

**REGISTERED COMPANY NUMBER: SC333698 (Scotland)**  
**REGISTERED CHARITY NUMBER: SC039873**

**REPORT OF THE TRUSTEES AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020  
FOR  
COMMUNITY ENERGY SCOTLAND LIMITED**

**COMMUNITY ENERGY SCOTLAND LIMITED**

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for the year ended 31 March 2020**

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## COMMUNITY ENERGY SCOTLAND LIMITED

### CHAIR'S REPORT

for the year ended 31 March 2020

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Last year we set out a new strategy to 2021 and have continued to actively implement it this year. Our First Priority – increasing community understanding of, and influence of, the energy system – is a vital requirement if we are to rapidly decarbonise our energy use. This is because we need large-scale adoption of sustainable energy practices and community groups are well placed to help drive this in their local communities. We pursued this priority through further development of our Community Energy Futures programme, funded by the Robertson Trust and SPEN's Green Economy Fund, with a new cohort of community groups from across Scotland taking part in a learning process over a 6-month period. With our help, some of these groups are taking forward new projects in their communities.

We're always pleased for any opportunity to disseminate & share learning and gave a wide range of presentations at events and conferences, focused on the community role in the energy transition. We were delighted with the participation at our own conference held jointly with Development Trust Association Scotland & the Scottish Communities Climate Action Network in Edinburgh on the community response to the Climate Emergency, which reflected the scale of concern and interest in this issue.

Our Second Priority – increasing community ownership, control and benefit – involved continued detailed project working across a number of leading local energy system projects, especially in Orkney and the Outer Hebrides. This work involved direct support to member groups in Community Power Orkney and Community Power Outer Hebrides as well as detailed project development work on the Orkney ReFlex project. We also ran a research and demonstration project in the south side of Glasgow, in partnership with South Seeds and Carbon Coop. This project – Flexible Power Community – was part of a longer-term plan to investigate the option of developing a community owned electricity flexibility aggregation platform within the context of the move to a more locally and smartly managed electricity grid. This finished with a well-attended dissemination event in Glasgow. We continued to work closely with our colleagues in Community Energy Malawi on a solar powered mini-grid at Sitolo as well as a solar ovens project, both supported by the Scottish Government's Climate Justice Innovation Fund.

As usual we had considerable engagement in relevant policy issues – ranging from UK and Ofgem policy consultations to Scottish Government plans for a 'Local Energy Position Statement'. We also fed into parliamentary inquiries including the Scottish Parliament's inquiry into electric vehicles and local energy. The thrust of our policy engagement is always to emphasise the role of community groups in the energy transition and helping to control energy costs through smart local energy systems, aligning closely with our Third Priority – control community energy costs and reduce use of fossil fuels. Across the year we had good contact and shared policy action with Community Energy England, notably in relation to UK Government policy on Contracts for Difference and Feed in Tariff issues.

In relation to our Fourth and final Priority – make CES sustainable & more effective – we reduced our operating costs whilst maintaining a high level of community contact and project development work. We received a further distribution from the Fishermen Three windfarm (jointly owned with Berwickshire Housing Association), although not as much as we had hoped. As we approached March, it became clear that global energy prices were dropping rapidly owing to the COVID-19 outbreak and lockdown in China and this had a significant effect on our income projections from the windfarm. By the middle of March we had already adapted to the likelihood of sweeping measures to combat an epidemic in the UK, with all staff working from home and meetings curtailed. The year ended with a high level of uncertainty on the impact of COVID on our operations and cash flow, but we were confident that, owing to the strength and commitment of our staff and board, we would overcome the extraordinary challenges presented by the pandemic.

Dr Philip Revell  
CES Chair



**COMMUNITY ENERGY SCOTLAND LIMITED**

**REPORT OF THE TRUSTEES  
for the year ended 31 March 2020**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**  
SC333698 (Scotland)

**Registered Charity number**  
SC039673

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

**Trustees**

A C G Hardie  
Ms C M Bell  
D M G Boyd  
D R Somervell  
Dr P Revell  
Dr A C Pinker  
S M Goodsir  
F L Atherley

(appointed 28 May 2019)  
(appointed 29 November 2019)

**Company Secretary**  
Mrs L K Walker-Knowles

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

**Chief executive**  
Mr N L Gubbins

## COMMUNITY ENERGY SCOTLAND LIMITED

### REPORT OF THE TRUSTEES for the year ended 31 March 2020

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#### STRATEGIC REPORT

##### Financial review

###### *Financial position*

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

###### *Principal funding sources*

The main funding sources of the company were from the delivery of the Smart Islands Energy Systems (SMILE) project funded by the EU's Horizon 2020 Programme, along with funding from Innovate UK (ReFLEX Project), Scottish Power's Green Economy Fund, The Robertson Trust and the EU's Joint Fuel Cell Undertaking or the BIGHIT project.

###### *Investment policy and objectives*

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

###### *Reserves policy*

The company requires a level of reserves to be built up to ensure financial stability in the event that major contracts are not renewed. This would enable the company to continue for a period whilst new contracts were sought. The trustees have examined the charity's requirements for reserves in light of the nature of the charity's work and consider that unrestricted funds should be three months' running costs at £180,000 and should not go below £48,000.

###### **Future plans**

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

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document and members' liability

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

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

##### Recruitment, appointment and training of trustees

The trustees in office at the end of the period are listed on page two. At its AGM on 29 November 2019 two directors, Carola Bell and Donald Boyd stood down as required by the constitution. Three nominations were received for four vacancies for elected directors and accordingly Carola Bell, Donald Boyd and Frank Atherley were appointed as directors. Co-opted directors also stood down as required under Community Energy Scotland's constitution. These co-opted directors were Angus Hardie, Annabel Pinker and David Somervell. Following the meeting Angus Hardie, Annabel Pinker and David Somervell were appointed as co-opted directors. Alan Hobbett resigned as a director on 2 October 2019 and as stated above Frank Atherley was appointed as a director on 29 November 2019.

