

Charity number: SC037336
Company number: SC287343

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Directors' report and financial statements

for the year ended 31 July 2021



North West Mull Community Woodland Company Limited
(A company limited by guarantee)

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North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Legal and administrative information

Charity number SC037336
Company registration number SC287343

Business address Penmore Mill
Dervaig
Tobermory
Isle of Mull
PA75 6QS

Registered office Penmore Mill
Dervaig
Tobermory
Isle of Mull
PA75 6QS

Directors	Colin James Morrison	Chair - Appointed 11 July 2005
	Pippa Lanteri Laura	Appointed 11 June 2018
	Patricia Claire Evans	Appointed 3 June 2019
	Andrew Primrose	Appointed 14 September 2020
	Tracy Teresa Mayo	Appointed 1 December 2020
	John Moxon Addy	Appointed 15 August 2021
	Anne Cleave	Appointed 20 July 2021
	Jean-Louis Lanteri Laura	Resigned 25 March 2021
	Rhuri Alexander Munro	Resigned 10 October 2020
	Joanne Susan Prior	Appointed 1 December 2020 and resigned 8 August 2021

Secretary Helen Murray Appointed 3 June 2019

**North West Mull Community Woodland Company Limited
(A company limited by guarantee)**

Legal and administrative information

Independent Auditors

Chiene + Tait LLP
Chartered
Accountants &
Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Bankers

Clydesdale Bank plc
20 Main Street
Tobermory
Isle of Mull
PA75 6NY

Bankers

Triodos plc
Deanery Road
Bristol
BS1 5AS

North West Mull Community Woodland Company Limited (A company limited by guarantee)

Report of the directors (incorporating the trustees' report) for the year ended 31 July 2021

The directors present their report and the financial statements for the year ended 31 July 2021. The directors, who are also trustees of North West Mull Community Woodland Company Limited for the purposes of charity law and who served during the year and up to the date of this report are set out on page 1.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Structure, governance and management

Membership

The company was formed in 2005 and obtained charitable status in May 2006. Membership is free and open to anyone resident in North West Mull aged 16 or over. Associate membership is open to all other individuals and organisations, and Junior Membership is open to those aged 12 to 17. Junior Members and Associate Members are not permitted to vote at Company meetings or stand for election to the Board. There are 152 (2020; 152) members as at 31 July 2021 which is approximately 38% of the full electoral register for the eligible areas.

Election of Directors

The charity is managed by a board of directors elected by the members at the AGM. There can be between 5 and 16 directors including one director appointed by the Mull & Iona Community Council, and up to 3 co-opted directors. One third of the elected directors must resign at the AGM; a director can serve up to two consecutive terms of office and then must stand down for a minimum period of 12 months.

Mull & Iona Community Council did not take up the option to appoint a director during the year.

Board Training

The company provides an information pack which is given to all new directors on appointment. This includes information on the roles and responsibilities of a company director and charity trustee, copies of recent board minutes, company policies and other information regarding the operations of the company. Copies of the Articles of Association and the Business Plan are available on the charity website.

Board Procedures

Monthly board meetings are attended by the Board and the staff, with finance report and development manager's report being circulated beforehand. Minutes of the meeting are posted on the charity website once ratified by the board at the following meeting.

Conflicts of interest

A policy is in operation to deal with conflicts of interest. This includes maintaining a register of interests for all board members/directors and senior managers, which details any contractual or financial relationship or position of authority with outside companies, firms, associations or organisations. Whenever a board member/director or senior manager has an interest in any item discussed by the board, he/she takes no part in the discussions or decision making process.

Any declarations of interest are recorded in the minutes of the appropriate board meetings.

The Register of Interest is subject to inspection by auditors.

The Register will be shared with the Financial Controller of NWMCWC for the purpose of detecting and reporting in the Annual Accounts any related party transactions.

