,388</u>	<u>175,705</u>	<u>1,298,646</u>

	Company				Total £
	Unrestricted General Reserves £	Unrestricted Revaluation Reserve £	Restricted General Funds £	Restricted Capital Funds £	
As at 1 April 2021	256,032	26,883	7,165	137,668	427,748
Incoming resources	440,667	-	38,179	5,434	484,280
Outgoing resources	(115,792)	-	(39,338)	-	(155,130)
Transfers	14,452	-	(618)	(13,834)	-
As at 31 March 2022	<u>595,359</u>	<u>26,883</u>	<u>5,388</u>	<u>129,268</u>	<u>756,898</u>

The restricted capital fund includes grants and funding received for the purchase of the Hillswick shop and land, and other capital items.

The restricted general fund has arisen from various sources and is used to fund the charity's activities incurred whilst meeting its objectives. Restrictions have been placed on funds received from funding sources.

The transfers between funds represents £13,834 of amortisation of grants received and released for capital expenditure over the useful economic life of the assets and £618 of expenditure from prior year reallocated to restricted general funds.

29. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	2022	Unrestricted General Reserves £	Unrestricted Revaluation Reserve £	Restricted Funds £	Restricted Capital Funds £	Total 2022 £
Fixed Assets		248,015	26,883	-	175,705	450,603
Net Current Assets		875,537	-	5,388	-	880,925
Long Term Liabilities		(32,882)	-	-	-	(32,882)
		<u>1,090,670</u>	<u>26,883</u>	<u>5,388</u>	<u>175,705</u>	<u>1,298,646</u>
Group	2021	Unrestricted General Reserves £	Unrestricted Revaluation Reserve £	Restricted Funds £	Restricted Capital Funds £	Total 2021 £
Fixed Assets		126,851	26,883	-	143,432	297,166
Net Current Assets		611,864	-	7,165	-	619,029
Long Term Liabilities		(50,500)	-	-	-	(50,500)
		<u>688,215</u>	<u>26,883</u>	<u>7,165</u>	<u>143,432</u>	<u>865,695</u>

NORTHMAVINE COMMUNITY DEVELOPMENT COMPANY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

29. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

Company	2022	Unrestricted General Reserves £	Unrestricted Revaluation Reserve £	Restricted Funds £	Restricted Capital Funds £	Total 2022 £
Fixed Assets		177,321	26,883	-	129,268	333,472
Net Current Assets		418,038	-	5,388	-	423,426
Long Term Liabilities		-	-	-	-	-
		<u>595,359</u>	<u>26,883</u>	<u>5,388</u>	<u>129,268</u>	<u>756,898</u>
Company	2021	Unrestricted General Reserves £	Unrestricted Revaluation Reserve £	Restricted Funds £	Restricted Capital Funds £	Total 2021 £
Fixed Assets		63,706	26,883	-	137,668	228,257
Net Current Assets		192,326	-	7,165	-	199,491
Long Term Liabilities		-	-	-	-	-
		<u>256,032</u>	<u>26,883</u>	<u>7,165</u>	<u>137,668</u>	<u>427,748</u>

30. APB ETHICAL STANDARDS

In common with many other groups of our size we use our auditors to assist with the preparation of the financial statements and completion of corporation tax returns.