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

##### Organisational structure

The management structure comprises the trustees and secretary detailed on page four. The trustees make strategic decisions as and when required and the day-to-day operations are managed by the Chief Executive, N L Gubbins.

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

## COMMUNITY ENERGY SCOTLAND LIMITED

### REPORT OF THE TRUSTEES for the year ended 31 March 2020

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

#### OBJECTIVES AND ACTIVITIES

##### Objectives and aims

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

Community Energy Scotland aims to build confidence, resilience and wealth at community level in Scotland through sustainable energy development. In the year ended 31 March 2015 CES took forward a new business strategy designed to develop new partnerships with community groups on renewable energy project development. A particular focus of these partnerships was the identification of ways to commission projects faced with difficulties in connecting to the national grid. CES also was active in developing a new programme area called "Local Energy Economies" designed to maximise the value of local community owned generation and create opportunities for it to replace the use of fossil fuels.

Our vision is one where sustainable energy development acts as a touchstone for community empowerment and development across Scotland. As energy costs increase and measures to address climate change take on added urgency, we see organised community groups taking the lead in their communities - acting as a focus to help people to mitigate rising costs and address their energy needs. Scottish communities are in the front line of this vision and with our help can take forward projects that will bring long-term and lasting benefits to their local community. Our long term aim over the next ten years is to see thousands of community-owned renewable energy projects across Scotland, from small "micro-renewable" energy plants to larger scale wind farms, wood-fuelled district plants, anaerobic digesters and even wind-powered electric transport, all owned by communities at the local level.

Membership of Community Energy Scotland provides the following benefits:

- The provision of technical briefings and information to assist in project development;
- The opportunity, through discussion and events, to meet other like-minded groups and share experiences;
- Collective arrangements for the supply of equipment for sustainable energy installations and special expertise;
- Match funding schemes that we are seeking to develop with sponsors;
- Our ability to represent our members on key issues relating to sustainable energy development at the key governmental and policy levels in Scotland, the UK and Europe; and
- Access to the Member's area of the Community Energy Scotland website.

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

##### Membership:

The fees for membership are as follows:

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

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

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

##### Post balance sheet events

The charity has been impacted by the effects of the Coronavirus pandemic and details of this impact are outlined in note 26 to the financial statements.

## COMMUNITY ENERGY SCOTLAND LIMITED

### REPORT OF THE TRUSTEES for the year ended 31 March 2020

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#### STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Community Energy Scotland Limited for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

#### AUDITORS

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 18 December 2020 and signed on the board's behalf by:



.....  
Dr Philip Revell - Trustee

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

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### **Opinion**

We have audited the financial statements of Consolidated Statement of Financial Activities, the Parent Charity Statement of Financial Activities, the Consolidated Balance Sheet, the Parent Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the consolidated financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable group's and charitable company's affairs as at 31 March 2020 and of the charitable group's and charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2008.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other Information**

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.



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

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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable group's and charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

18 December 2020

**COMMUNITY ENERGY SCOTLAND LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
for the year ended 31 March 2020**

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	265	-	265	1,166
<b>Charitable activities</b>	5				
Project delivery		145,140	143,178	288,318	358,362
REFLEX project		328,478	38,304	366,782	-
Surf 'n' Turf project		-	-	-	82,767
Aragon Big Hit		4,960	79,428	84,388	10,322
SMILE		112,317	342,654	454,971	322,616
Robertson Trust		-	20,000	20,000	10,000
Grant refunded		-	40,000	40,000	-
Other trading activities	3	-	63,862	63,862	65,631
Investment income	4	111	91,331	91,442	89,747
Other income		-	-	-	14,165
<b>Total Incoming resources</b>		<b>591,271</b>	<b>818,757</b>	<b>1,410,028</b>	<b>954,777</b>
<b>EXPENDITURE ON</b>					
<b>Raising funds</b>					
Other trading activities	6	-	49,477	49,477	49,898
		-	49,477	49,477	49,898
<b>Charitable activities</b>	7				
Project delivery		203,290	147,136	350,426	621,207
REFLEX project		311,383	38,304	349,687	-
Surf 'n' Turf project		-	245,275	245,275	255,547
Aragon Big Hit		4,001	54,960	58,961	71,700
SMILE		2,594	122,584	125,178	721,839
Robertson Trust		-	18,329	18,329	11,671
Grant refunded		-	40,000	40,000	-
<b>Total resources expended</b>		<b>521,268</b>	<b>716,065</b>	<b>1,237,333</b>	<b>1,731,862</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>70,003</b>	<b>102,692</b>	<b>172,695</b>	<b>(777,085)</b>
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<b>(5,987)</b>	<b>670,289</b>	<b>664,302</b>	<b>1,441,387</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>64,016</b>	<b>772,981</b>	<b>836,997</b>	<b>664,302</b>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

**COMMUNITY ENERGY SCOTLAND LIMITED**

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2020**

		Unrestricted funds	Restricted funds	2020 Total funds	2019 Total funds
	Notes	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	265	-	265	1,166
<b>Charitable activities</b>	5				
Project delivery		164,100	143,178	307,278	385,949
REFLEX project		328,478	38,304	366,782	-
Surf 'n' Turf project		-	-	-	82,767
Aragon Big Hit		4,960	79,428	84,388	10,323
SMILE		112,317	342,654	454,971	322,616
Robertson Trust		-	20,000	20,000	10,000
Grant refunded		-	40,000	40,000	-
Investment income	4	2,453	-	2,453	5,346
Other income		-	-	-	14,165
<b>Total Incoming resources</b>		<b>612,573</b>	<b>663,564</b>	<b>1,276,137</b>	<b>832,332</b>
<b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	7				
Project delivery		204,054	147,136	351,190	621,207
REFLEX project		311,383	38,304	349,687	-
Surf 'n' Turf project		-	245,275	245,275	255,547
Aragon Big Hit		4,001	54,960	58,961	71,700
SMILE		2,594	122,584	125,178	721,839
Robertson Trust		-	18,329	18,329	11,671
Grant refunded		-	40,000	40,000	-
<b>Total resources expended</b>		<b>522,032</b>	<b>666,588</b>	<b>1,188,620</b>	<b>1,681,964</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>90,541</b>	<b>(3,024)</b>	<b>87,517</b>	<b>(849,632)</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<b>205,680</b>	<b>630,443</b>	<b>836,123</b>	<b>1,685,755</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>296,221</b>	<b>627,419</b>	<b>923,640</b>	<b>836,123</b>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