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Report of the directors (incorporating the trustees' report)
for the year ended 31 July 2021

Risk Management

The Board of Directors is ultimately responsible for North West Mull Community Woodland Company Limited internal, financial and administrative controls and systems and for reviewing their effectiveness. However, such systems are designed to manage rather than eliminate risk of failure to achieve the Company's objectives, and can provide only reasonable but not absolute assurance against material misstatement or loss.

These systems of control include, a regular consideration by the Directors of financial results, variance from budgets and non-financial performance indicators; delegation of authority and segregation of duties, identification and management of financial and non-financial risks.

Reserves policy

The aim of the Company's reserve policy will be, to establish a level of reserves which the Company may need in times of unexpected fluctuations in income to ensure its ability to provide uninterrupted services for a period of 12 months.

General unrestricted funds are negative and a review of the allocation of the current and prior year allocations has been carried out. Negative funds are a result of historical general income being less than the general operating costs and expenditure on the projects of the company.

During the current period of global economic uncertainty, the Company will continue to work towards this objective but recognises that this may not be achievable in the short term to medium term.

Objectives and activities

Principal objects

The charity's principal objective is to manage community land and associated assets for the benefit of the Community and the public in general and as an important part of the protection and sustainable development of Scotland's natural environment, where 'sustainable development' means development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Strategic aims and objectives - the woodlands

In December 2006, the charity purchased Langamull and West Ardu woodlands for £340,000, totalling an area of 675 ha. This was the first Forestry Commission land – now Forestry Scotland - to be purchased under the National Forest Land Scheme.

A contract was signed with Tilhill Harvesting for the management of the timber harvesting and transport, with the total harvesting estimated at 120,000 tonnes of timber. In order to facilitate harvesting a dedicated 16.5 km haul road was built, public roads were upgraded, 4 bridges built or upgraded, and agreements reached with a number of local landowners. This work was carried out with assistance and funding from various bodies including Argyll and Bute Council, the Scottish Strategic Timber Transportation Scheme and the Forestry Commission. The charity's own contribution was covered by an agreement with UPM Tilhill that set the haul road construction costs against future timber sales.

The Charity is now close to agreeing a long awaited, new Forest Design Plan for the replanting of those areas that were harvested. To this end, the charity commissioned the consultancy Treestory to facilitate that process and it is anticipated that in the next few months, a replanting plan will have been agreed and replanting will commence.

**North West Mull Community Woodland Company Limited
(A company limited by guarantee)**

**Report of the directors (incorporating the trustees' report)
for the year ended 31 July 2021**

Strategic aims and objectives - Island of Ulva

The overall objective of the community ownership of the Isle of Ulva and associated holdings on the adjacent mainland of Mull at Ulva Ferry, is to provide sustainable benefits for the community in the short to medium term and in the long term for future generations, including the repopulation of the area.

This will be achieved by providing security of tenure for existing residents, renovating the current housing stock, providing new housing stock or facilitating new residents to build their own. We will also update the infrastructure, revitalise and expand agricultural activity whilst enhancing biodiversity, conserving sensitive habitats and species, and protecting the built historic environment and archaeology.

Main areas of activity

The charity selected the consultancy Treestory to facilitate the production of a new Forestry Design Plan. Progress has been swift in the production of that plan and it is anticipated that the agreement of the plan will be reached within the next few months and that replanting will begin in the Autumn of 2022, along with other related activities such as refencing and deer management.

Renovation of the housing stock on Ulva is nearing completion and pier renovation and expansion work has begun on the Mull side of Ulva Sound, which aims to provide better facilities for the inshore fishing boats based at Ulva Ferry and surrounding area. Agricultural activity has begun with the purchase of a herd of Highland cattle, which are managed under the AECS programme.

**North West Mull Community Woodland Company Limited
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**Report of the directors (incorporating the trustees' report)
for the year ended 31 July 2021**

Ulva

The main task throughout this period has been the renovation of the existing housing stock, totalling six properties. This is nearing completion, having begun in May 2021 and by the end of summer 2022, it is anticipated that all existing residents will be living in their renovated properties.

