

Company Registration No. SC269645 (Scotland)

DALRY COMMUNITY WIND COMPANY LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 NOVEMBER 2022

THURSDAY



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DALRY COMMUNITY WIND COMPANY LIMITED

COMPANY INFORMATION

Directors	D A Wood R M H Wood
Secretary	D A Wood
Company number	SC269645
Registered office	Caledonian Exchange 19A Canning Street Edinburgh EH3 8HE
Auditor	RSM UK Audit LLP Chartered Accountants 5th Floor One City Place Queens Road Chester CH1 3BQ

DALRY COMMUNITY WIND COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2022

The directors present their annual report and financial statements for the year ended 30 November 2022.

Principal activities

The principal activity of the company continued to be the operation of community renewable energy projects.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D A Wood

R M H Wood

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

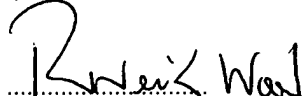
Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small companies exemption

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

On behalf of the board



R M H Wood

Director

02 May 2023

DALRY COMMUNITY WIND COMPANY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DALRY COMMUNITY WIND COMPANY LIMITED

Opinion

We have audited the financial statements of Dalry Community Wind Company Limited (the 'company') for the year ended 30 November 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 company's affairs as at 30 November 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DALRY COMMUNITY WIND COMPANY LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DALRY COMMUNITY WIND COMPANY LIMITED (CONTINUED)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and evaluating advice received from external tax advisors.

The audit engagement team identified the risk of management override of controls and other revenue as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and assessing whether the judgments made in making accounting estimates are indicative of potential bias. In addition, testing a sample of transactions to ensure revenue was complete and whether revenue recognised either side of the reporting date were recorded in the correct period.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Taylor

Ian Taylor (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

5th Floor

One City Place

Queens Road

Chester

CH1 3BQ

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2 May 2023

DALRY COMMUNITY WIND COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 NOVEMBER 2022

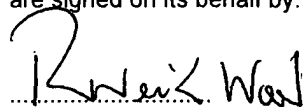
	Notes	2022 £	2021 £
Turnover		8,877,521	5,211,417
Cost of sales		(950,480)	(1,232,929)
Gross profit		7,927,041	3,978,488
Administrative expenses		(385,526)	(282,014)
Operating profit		7,541,515	3,696,474
Interest receivable and similar income		5,242	177
Interest payable and similar expenses		(170)	(825)
Profit before taxation		7,546,587	3,695,826
Tax on profit	3	(1,403,848)	(845,764)
Profit for the financial year		6,142,739	2,850,062

DALRY COMMUNITY WIND COMPANY LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 30 NOVEMBER 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	5		2,298,952		2,947,482
Current assets					
Stocks		4,991		4,991	
Debtors	6	3,578,823		1,680,492	
Cash at bank and in hand		1,881,765		1,289,094	
		<u>5,465,579</u>		<u>2,974,577</u>	
Creditors: amounts falling due within one year	7	<u>(796,031)</u>		<u>(661,474)</u>	
Net current assets			<u>4,669,548</u>		<u>2,313,103</u>
Total assets less current liabilities			<u>6,968,500</u>		<u>5,260,585</u>
Provisions for liabilities	8		<u>(505,288)</u>		<u>(640,112)</u>
Net assets			<u><u>6,463,212</u></u>		<u><u>4,620,473</u></u>
Capital and reserves					
Called up share capital	10		100,000		100,000
Profit and loss reserves			<u>6,363,212</u>		<u>4,520,473</u>
Total equity			<u><u>6,463,212</u></u>		<u><u>4,620,473</u></u>

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

The financial statements were approved by the board of directors and authorised for issue on 02 May 2023 and are signed on its behalf by:



R M H Wood
Director

DALRY COMMUNITY WIND COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2022

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 December 2020		100,000	7,170,411	7,270,411
Year ended 30 November 2021:				
Profit and total comprehensive income for the year		-	2,850,062	2,850,062
Dividends	4	-	(5,500,000)	(5,500,000)
Balance at 30 November 2021		100,000	4,520,473	4,620,473
Year ended 30 November 2022:				
Profit and total comprehensive income for the year		-	6,142,739	6,142,739
Dividends	4	-	(4,300,000)	(4,300,000)
Balance at 30 November 2022		100,000	6,363,212	6,463,212

DALRY COMMUNITY WIND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

Company information

Dalry Community Wind Company Limited is a private company limited by shares and is registered and incorporated in Scotland. The registered office is Caledonian Exchange, 19A Canning Street, Edinburgh, EH3 8HE.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months following signing of accounts. In addition, the directors have reviewed and considered the volatility in the electricity pricing market, general rise in inflation in the UK economy and future cashflows from the operating business in making their assessments. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year exclusive of VAT. Turnover is recognised at the point at which the electricity is provided.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

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

Short leasehold land and buildings	5% straight line per annum
Plant and equipment	5% straight line per annum
Fixtures and fittings	20% straight line per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

DALRY COMMUNITY WIND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

DALRY COMMUNITY WIND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

2 Employees

The average monthly number of persons employed by the company during the year was Nil (2021: Nil).

Directors' remuneration is borne by Community Windpower Limited, a fellow group undertaking.

3 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	1,538,672	803,714

DALRY COMMUNITY WIND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

3 Taxation (Continued)

Deferred tax

Origination and reversal of timing differences

(134,824)

42,050

Total tax charge

1,403,848

845,764

4 Dividends

2022

£

2021

£

Interim paid

4,300,000

5,500,000

5 Tangible fixed assets

	Short leasehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
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Cost

At 1 December 2021 and 30 November 2022

115,551

12,855,032

47,980

13,018,563

Depreciation and impairment

At 1 December 2021

89,072

9,934,029

47,980

10,071,081

Depreciation charged in the year

5,778

642,752

-

648,530

At 30 November 2022

94,850

10,576,781

47,980

10,719,611

Carrying amount

At 30 November 2022

20,701

2,278,251

-

2,298,952

At 30 November 2021

26,479

2,921,003

-

2,947,482

6 Debtors

2022

£

2021

£

Amounts falling due within one year:

Corporation tax recoverable

-

6,097

Prepayments and accrued income

3,578,823

1,674,395

3,578,823

1,680,492

DALRY COMMUNITY WIND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

7 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	65,272	221,490
Corporation tax	90,200	-
Other taxation and social security	366,864	101,254
Accruals and deferred income	273,695	338,730
	<u>796,031</u>	<u>661,474</u>

8 Provisions for liabilities

	2022 £	2021 £
Restoration provision	51,826	51,826
Deferred tax liabilities	453,462	588,286
	<u>505,288</u>	<u>640,112</u>

The Restoration Provision is for decommissioning and restoration costs for which the Company is liable.

9 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	<u>453,462</u>	<u>588,286</u>
Movements in the year:		2022 £
Liability at 1 December 2021		588,286
Credit to profit or loss		(134,824)
Liability at 30 November 2022		<u>453,462</u>

The deferred tax liability set out above is expected to reverse within the foreseeable future and relates primarily to accelerated capital allowances that are expected to mature within the same period.

The deferred tax liability at 30 November 2022 has been calculated at 25% (2021: 25%) as that is the rate that was substantively enacted at the balance sheet date which is the rate that the deferred tax liabilities are expected to crystallise.

DALRY COMMUNITY WIND COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

10 Called up share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

11 Parent company

The immediate and ultimate parent undertaking of this company is Community Wind Power (Holdings) Limited, a company incorporated in Scotland. The smallest and largest group in which the results of this company are consolidated are that headed by Community Wind Power (Holdings) Limited and those accounts can be obtained from its registered office, Lindsays, Caledonian Exchange, 19A Canning Street, Edinburgh, EH3 8HE.

R M H Wood and D A Wood are the controlling parties of the ultimate parent company.