**COMMUNITY ENERGY SCOTLAND LIMITED (REGISTERED COMPANY NUMBER: SC333698)**

**CONSOLIDATED BALANCE SHEET  
At 31 March 2020**

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	15	<u>14,018</u>	<u>706,961</u>	<u>720,979</u>	<u>990,246</u>
		14,018	706,961	720,979	990,246
<b>CURRENT ASSETS</b>					
Debtors	17	152,929	42,451	195,380	102,668
Cash at bank		<u>42,040</u>	<u>457,300</u>	<u>499,340</u>	<u>751,398</u>
		194,969	499,751	694,720	854,066
<b>CREDITORS</b>					
Amounts falling due within one year	18	<u>(144,971)</u>	<u>(78,232)</u>	<u>(223,203)</u>	<u>(803,456)</u>
<b>NET CURRENT ASSETS</b>		<u>49,998</u>	<u>421,519</u>	<u>471,517</u>	<u>50,610</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>64,016</u>	<u>1,128,480</u>	<u>1,192,496</u>	<u>1,040,856</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	19	-	(321,557)	(321,557)	(351,281)
<b>PROVISIONS FOR LIABILITIES</b>	22	-	(33,942)	(33,942)	(25,273)
<b>NET ASSETS</b>		<u>64,016</u>	<u>772,981</u>	<u>836,997</u>	<u>664,302</u>
<b>FUNDS</b>	23				
Unrestricted funds				64,016	(5,987)
Restricted funds				<u>772,981</u>	<u>670,289</u>
<b>TOTAL FUNDS</b>				<u>836,997</u>	<u>664,302</u>

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

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

The financial statements were approved by the Board of Trustees and authorised for issue on 18 December 2020 and were signed on its behalf by:

.....  
Dr Philip Revell -Trustee

The notes form part of these financial statements

**COMMUNITY ENERGY SCOTLAND LIMITED (REGISTERED COMPANY NUMBER: SC333698)**

**CHARITY BALANCE SHEET**  
At 31 March 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	15	14,018	555,669	569,687	826,346
Investments	16	<u>101</u>	<u>-</u>	<u>101</u>	<u>101</u>
		14,119	555,669	569,788	826,447
<b>CURRENT ASSETS</b>					
Debtors	17	152,929	22,845	175,774	130,435
Cash at bank		<u>313,837</u>	<u>164,239</u>	<u>478,076</u>	<u>748,597</u>
		466,766	187,084	653,850	879,032
<b>CREDITORS</b>					
Amounts falling due within one year	18	<u>(184,664)</u>	<u>(32,598)</u>	<u>(217,262)</u>	<u>(766,619)</u>
<b>NET CURRENT ASSETS</b>		<u>282,102</u>	<u>154,486</u>	<u>436,588</u>	<u>112,413</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		296,221	710,155	1,006,376	938,860
<b>CREDITORS</b>					
Amounts falling due after more than one year	19	<u>-</u>	<u>(82,736)</u>	<u>(82,736)</u>	<u>(102,737)</u>
<b>NET ASSETS</b>		<u>296,221</u>	<u>627,419</u>	<u>923,640</u>	<u>836,123</u>
<b>FUNDS</b>	23				
Unrestricted funds				296,221	205,680
Restricted funds				<u>627,419</u>	<u>630,443</u>
<b>TOTAL FUNDS</b>				<u>923,640</u>	<u>836,123</u>

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

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

The financial statements were approved by the Board of Trustees and authorised for issue on 18 December 2020 and were signed on its behalf by:

.....  
Dr Phillip Revell - Trustee

The notes form part of these financial statements

**COMMUNITY ENERGY SCOTLAND LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Group		Charity	
		2020 £	2019 £	2020 £	2019 £
<b>Cash flows from operating activities</b>					
Cash generated from operations	1	(258,543)	191,788	(202,562)	188,809
Interest paid		(22,122)	(30,399)	(3,258)	(11,157)
Finance costs		<u>(2,660)</u>	<u>(2,589)</u>	<u>(2,503)</u>	<u>(2,425)</u>
<b>Net cash provided by (used in) operating activities</b>		<u>(283,325)</u>	<u>158,800</u>	<u>(208,323)</u>	<u>175,227</u>
<b>Cash flows from investing activities</b>					
Purchase of tangible fixed assets		(14,686)	(16,281)	(14,686)	(16,281)
Sale of tangible fixed assets		-	-	-	-
Interest received		111	143	2,453	5,346
Distribution of profits received		<u>100,000</u>	<u>34,000</u>		
<b>Net cash provided by (used in) investing activities</b>		<u>85,425</u>	<u>17,862</u>	<u>(12,233)</u>	<u>(10,935)</u>
<b>Cash flows from financing activities:</b>					
New loans in year		-	-	-	-
Loan repayments		<u>(54,158)</u>	<u>(157,807)</u>	<u>(49,965)</u>	<u>(147,597)</u>
<b>Net cash provided by (used in) financing activities</b>		<u>(54,158)</u>	<u>(157,807)</u>	<u>(49,965)</u>	<u>(147,597)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(252,058)</u>	<u>18,855</u>	<u>(270,521)</u>	<u>16,695</u>
<b>Cash and cash equivalents at the beginning of the period</b>		<u>751,398</u>	<u>732,543</u>	<u>748,597</u>	<u>731,902</u>
<b>Cash and cash equivalents at the end of the period</b>		<u>499,340</u>	<u>751,398</u>	<u>478,076</u>	<u>748,597</u>