Work on the next phase of housing provision has begun with negotiations with ACHA over the possible provision of five housing association properties on Ulva. Alongside that, the Charity is moving forward in working on the housing plots that were outlined within the masterplan.

Work on the renovation and expansion of the Ulva Ferry pier has begun, which will increase and enhance the facilities for the mooring and offloading of fishing boats at that pier. The work is extensive with the creation of a new breakwater. Funding for two electric vehicles and two electric bicycles was granted and, in the Spring of 2021, these were delivered to Ulva. This was part of the ambition outlined in the masterplan for Ulva to remain car free and to use sustainable transport as far as it was possible.

The Highland cattle that were purchased as part of the Agri Environment Climate Scheme (AECS), have thrived on the island. During the winter of 2021, a new stockman was advertised for and, from a large number of applicants, a new stockman was selected, who will be moving to Ulva in the next few months. It is anticipated that with the arrival of a new stockman, that agricultural activity will increase further, with an increase in the number of cattle and other stock.

Ardalum Hostel was leased to a couple who are in the process of renovating the property, which includes extensive rewiring. It is anticipated that in the early summer of 2022 this property will be fully functioning as a hostel, although the campsite and yurt facilities are already up-and-running.

Craigaig Bothy was not reopened as a rentable bothy, because it required extensive renovation. It is hoped that the new stockman would be interested to take this on, once he is on the island and that the bothy will open in 2023.

Forestry

The Forest Design Plan should be agreed within the next couple of months, after extensive work by the charity alongside the consultancy Treestory. A huge amount of work has gone into the Design Plan in order to make it achievable and it is anticipated that replanting will begin in the autumn of 2022.

This is much anticipated and marks a significant point in the charity's work.

Micro Hydro

The micro hydro continues to provide a substantial ongoing financial input into the charity. After a very lean summer and early autumn 2021 due to low rainfall totals, the later autumn and winter 2021/22 have generated a good return.

Woodfuels (Trading Company)

The Woodfuels trading company has seen significant increase in production and sales. With the purchase of a new log processor and a detailed analysis of working procedures, the company is coming back towards generating a profit with a subsequent increase in customers as well.

North West Mull Community Woodland Company Limited (A company limited by guarantee)

Report of the directors (incorporating the trustees' report) for the year ended 31 July 2021

Key Risks and Uncertainties

Similar to last year, the key risks that will continue to affect the company over the coming years are: meeting the costs associated with fencing and replanting; the stability of the timber market; particularly with the impact of Brexit on volatility; volunteer fatigue and management / director succession. The landscape has changed dramatically over the fourteen years since the charity was founded with evolving community requirements, reduced funding availability, drop in renewable's support (both FIT and RHI) and whilst challenging, the company continues to evolve to meet these changes. The work of the charity on Ulva is much more diverse and to meet this challenge, all projects done on the island will be fully costed in advance with clear financial models built showing expenditure and how it will be met.

Plans for future periods

Future plans for NWMWC are focused on the sustainable social and economic development of the Island of Ulva by renovation of the housing stock, re-establishment of farming, re-purposing of Ulva House, ongoing renovation of the piers infrastructure and improving the opportunities for tourism and other development. In our Mull based woodlands, plans now focus on fencing and replanting with an increased emphasis on expanding native broad leaf species while ensuring commercial viability into the future.

Statement as to disclosure of information to auditors

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the directors 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.

Trustees' responsibilities in relation to the financial statements

The directors (who are also trustees of North West Mull Community Woodland Company Limited under charity law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors 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 these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Report of the directors (incorporating the trustees' report)
for the year ended 31 July 2021

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors

Chiene + Tait LLP were appointed auditors to the charitable company and are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

This report was approved by the Board on and signed on its behalf by



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Colin James Morrison
Director

29 July 2022

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

Independent auditor's report to the trustees/directors and members of North West Mull Community Woodland Company Limited

Opinion

We have audited the financial statements of North West Mull Community Woodland Company Limited (the 'company') for the year ended 31 July 2021 which comprise the statement of financial activities, balance sheet, cash flow statement and the related notes, 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, 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 31 July 2021 and of its surplus 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

Material uncertainty related to going concern

We draw attention to note 1.1 in the financial statements, which indicates that the Charity is in the process of arranging a new overdraft facility to finance its ongoing projects. As stated in note 1.1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect to this matter.

