

Registered number
SC577246

Iona Energy Limited

Unaudited Filleted Accounts

31 March 2022

Iona Energy Limited**Registered number:** SC577246**Balance Sheet****as at 31 March 2022**

	Notes	2022	2021
		£	£
Current assets			
Debtors	3	120	-
Cash at bank		6,211	11,354
		<u>6,331</u>	<u>11,354</u>
Creditors: amounts falling due within one year	4	(42,080)	(33,976)
Net current liabilities		<u>(35,749)</u>	<u>(22,622)</u>
Total assets less current liabilities		<u>(35,749)</u>	<u>(22,622)</u>
Creditors: amounts falling due after more than one year	5	-	(178,893)
Net liabilities		<u>(35,749)</u>	<u>(201,515)</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		(35,849)	(201,615)
Shareholder's funds		<u>(35,749)</u>	<u>(201,515)</u>

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The member has not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.

Jane Martin

Director

Approved by the board on 14 December 2022

Iona Energy Limited
Notes to the Accounts
for the year ended 31 March 2022

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard).

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

2 Employees

	2022	2021
	Number	Number
Average number of persons employed by the company	-	-

3 Debtors

	2022	2021
	£	£
Prepayments	84	-
VAT reclaimable	36	-
	<u>120</u>	<u>-</u>

4 Creditors: amounts falling due within one year

	2022	2021
	£	£
Accruals	25,525	25,651
Trade creditors	249	-
Other creditors	8,325	8,325

Corporation tax	7,981	-
	<u>42,080</u>	<u>33,976</u>

5 Creditors: amounts falling due after one year	2022	2021
	£	£

CARES development loan	-	178,893
	<u>-</u>	<u>178,893</u>

6 Scottish Government (Energy Saving Trust) loan & accrued interest write off

In March 2020, the Iona Energy Ltd Heat Network project had full funding in place. The project was in a position to proceed to financial close, and to repay the Community and Renewable Energy Scheme (CARES) loan, provided by the Scottish Government, via the project's eligibility to claim UK Renewable Heat Incentive (RHI), the mechanism for loans repayment. The Scottish Government put the project on pause in March 2020 due to the COVID-19 pandemic and lockdown. COVID-19 subsequently caused an unprecedented surge in the components of the capital costs that have to be loan funded in order to qualify for RHI, making the project unaffordable in the immediate to medium term future. The RHI scheme has subsequently closed, with UK and Scottish Governments still in the process of deciding on post-RHI funding mechanisms. Due to these circumstances the CARES development loan, and all accrued interest, could not be repaid and was eligible to be written off. Final confirmation of the loan and interest write off was made in writing to the company by The Scottish Government in November 2021. The CARES development loan was provided by the Scottish Government via the Energy Saving Trust and the full amount that has been written off to the profit and loss in the year, including interest, is £177,183.

The financial model of the original project was premised on RHI subsidies to repay the CARES loan, as well as capital phase loans. Due to the closure of the RHI scheme, that original financial model is no longer viable. The financial model has been significantly overhauled with support from Scottish Government. As the RHI subsidy no longer exists and will not be replaced, there will be no future means available to repay the CARES loan, and any clawback clauses in the original agreement will not be relevant to the success of any future revised network projects.

7 Related party transactions

Iona Energy Ltd is wholly owned by Iona Renewables (SCIO SC047510).

Iona Renewables reimbursed Iona Energy Ltd £Nil in the year (2021: £346) for software subscription costs, as agreed by the grant funders.

The partner of director Philip Ruhemann worked for Iona Energy Ltd in the years ending 31st March 2019 and 31st March 2020. £8,325 of this work done has been outstanding for payment since the year ending 31st March 2019 and is disclosed in other creditors. This amount is not due for payment until the successful roll out of the heat network, the timing and certainty of which is unknown at this time.

Director Phillip Ruhemann was reimbursed £13 for expenses paid on behalf of the company in the year.

Directors' sought and followed legal advice on appointing skilled paid capacity in a small remote community and conflict of interest policy.

8 Other information

Iona Energy Limited is a private company limited by shares and incorporated in Scotland. Its registered office is:

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Isle of Iona

Argyll & Bute

PA76 6SP

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