The notes form part of these financial statements

**COMMUNITY ENERGY SCOTLAND LIMITED**

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 March 2020**

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

	Group		Charity	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	£	£	£	£
<b>Net Income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	172,695	(777,085)	87,517	(849,632)
<b>Adjustments for:</b>				
Depreciation charges	283,563	283,380	270,955	270,772
Loss on disposal of fixed assets	390	-	390	-
Interest received	(111)	(143)	(2,453)	(5,346)
Interest paid	22,122	30,399	3,258	11,157
Finance charges	2,660	2,589	2,503	2,425
Income from participating interests	8,669	(55,604)	-	-
Distribution of profits received	(100,000)	(34,000)	-	-
Decrease / (increase) in debtors	(92,712)	223,918	(45,339)	232,855
(Decrease)/increase in creditors	(555,819)	518,334	(519,393)	526,578
	<u>(258,543)</u>	<u>191,788</u>	<u>(202,562)</u>	<u>188,809</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

**Basis of preparing the financial statements**

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

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

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

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. Incoming resources that do not meet the criteria for recognition in the Statement of Financial Activities are accounted for as deferred income and included as liabilities at the balance sheet date.

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

Donations and legacies:

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

Income from charitable activities:

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

Investment income:

Income from investments is recognised on an accruals basis.

**Expenditure**

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

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

**Charitable activities**

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

**Governance costs**

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



**COMMUNITY ENERGY SCOTLAND LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**for the year ended 31 March 2020**

**1. ACCOUNTING POLICIES – continued**

**Tangible fixed assets**

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

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

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

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

**Taxation**

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

**Fund accounting**

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

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

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

**Hire purchase and leasing commitments**

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

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

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

**Investments**

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

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

	2020	2019
	£	£
Donations	265	791
Memberships	-	375
Conference fees	-	-
	<u>265</u>	<u>1,166</u>

**COMMUNITY ENERGY SCOTLAND LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
for the year ended 31 March 2020

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

	2020	2019
	£	£
Export FIT	2,359	2,076
Generation FIT	47,503	44,864
Technical assistance	14,000	18,869
	<u>63,862</u>	<u>65,831</u>

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

	2020	2019
	£	£
Turnover	63,863	65,631
Cost of sales and administration costs	(49,573)	(57,928)
Other income	100,764	34,000
Finance costs	(21,206)	(24,760)
Net profit/(loss)	<u>93,848</u>	<u>16,943</u>
Amount gift aided to the charity	-	-
Retained in subsidiary	<u>93,848</u>	<u>16,943</u>

The assets and liabilities of the subsidiary were:

Fixed assets	201,292	213,900
Current assets	84,562	24,075
Current liabilities	(45,635)	(85,881)
Non-current liabilities	(238,621)	(248,544)
Total net assets	<u>(2,602)</u>	<u>(96,450)</u>
Reserves	<u>(2,602)</u>	<u>(96,450)</u>

**4. INVESTMENT INCOME**

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Share of (loss)/profit in participating interests	(8,669)	55,604	-	-
Distribution of profits from participating interests	100,000	34,000	-	-
Bank interest received	111	143	111	143
Other interest received	-	-	2,342	5,203
	<u>91,442</u>	<u>89,747</u>	<u>2,453</u>	<u>5,346</u>

**COMMUNITY ENERGY SCOTLAND LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
for the year ended 31 March 2020

**5. INCOME FROM CHARITABLE ACTIVITIES**

GROUP

	Project delivery	Projects	2020 Total activities	2019 Total activities
	£	£	£	£
Consultancy fees	288,318	-	288,318	358,362
Grants	-	926,141	926,141	425,706
Grants refunded	-	40,000	40,000	-
	<u>288,318</u>	<u>966,141</u>	<u>1,254,459</u>	<u>784,068</u>

CHARITY

	Project delivery	Projects	2020 Total activities	2019 Total activities
	£	£	£	£
Consultancy fees	307,278	-	307,278	358,949
Grants	-	926,141	926,141	425,706
Grants refunded	-	40,000	40,000	-
	<u>307,278</u>	<u>966,141</u>	<u>1,273,419</u>	<u>811,655</u>

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

	2020	2019
	£	£
Local Energy Scotland - Surf 'n' Turf grant	-	82,767
Aragon Big Hit	84,388	10,323
SMILE	454,971	322,616
REFLEX	366,782	-
Robertson Trust	20,000	10,000
	<u>926,141</u>	<u>425,706</u>

**COMMUNITY ENERGY SCOTLAND LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**for the year ended 31 March 2020**

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

	2020	2019
	£	£
Rent	4,745	4,700
Equipment servicing	4,277	5,204
Insurance	4,326	4,140
Depreciation	12,608	12,608
Interest payable and similar charges	19,021	19,721
Support costs	<u>4,500</u>	<u>3,525</u>
	<u>49,477</u>	<u>49,898</u>

**COMMUNITY ENERGY SCOTLAND LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
for the year ended 31 March 2020

**7. CHARITABLE ACTIVITIES COSTS**

<b>Group</b>	<b>Direct costs</b>	<b>Grant funding of activities</b>	<b>Support costs (See note 9)</b>	<b>Totals</b>
	£	£	£	£
Project delivery	235,739	-	114,687	350,426
REFLEX project	349,687	-	-	349,687
Surf 'n' Turf project	245,275	-	-	245,275
Aragon Big Hit	58,961	-	-	58,961
SMILE	125,178	-	-	125,178
Robertson Trust	18,329	-	-	18,329
Grant refunded	40,000	-	-	40,000
	<u>1,073,169</u>	<u>-</u>	<u>114,687</u>	<u>1,187,856</u>