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

Other information

The 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. 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.

North West Mull Community Woodland Company Limited
(A company limited by guarantee)

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.

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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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.

North West Mull Community Woodland Company Limited (A company limited by guarantee)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006 and Health and Safety Regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the company's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the management and the directors;
- review of minutes of board meetings throughout the period;
- review of legal correspondence and invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Barry Truswell

29 July 2022

.....
 Barry Truswell (Senior Statutory Auditor)
 For and on behalf of:
 Chiene + Tait LLP
 Chartered Accountants & Statutory Auditor
 61 Dublin Street
 Edinburgh
 EH3 6NL

.....
Date

North West Mull Community Woodland Company Limited
(A company limited by guarantee)
Statement of financial activities (incorporating the income and expenditure account)
For the year ended 31 July 2021

	Notes	Unrestricted funds £	Restricted funds £	Designated funds £	2021 Total £	Unrestricted funds £	Restricted funds £	Designated funds £	2020 Total £
Income from:									
Donations, legacies & grants	2	11,726	337,625	184,941	534,292	46,443	-	93,698	140,141
Income from Charitable activities	5	11,021	-	11,275	22,296	31,412	-	21,573	52,985
Fundraising activities	3	-	-	834	834	-	-	1,426	1,426
Investment income		1,715	-	-	1,715	1,772	-	-	1,772
Other income	6	134,522	-	-	134,522	12,344	-	8,917	21,261
Total income		<u>158,984</u>	<u>337,625</u>	<u>197,050</u>	<u>693,659</u>	<u>91,971</u>	<u>-</u>	<u>125,614</u>	<u>217,585</u>
Expenditure on:									
Fundraising costs		-	-	-	-	-	-	-	-
Charitable activities	7, 8	162,752	23,452	164,999	351,203	77,409	-	139,291	216,700
Total expenditure		<u>162,752</u>	<u>23,452</u>	<u>164,999</u>	<u>351,203</u>	<u>77,409</u>	<u>-</u>	<u>139,291</u>	<u>216,700</u>
Net income/(expenditure)		(3,768)	314,173	32,051	342,456	14,562	-	(13,677)	885
Transfers between funds		-	-	-	-	(3,400)	961	2,439	-
Net movement in funds		<u>(3,768)</u>	<u>314,173</u>	<u>32,051</u>	<u>342,456</u>	<u>11,162</u>	<u>961</u>	<u>(11,238)</u>	<u>885</u>
Reconciliation of funds:									
Total funds brought forward		939,886	5,065,652	145,126	6,150,664	928,724	5,064,691	156,364	6,149,779
Total funds carried forward		<u>936,118</u>	<u>5,379,825</u>	<u>177,177</u>	<u>6,493,120</u>	<u>939,886</u>	<u>5,065,652</u>	<u>145,126</u>	<u>6,150,664</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 15 to 36 form an integral part of these financial statements.

**North West Mull Community Woodland Company
Limited(A company limited by guarantee)
Balance sheet as at 31 July 2021**

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		6,509,134		6,161,787
Investments	14		27,574		29,802
			<u>6,536,708</u>		<u>6,191,589</u>
Current assets					
Stocks	16	18,039		27,948	
Debtors	17	245,846		61,879	
Cash at bank and in hand		245,901		89,544	
		<u>509,786</u>		<u>179,371</u>	
Creditors: amounts falling due within one year	18	<u>(85,945)</u>		<u>(73,681)</u>	
Net current assets			<u>423,841</u>		<u>105,690</u>
Total assets less current liabilities			6,960,549		6,297,279
Creditors: amounts falling due after more than one year	19		<u>(467,429)</u>		<u>(146,615)</u>
Net assets			<u>6,493,120</u>		<u>6,150,664</u>
Funds					
Designated funds	20		177,177		145,126
Restricted income funds			5,379,825		5,065,652
Unrestricted income funds			936,118		939,886
Total funds			<u>6,493,120</u>		<u>6,150,664</u>

The financial statements were approved by the board on and signed on its behalf by



.....
Colin James Morrison
Director

29 July 2022

The notes on pages 15 to 36 form an integral part of these financial statements.

North West Mull Community Woodland Company Limited
(A company limited by guarantee)
Cash flow statement for the year ended 31 July 2021

	Notes	2021 £	2020 £
Net (expenditure)/income for the year		342,456	885
Interest payable		9,176	(3,388)
Interest receivable		(1,715)	(1,772)
Taxation charge/(credit)		-	-
Depreciation and impairment		39,668	27,737
(Increase)/Decrease in stocks		9,909	(7,497)
Increase in debtors		(183,967)	9,139
Increase in creditors		(5,966)	7,814
Increase in deferred grants		17,266	-
Net cash provided by operating activities		<u>226,827</u>	<u>32,918</u>
Net cash provided by operating activities		226,827	32,918
Cash flows from financing activities:			
Repayments/Borrowing	27	321,778	(222,778)
Cash flows from investing activities			
Returns on investments and servicing of finance	27	(7,461)	5,160
Cash flows from investments		2,228	-
Capital expenditure	27	(387,015)	121,834
Increase in cash in the year		<u>156,357</u>	<u>(62,866)</u>
Change in cash and cash equivalents in the year			
Increase/(decrease) in cash in the year		156,357	(62,866)
Cash and cash equivalents brought forward		89,544	152,410
Cash and cash equivalents at the end of the year		<u>245,901</u>	<u>89,544</u>

North West Mull Community Woodland Company Limited
(A company limited by guarantee)
Notes to financial statements for the year ended 31 July 2021

Legal Status of the charity

The charity is constituted as a company limited by guarantee and is governed in accordance with its Memorandum & Articles of Association.

1. Accounting policies

The principal accounting policies adopted are summarised below.

1.1. Basis of preparation and assessment of going concern.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) as well as the Companies Act 2006, and the Statement of Recommended Practice (SORP)- Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The charity meets the definition of a public benefit entity as defined by FRS 102.

Going concern; key risks and uncertainties

The company has generated net income for the year of £342,456.

The directors have prepared financial projections until 31 July 2024 and have considered the prospects for the 12-month period from the date of approval of the financial statements.

The forecast for the 12-month period to 31 July 2023 show that the company will generate net income. However, to do so it will require a short-term bank overdraft facility to fund its ongoing projects. The overdraft will be repaid with income to be generated from these projects later in 2023. The directors are in discussion with the company's bankers to provide this facility and believe that the bank will support the company in providing the overdraft. Should it not be provided project spend would be delayed until appropriate funds were available from other resources. The directors therefore consider it appropriate to prepare the financial statements on the going concern basis.

As the charity have yet to agree the new bank overdraft facility with the bank there remains uncertainty in relation to the going concern status of the company at the date of signing the financial statements. These financial statements do not include any adjustments to the balance sheet value of the assets and their recoverable amounts or to provide further liabilities which may arise if the going concern basis of preparation is inappropriate.

North West Mull Community Woodland Company Limited

(A company limited by guarantee)

Notes to financial statements for the year ended 31 July 2021

1.2. Income

Income is recognised in the statement of financial activities when the charity is entitled to the income, any performance conditions attached have been met, it is probable that the income will be received and the amount can be quantified with reasonable accuracy. Such income is only deferred when the donor specifies performance conditions which must be met before the charity has unconditional entitlement. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Gifts donated for resale are included as income within activities for generating funds when they are sold.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable.

Income from investments is included in the year in which it is receivable.