<b>Charity</b>	<b>Direct costs</b>	<b>Grant funding of activities</b>	<b>Support costs (See note 9)</b>	<b>Totals</b>
	£	£	£	£
Project delivery	236,503	-	114,687	351,190
REFLEX project	349,687	-	-	349,687
Surf 'n' Turf project	245,275	-	-	245,275
Aragon Big Hit	58,961	-	-	58,961
SMILE	125,178	-	-	125,178
Robertson Trust	18,329	-	-	18,329
Grant refunded	40,000	-	-	40,000
	<u>1,073,933</u>	<u>-</u>	<u>114,687</u>	<u>1,188,620</u>

**8. SUPPORT COSTS**

	<b>Management</b>	<b>Governance costs</b>	<b>Totals</b>
	£	£	£
Other trading activities – Group only	-	4,500	4,500
Project delivery – Group and charity	<u>104,948</u>	<u>9,739</u>	<u>114,687</u>
	<u>104,948</u>	<u>14,239</u>	<u>119,187</u>

**COMMUNITY ENERGY SCOTLAND LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
for the year ended 31 March 2020

**9. SUPPORT COSTS**

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

	Other trading activities	Project delivery	2020 Total activities	2019 Total activities
	£	£	£	£
Interest payable and similar charges	-	5,761	5,761	10,842
Auditors' remuneration	4,500	5,500	10,000	10,000
Accountancy and legal fees	-	4,650	4,650	2,290
Pensions	-	23,216	23,216	22,858
Rent	-	18,235	18,235	15,243
Loss on disposal of assets	-	390	390	-
Insurance	-	9,905	9,905	11,581
Light and heat	-	3,079	3,079	1,012
Telephone	-	10,157	10,157	9,461
Postage and stationery	-	1,403	1,403	1,857
Advertising	-	-	-	308
Sundries	-	5,588	5,588	2,040
Repairs and maintenance	-	6,276	6,276	338
Other management and administration costs	-	15,771	15,771	16,127
Depreciation	-	4,167	4,167	4,379
Trustees' remuneration etc.	-	336	336	647
Other governance costs	-	253	253	882
	<u>4,500</u>	<u>114,687</u>	<u>119,167</u>	<u>109,863</u>

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

Net income/(expenditure) is stated after charging:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Auditors' Remuneration	10,000	10,000	7,250	7,250
Depreciation - owned assets	283,563	283,380	270,955	270,772
Other operating leases	22,980	19,943	18,235	15,243
Loss on disposal of fixed asset	<u>390</u>	<u>-</u>	<u>390</u>	<u>-</u>

**11. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

Trustees' expenses	2020	2019
	£	£
Trustees' expenses	<u>336</u>	<u>647</u>

During the year 2 trustees received reimbursement for out of pocket expenses of £336 (2019 – 2 trustees -£647)

**COMMUNITY ENERGY SCOTLAND LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
**for the year ended 31 March 2020**

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**12. STAFF COSTS – Group and charity**

	2020	2019
	£	£
Wages and salaries	461,506	411,556
Social security costs	39,538	35,191
Other pension costs	<u>23,216</u>	<u>22,146</u>
	<u>524,260</u>	<u>468,893</u>

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

	2020	2019
Average monthly employees	<u>19</u>	<u>18</u>

No employees received emoluments in excess of £80,000.

**Key Management Personnel**

Community Energy Scotland considers that the key management personnel comprise the Trustees and Senior Management Team being the Chief Executive, Trading Manager, Head of Governance, Head of Innovation and the Finance Manager. The total employee benefits of the key management personnel during the year were £208,357 (2019 - £222,601).

**COMMUNITY ENERGY SCOTLAND LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
for the year ended 31 March 2020

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

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	1,166	-	1,166
<b>Charitable activities</b>			
Project delivery	231,586	126,776	358,362
Pitches project	62,692	20,075	82,767
Aragon Big Hit project	10,323	-	10,323
SMILE project	124,388	198,228	322,616
Robertson Trust	-	10,000	10,000
Other trading activities	-	65,631	65,631
Investment income	143	89,604	89,747
Other income	14,165	-	14,165
<b>Total</b>	<b>444,463</b>	<b>510,314</b>	<b>954,777</b>
<b>EXPENDITURE ON</b>			
Raising funds	-	-	-
Other trading activities	-	49,898	49,898
<b>Charitable activities</b>			
Project delivery	410,087	211,140	621,207
Pitches project	9,518	246,029	255,547
Aragon Big Hit project	7,594	64,108	71,700
SMILE project	88,660	633,179	721,839
Robertson Trust	-	11,671	11,671
<b>Total</b>	<b>515,839</b>	<b>1,216,023</b>	<b>1,731,862</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>(71,376)</b>	<b>(705,709)</b>	<b>(777,085)</b>
<b>Transfers between funds</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>	<b>(71,376)</b>	<b>(705,709)</b>	<b>(777,085)</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<b>65,389</b>	<b>1,375,998</b>	<b>1,441,387</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>(5,987)</b>	<b>670,289</b>	<b>664,302</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
for the year ended 31 March 2020

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

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	1,166	-	1,166
<b>Charitable activities</b>			
Project delivery	259,173	126,776	385,949
Pitches project	62,692	20,075	82,767
Aragon Big Hit project	10,323	-	10,323
SMILE project	124,388	198,228	322,616
Robertson Trust	-	10,000	10,000
Investment income	5,346	-	5,346
Other income	14,165	-	14,165
<b>Total</b>	<b>477,253</b>	<b>355,079</b>	<b>832,332</b>
<b>EXPENDITURE ON</b>			
Raising funds	-	-	-
<b>Charitable activities</b>			
Project delivery	410,067	211,140	621,207
Pitches project	9,518	246,029	255,547
Aragon Big Hit project	7,594	64,106	71,700
SMILE project	88,660	633,179	721,839
Robertson Trust	-	11,671	11,671
<b>Total</b>	<b>515,839</b>	<b>1,166,125</b>	<b>1,681,964</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>(38,586)</b>	<b>(811,046)</b>	<b>(849,632)</b>
<b>Transfers between funds</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>	<b>(38,586)</b>	<b>(811,046)</b>	<b>(849,632)</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<b>244,266</b>	<b>1,441,489</b>	<b>1,685,755</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>205,680</b>	<b>630,443</b>	<b>836,123</b>