1.3. Expenditure

Expenditure is recognised when there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be reliably measured.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated on an appropriate basis to the various activities of the charity. Where costs cannot be allocated directly, they are apportioned to categories on the basis of a reasonable estimate of the costs.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Governance costs include those costs necessary for the board to fulfil its constitutional and statutory obligations and are now included as support costs included in charitable activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

The charity is registered for VAT.

1.4. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 5 years.

North West Mull Community Woodland Company Limited

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Notes to financial statements for the year ended 31 July 2021

1.5. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	- Not depreciated
Infrastructure	- Not depreciated
Micro Hydro	- 5% straight line
Plant and machinery	- 20% straight line
Fixtures, fittings and equipment	- 20% straight line
Tractors and trailers	- 20% straight line
Other Assets	- 25% straight line
Woodshed	- 10% straight
Ulva housing development	- Not depreciated
Ulva other assets	- 10% straight line

The land and buildings cost in the accounts represents the purchase price, including legal costs of the Woodlands, Langamull and West Ardhu. Depreciation is not normally charged on land unless it is subject to depletion. However, the asset includes standing timber which is subject to extraction in the future and the directors have ~~write~~ the matter further. In view of a recent valuation of the land at £1,000,000 despite the extraction which has taken place they continue to be of the opinion that depreciation is not appropriate.

It is company policy to maintain the Island of Ulva in a condition which is at least equivalent to the condition in which it was purchased. The directors review the carrying value of the Island on an annual basis. As at 31 July 2021, the directors are of the opinion that no write down of the Island's value is required.

1.6. Heritage assets

The charity holds heritage assets, which are tangible fixed assets of historical, artistic or scientific importance that are held to advance preservation and conservation objectives of the charity. Newly purchased heritage assets are capitalised and included at cost including any incidental expenses of acquisition.

Where heritage assets were acquired in past accounting periods and not capitalised, it can be difficult or costly to attribute a cost or value to them. In such cases, these assets are excluded from the balance sheet if reliable cost information is not available and conventional valuation approaches lack sufficient reliability or significant costs are involved in the reconstruction or analysis of past accounting records or in valuation, which are onerous compared with the additional benefit derived by users of the accounts in assessing the directors stewardship of the assets.

The very long expected lives of heritage assets, due to their nature, value and need to be protected and preserved means that depreciation is not material and is, therefore, not provided.

1.7. Biological assets

The charity holds biological assets in the form of standing timber. These are carried at cost less accumulated depreciation.

1.8. Investments

Investments held consist of shares in group undertakings and are held at cost.

1.9. Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

North West Mull Community Woodland Company Limited

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Notes to financial statements for the year ended 31 July 2021

1.10. Stock

Stock is valued at the lower of cost and net realisable value.

1.11. Defined contribution pension schemes

Employees of the charity are entitled to join a defined contribution "money purchase" scheme. The charity contribution is restricted to the contributions disclosed. There were no outstanding contributions at the year end. The costs of the defined contribution scheme are included in the appropriate cost centres and charged to the relevant fund.

1.12. Financial Instruments

The charity has only financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and are subsequently measured at their settlement value with the exception of bank loans which are measured at amortised cost using the effective interest rate method.

1.13. Debtors

Debtors are measured at transaction price less any impairment for bad or doubtful debts.

1.14. Creditors

Creditors are measured at the transaction price.

2. Donations, legacies and grants

	Unrestricted funds £	Restricted funds £	Designated funds £	2021 Total £	2020 Total £
Donations	9,358	106,250	-	115,608	2,871
Scottish Land Fund – Ulva other costs	-	-	-	-	60,480
Highlands & Islands Enterprise	-	-	30,610	30,610	11,750
HIE – Rural Homes For Rent	-	-	-	-	12,200
Rural Housing Feasibility Fund	-	142,313	-	142,313	2,340
Scottish Government	-	-	62,007	62,007	-
Covid 19 Grant Funding	-	-	-	-	50,500
Flag EMFF Funding	-	-	32,825	32,825	-
Island Green Recovery Fund	-	38,083	-	38,083	-
Ulva House	-	50,979	-	50,979	-
Other grant income	2,368	-	59,499	61,867	-
	<u>11,726</u>	<u>337,625</u>	<u>184,941</u>	<u>534,292</u>	<u>140,141</u>

North West Mull Community Woodland Company Limited
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Notes to financial statements for the year ended 31 July 2021

3. Fundraising activities

	Designated funds £	2021 Total £	2020 Total £
Fundraising events	834	834	60
100 Club	-	-	-
Ulva Feed in Tariff income	-	-	1,366
	<u>834</u>	<u>834</u>	<u>1,426</u>

4. Trading subsidiaries

The charity controls the companies listed below either by virtue of holding a controlling interest in the equity share capital:

Name of subsidiary	Country of incorporation	% of equityshare capital held
NWMCW Trading Company Limited	Scotland	100
Island Woodfuels Limited	Scotland	100
Ardhu Power Limited	Scotland	100

North West Mull Community Woodland Company Limited
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Notes to financial statements for the year ended 31 July 2021

NWMCW Trading Company Limited

The Trading company was incorporated on 25th September 2006 and commenced trading on 14 July 2009.

Summary of trading results

	2021	2020
	£	£
Turnover	51,824	54,238
Total expenditure	(58,743)	(76,498)
Other income	-	12,051
Net (loss)/profit for the year	<u>(6,919)</u>	<u>(10,209)</u>
Retained (loss)/profit	<u>(21,445)</u>	<u>(14,525)</u>

The assets and liabilities of NWMCW Trading Company Limited were:

Assets	33,115	64,416
Liabilities	<u>(54,558)</u>	<u>(78,939)</u>
Deficit of funds	<u>(21,443)</u>	<u>(14,523)</u>

Island Woodfuels Limited

The company has been dormant from the date of incorporation.

Ardhu Power Limited

This company was set up in February 2014 in anticipation of the development of a micro hydro scheme. The company operated the hydro scheme from 1 August 2019.

Summary of trading results

	2021	2020
	£	£
Turnover	72,558	83,572
Total expenditure	(46,775)	(79,432)
Net profit for the year	<u>25,783</u>	<u>4,140</u>
Amount gift-aided to the charity	-	-
Retained profit brought forward	<u>4,140</u>	<u>-</u>
Retained profit	<u>29,923</u>	<u>4,140</u>

North West Mull Community Woodland Company Limited
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Notes to financial statements for the year ended 31 July 2021

	2021	2020
	£	£
The assets and liabilities of Ardhu Power Limited were:		
Assets	219,336	234,735
Liabilities	(189,313)	(230,495)
Funds	<u>30,023</u>	<u>4,240</u>

5. Income from Charitable activities

	Unrestricted funds	Designated funds	2021 Total	2020 Total
	£	£	£	£
Pier & slipway rentals	-	1,500	1,500	2,625
Ferry rent	-	-	-	5,000
Grants	-	-	-	2,500
Contribution to overheads	-	-	-	1,081
Equipment Hire	9,262	-	9,262	17,840
Timber sales	-	-	-	9,252
Forest crofts	1,759	-	1,759	1,820
Ulva Rental income	-	9,775	9,775	6,700
Game sales	-	-	-	4,505
Sale of other goods	-	-	-	1,662
	<u>11,021</u>	<u>11,275</u>	<u>22,296</u>	<u>52,985</u>

6. Other income

	Unrestricted funds	Designated funds	2021 Total	2020 Total
	£	£	£	£
Other income	112,445	-	112,445	1,347
Management Fees	22,077	-	22,077	7,324
Agri-Environment Climate Scheme payments	-	-	-	12,590
	<u>134,522</u>	<u>-</u>	<u>134,522</u>	<u>21,261</u>

Other income for the current year includes £104,000 relating to the sale of a plot of land.