**COMMUNITY ENERGY SCOTLAND LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
for the year ended 31 March 2020

**15. TANGIBLE FIXED ASSETS**

<u>Group</u>	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 April 2019	1,587,898	7,872	51,500	131,914	1,779,184
Additions	7,632	302	-	6,752	14,686
Disposals	-	-	-	(8,024)	(8,024)
At 31 March 2020	<u>1,595,530</u>	<u>8,174</u>	<u>51,500</u>	<u>130,642</u>	<u>1,785,846</u>
<b>DEPRECIATION</b>					
At 1 April 2019	639,284	7,588	20,600	121,466	788,938
Charge for year	269,301	123	10,300	3,839	283,563
Disposals	-	-	-	(7,634)	(7,634)
At 31 March 2020	<u>908,585</u>	<u>7,711</u>	<u>30,900</u>	<u>117,671</u>	<u>1,064,867</u>
<b>NET BOOK VALUE</b>					
At 31 March 2020	<u>686,945</u>	<u>463</u>	<u>20,600</u>	<u>12,971</u>	<u>720,979</u>
At 31 March 2019	<u>948,614</u>	<u>284</u>	<u>30,900</u>	<u>10,448</u>	<u>990,246</u>
<u>Charity</u>	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 April 2019	1,281,711	7,872	51,500	131,914	1,472,997
Additions	7,632	302	-	6,752	14,686
Disposals	-	-	-	(8,024)	(8,024)
At 31 March 2020	<u>1,289,343</u>	<u>8,174</u>	<u>51,500</u>	<u>130,642</u>	<u>1,479,659</u>
<b>DEPRECIATION</b>					
At 1 April 2019	496,997	7,588	20,600	121,466	646,651
Charge for year	256,693	123	10,300	3,839	270,955
Disposals	-	-	-	(7,634)	(7,634)
At 31 March 2020	<u>753,690</u>	<u>7,711</u>	<u>30,900</u>	<u>117,671</u>	<u>909,972</u>
<b>NET BOOK VALUE</b>					
At 31 March 2020	<u>535,653</u>	<u>463</u>	<u>20,600</u>	<u>12,971</u>	<u>569,687</u>
At 31 March 2019	<u>784,714</u>	<u>284</u>	<u>30,900</u>	<u>10,448</u>	<u>826,346</u>

**COMMUNITY ENERGY SCOTLAND LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
for the year ended 31 March 2020

**16. FIXED ASSET INVESTMENTS**

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
<b>MARKET VALUE</b>				
At 1 April 2019	-	-	101	101
Additions	-	-	-	-
At 31 March 2020	<u>-</u>	<u>-</u>	<u>101</u>	<u>101</u>
<b>NET BOOK VALUE</b>				
At 31 March 2020	<u>-</u>	<u>-</u>	<u>101</u>	<u>101</u>
At 1 April 2019	<u>-</u>	<u>-</u>	<u>101</u>	<u>101</u>

There were no investment assets outside the UK.

Community Energy Scotland Limited as a parent charity holds two investments, the first investment is a 100% shareholding in a subsidiary undertaking, Community Energy Scotland Trading Limited. The subsidiary's profit for the year amounted to £93,848 (2019 - £15,143) and its net liabilities at 31 March 2020 were £2,602 (2019 - £98,250).

Community Energy Scotland Trading Limited has received a loan of £380,000 from Social Investment Scotland and as security for the loan, Community Energy Scotland Limited has pledged its entire shareholding in its subsidiary to that body. At the balance sheet date the balance on this loan was £270,481 (2019 - £274,674).

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

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

**Community Energy Scotland Trading Limited**  
Registered office: 67A Castle Street, Inverness, IV2 3DU  
Nature of business: Operation of wind turbines

Class of share:	% holding	2020	2019
		£	£
Ordinary £1	100		
Aggregate capital and reserves		(2,602)	(98,250)
Profit/(loss) for the year		<u>93,848</u>	<u>15,143</u>

**Community Energy Innovations Limited**  
Registered office: 67A Castle Street, Inverness, IV2 3DU  
Nature of business: Dormant

Class of share:	% holding
Ordinary £1	100

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

**COMMUNITY ENERGY SCOTLAND LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
for the year ended 31 March 2020

**16. FIXED ASSET INVESTMENTS - continued**

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

	Investment £	Other movements £	Total £
Berwickshire Community Renewables LLP			
As at 1 April 2019	50,000	(75,273)	(25,273)
Group share of profit less distributions	-	(8,669)	(8,669)
As at 31 March 2020	<u>50,000</u>	<u>(83,942)</u>	<u>(33,942)</u>

During the year, Community Energy Scotland Trading Limited received £100,000 (2019 -£34,000) being its share of a distribution of accumulated profits.

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

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	47,858	44,992	29,957	29,798
Amounts owed to group undertakings	-	-	-	48,626
Accrued income	146,722	51,017	145,017	49,325
Prepayments	800	6,659	800	2,686
	<u>195,380</u>	<u>102,668</u>	<u>175,774</u>	<u>130,435</u>

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

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Other loans (see note 20)	51,862	76,096	20,002	49,986
Trade creditors	45,125	629,601	45,125	629,601
Amounts owed to group undertakings	-	-	39,691	-
Social security and other taxes	10,272	10,653	10,272	10,653
VAT	8,079	5,492	7,104	5,910
Pension fund contributions	4,710	3,429	4,710	3,429
Accrued expenses	57,955	64,980	44,958	53,856
Deferred income	35,400	5,833	35,400	5,833
Other creditors	10,000	7,371	10,000	7,371
	<u>223,203</u>	<u>803,456</u>	<u>217,262</u>	<u>766,619</u>

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

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Other loans (see note 20)	321,557	351,281	82,736	102,737
	<u>321,557</u>	<u>351,281</u>	<u>82,736</u>	<u>102,737</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
for the year ended 31 March 2020

20. LOANS

An analysis of the maturity of loans is given below:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year on demand				
SIS Loans	31,660	26,130	-	-
Energy Savings Trust Loan	20,002	49,966	20,002	49,966
	<u>51,662</u>	<u>76,096</u>	<u>20,002</u>	<u>49,966</u>
Amounts falling due between one and two years:				
SIS Loans	83,526	241,230	-	-
Energy Savings Trust loan	20,658	20,002	20,658	20,002
	<u>104,184</u>	<u>261,232</u>	<u>20,658</u>	<u>20,002</u>
Amounts due between two and five years:				
SIS Loans	155,295	7,314	-	-
Energy Savings Trust loan	62,078	64,002	62,078	64,002
	<u>217,373</u>	<u>71,316</u>	<u>62,078</u>	<u>64,002</u>
Amounts falling due in more than five years:				
Repayable by instalments:				
Energy Savings Trust loan	-	18,734	-	18,734
		<u>18,734</u>		<u>18,734</u>

Community Energy Scotland received a loan of £300,300 from The Energy Savings Trust. This loan is unsecured and attracts an interest rate of 3.2% per annum. Until 31 March 2018 the company was only required to repay the quarterly interest element of the loan and thereafter capital plus interest became payable.

21. SECURED DEBTS – Group only

The following secured debts are included within creditors:

	2020	2019
	£	£
SIS Loans	<u>270,480</u>	<u>274,674</u>

The Social Investment Scotland (SIS) loan balance of £270,481 (2019 - £274,674) is secured over the assets of the subsidiary company by a floating charge in favour of Social Investment Scotland.

Social Investment Scotland has advanced Community Energy Scotland Trading Limited a loan of £380,000 at an interest rate of 7%, split into two tranches of £190,000 each. The amounts outstanding at the year-end are split £42,037 (2019 - £61,459) for tranche one and £228,444 (2019 - £213,214) for tranche two.

Interest on tranche one is payable quarterly in arrears and repayment of the capital sum began in March 2013 and was originally due to be fully repaid by 30 June 2021. Following a repayment holiday granted during the Covid 19 pandemic, this has been extended to 31 March 2022.

Interest on tranche two was originally to be rolled up into the loan principle until 15 June 2016 after which date it, and the capital sum, was repayable quarterly at a rate to be set at that time by Social Investment Scotland. On 8 March 2015, Social Investment Scotland waived the accumulated interest of £28,658. Interest is now rolled up into the loan and following a renegotiation of the repayment terms, the loan is due for repayment by 30 September 2024.

**COMMUNITY ENERGY SCOTLAND LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
for the year ended 31 March 2020

**22. PROVISIONS**

	2020	2019
	£	£
Berwickshire Community Renewables LLP	<u>33,942</u>	<u>25,273</u>

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

**23. MOVEMENT IN FUNDS**

<u>Group:</u>	At 1.4.19 £	Incoming resources £	Resources expended £	At 31.3.20 £
<b>Unrestricted funds</b>				
General fund	<u>(5,987)</u>	<u>591,271</u>	<u>(521,268)</u>	<u>64,016</u>
	(5,987)	591,271	(521,268)	64,016
<b>Restricted funds</b>				
REFLEX fund	-	38,304	(38,304)	-
Surf 'n' turf fund	351,255	-	(245,275)	105,980
Big Hit fund	298,272	79,428	(54,960)	322,740
SMILE	(15,881)	342,654	(122,584)	204,189
Robertson Trust	(1,671)	20,000	(18,329)	-
Grants refunded	-	40,000	(40,000)	-
Other restricted funds	(1,532)	143,178	(147,136)	(5,490)
Non-charitable subsidiary	<u>39,846</u>	<u>135,075</u>	<u>(49,477)</u>	<u>125,444</u>
	670,289	798,639	(716,065)	752,863
<b>TOTAL FUNDS</b>	<u>664,302</u>	<u>1,389,910</u>	<u>(1,237,333)</u>	<u>816,879</u>
<u>Charity:</u>	At 1.4.19 £	Incoming resources £	Resources expended £	At 31.3.20 £
<b>Unrestricted funds</b>				
General fund	<u>205,680</u>	<u>612,573</u>	<u>(522,032)</u>	<u>296,221</u>
	205,680	612,573	(522,032)	296,221
<b>Restricted funds</b>				
REFLEX fund	-	38,304	(38,304)	-
Surf 'n' turf fund	351,255	-	(245,275)	105,980
Big Hit fund	298,272	79,428	(54,960)	322,740
SMILE	(15,881)	342,654	(122,584)	204,189
Robertson Trust	(1,671)	20,000	(18,329)	-
Grant refunded	-	40,000	(40,000)	-
Other restricted funds	(1,532)	143,178	(147,136)	(5,490)
	630,443	663,564	(666,588)	627,419
<b>TOTAL FUNDS</b>	<u>836,123</u>	<u>1,276,137</u>	<u>(1,188,620)</u>	<u>923,640</u>

23. MOVEMENT IN FUNDS – continued

General funds:

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

Restricted funds:

Big Hit

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

SMILE fund

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

Non-charitable subsidiary:

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

Other minor restricted funds:

These represent other funds for restricted purposes, which do not require separate disclosure.

Grant refunded – North Uist Grant:

A grant in the sum of £40,000 was approved and paid to North Uist under the CRES programme in 2010 by Community Energy Scotland, with funds from Highlands and Islands Enterprise (HIE). The group was required to return the funds after receiving Feed in Tariff income. Community Energy Scotland received the funds and returned them to HIE.

**24. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 March 2020.

**25. FINANCIAL COMMITMENTS**

The charity has an operating lease expiring within one year for a vehicle. The commitment at 31 March 2020 is £11,525 (2019 - £nil).

**26. POST BALANCE SHEET EVENTS**

On 23 March 2020, the Scottish Government issued strict guidelines in response to the Coronavirus pandemic. The effect this had on the charity included:

- Moving to online working for all staff;
- Furloughing of all non-essential staff;
- Suspension of face-to face meetings with clients and staff; and
- Applying to various Coronavirus funding streams to provide support and facilities to the charity and to enable remote working.

The charity has been able to continue activities and is expected to continue to operate using remote working for the remainder of 2020/21.

**27. ULTIMATE CONTROLLING PARTY**

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



**COMMUNITY ENERGY SCOTLAND LIMITED**

**DETAILED CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
for the year ended 31 March 2020**

	Unrestricted funds	Restricted funds	2020 Total Funds	2019 Total Funds
	£	£	£	£
<b>INCOME AND ENDOWMENTS</b>				
<b>Donations and legacies</b>				
Donations	265	-	265	791
Memberships	-	-	-	375
	<u>265</u>	<u>-</u>	<u>265</u>	<u>1,166</u>
<b>Other trading activities</b>				
Export FIT	-	2,359	2,359	2,076
Generation FIT	-	47,503	47,503	44,686
Technical assistance	-	14,000	14,000	18,869
	<u>-</u>	<u>63,862</u>	<u>63,862</u>	<u>65,631</u>
<b>Investment income</b>				
Other participating interests	-	(8,669)	(8,669)	55,604
Distribution of profits from participating interests	-	100,000	100,000	34,000
Deposit account interest	111	-	111	143
	<u>111</u>	<u>91,331</u>	<u>91,442</u>	<u>89,747</u>
<b>Charitable activities</b>				
Consultancy fees	145,140	143,178	288,318	358,362
Grants	445,755	480,386	926,141	425,706
Grants refunded	-	40,000	40,000	-
	<u>590,895</u>	<u>663,564</u>	<u>1,254,459</u>	<u>784,068</u>
<b>Other income</b>				
Miscellaneous income	-	-	-	14,165
	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,165</u>
<b>Total Incoming resources</b>	<b>591,271</b>	<b>818,757</b>	<b>1,410,028</b>	<b>954,777</b>
<b>EXPENDITURE</b>				
<b>Raising donations and legacies</b>				
Conference costs	-	-	-	-
Membership development and engagement	-	-	-	-
Travel and subsistence	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other trading activities</b>				
Rent	-	4,745	4,745	4,700
Equipment servicing	-	4,277	4,277	5,204
Insurance	-	4,326	4,326	4,140
Depreciation of tangible fixed assets	-	12,608	12,608	12,608
SIS loan interest	-	18,864	18,864	19,567
Bank interest and charges	-	157	157	164
	<u>-</u>	<u>44,977</u>	<u>44,977</u>	<u>46,373</u>

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**COMMUNITY ENERGY SCOTLAND LIMITED**

**DETAILED CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
for the year ended 31 March 2020**

	Unrestricted funds	Restricted Funds	2020 Total Funds	2019 Total Funds
	£	£	£	£
<b>Charitable activities</b>				
Wages	265,925	195,580	461,505	384,845
Social security	39,538	-	39,538	35,191
Travel and subsistence	14,752	19,070	33,822	40,255
Robertson Trust costs	-	-	-	11,539
REFLEX costs	23,500	84,828	108,328	-
ACCESS project costs	-	-	-	48,577
Surf 'n' turf project costs	-	-	-	4,329
SMILE	2,594	12,878	15,472	634,524
Aragon Big Hit	4,001	15,527	19,528	41,059
Grants refunded	-	40,000	40,000	-
Project delivery services costs	56,271	31,916	88,187	108,915
Depreciation	-	266,789	266,789	266,392
	<u>406,581</u>	<u>666,588</u>	<u>1,073,169</u>	<u>1,575,626</u>
<b>Support costs</b>				
<b>Management</b>				
Pensions	23,216	-	23,216	22,858
Rent	18,235	-	18,235	15,243
Insurance	9,905	-	9,905	11,581
Light and heat	3,079	-	3,079	1,012
Telephone	10,157	-	10,157	9,461
Postage and stationery	1,403	-	1,403	1,857
Advertising	-	-	-	306
Sundries	5,588	-	5,588	2,040
Repairs and maintenance	6,276	-	6,276	338
IT Costs	4,933	-	4,933	5,248
Accountancy	1,000	-	1,000	1,000
Legal and professional	1,916	-	1,916	1,333
Training and courses	1,259	-	1,259	995
Irrecoverable VAT	7,663	-	7,663	7,126
Depreciation	4,167	-	4,167	4,379
SIS loan interest	3,258	-	3,258	10,842
Bank interest and similar charges	2,503	-	2,503	2,425
Loss on disposal of fixed assets	390	-	390	-
	<u>104,948</u>	<u>-</u>	<u>104,948</u>	<u>97,044</u>
<b>Governance costs</b>				
Trustees' expenses	336	-	336	647
Auditors' remuneration	5,500	4,500	10,000	10,000
Accountancy and legal fees	3,650	-	3,650	1,290
Room hire	70	-	70	587
Catering	78	-	78	315
Annual General Meeting costs	105	-	105	-
	<u>9,739</u>	<u>4,500</u>	<u>14,239</u>	<u>12,819</u>
<b>Total resources expended</b>	<u>521,268</u>	<u>716,085</u>	<u>1,237,333</u>	<u>1,731,862</u>
<b>Net (expenditure)/income</b>	<u>70,003</u>	<u>102,692</u>	<u>172,695</u>	<u>(777,085)</u>

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