North West Mull Community Woodland Company Limited
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Notes to financial statements for the year ended 31 July 2021

7. Cost of charitable activities by fund type	Unrestricted funds	Restricted funds	Designated funds	2021 Total	2020 Total
	£	£	£	£	£
General Development	141,895	-	-	141,895	66,771
Forestry & Timber	-	-	-	-	9,253
Ulva	-	-	155,781	155,781	132,562
Training & Education	-	-	-	-	936
Island green recovery	-	7,608	-	7,608	-
Langamull Native Woodland Project	-	15,844	-	15,844	-
	<u>141,895</u>	<u>23,452</u>	<u>155,781</u>	<u>321,128</u>	<u>209,522</u>

8. Audit fees and finance charges	Unrestricted funds	Restricted funds	Designated funds	2021 Total	2020 Total
	£	£	£	£	£
Professional - Auditor remuneration	7,089	-	7,088	14,177	10,566
Interest - Bank loans & overdraft	8,888	-	-	8,888	4,655
Interest – Other loans	-	-	-	-	(8,043)
Finance charges – Finance lease & HP	392	-	-	392	-
Bank charges	-	-	2,130	6,618	-
	<u>20,857</u>	<u>-</u>	<u>9,218</u>	<u>30,075</u>	<u>7,178</u>

North West Mull Community Woodland Company Limited
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Notes to financial statements for the year ended 31 July 2021

9. Net movement in funds for the year

	2021	2020
	£	£
Net movement in funds is stated after charging:		
Depreciation and other amounts written off tangible fixed assets	39,670	27,737
Auditors' remuneration	14,177	10,566
	<u>53,847</u>	<u>38,303</u>

10. Employees

Employment costs	2021	2020
	£	£
Wages and salaries	91,489	64,892
Employers NI	3,197	1,842
Pension costs	1,536	1,270
Recruitment and training	798	230
	<u>97,020</u>	<u>68,234</u>

No employee received emoluments of more than £60,000 (2020: nil people).

Number of employees

The average monthly numbers of employees on a head count basis (excluding the directors) during the year, was as follows:

	2021	2020
	Number	Number
	4	3
	<u>4</u>	<u>3</u>

Key Management Personnel

The key management personnel of the charity is made up of the Board of Directors. The directors do not receive any remuneration in their role as directors other than reimbursement of expenses incurred.

Trustees' remuneration

The charity trustees, who are the directors of the company, were not paid and did not receive any remuneration or benefits in kind in their capacity as trustee during the year. No trustee received payment for professional or other services supplied to the charity.

North West Mull Community Woodland Company Limited
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Notes to financial statements for the year ended 31 July 2021

11. Taxation

The charity is a charitable company within the meaning of the Finance Act 2010. Accordingly the charity's activities fall within the exemptions from taxation in respect of income or capital gains afforded by the provisions of the Corporation Taxes Act 2010 and the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes.

Trading income from the non-charitable sources do not exceed the exemption level in 2020 and resulting in no taxation charges.

12. Intangible fixed assets

	Goodwill	Total
	£	£
Cost		
At 1 August 2020 and		
At 31 July 2021	20,000	20,000
	<u>20,000</u>	<u>20,000</u>
Provision for diminution in value		
At 1 August 2020 an at 31 July 2021	20,000	20,000
	<u>20,000</u>	<u>20,000</u>
Net book values		
At 31 July 2021	-	-
	<u>-</u>	<u>-</u>

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Notes to financial statements for the year ended 31 July 2021

13. Tangible fixed Assets	Woodlands and infrastructure	Island of Ulva	Plant and machinery	Fixtures, fittings and equipment	Tractors and trailers	Woodshed	Other assets	Ulva housing development	Ulva other assets	Total
Cost										
At 1 August 2020	1,230,102	4,650,000	34,451	20,980	55,200	245,691	13,211	81,323	-	6,330,958
Additions	-	-	20,858	-	38,038	-	1,755	210,766	115,598	387,015
Disposals	-	-	-	-	-	-	-	-	-	-
At 31 July 2021	<u>1,230,102</u>	<u>4,650,000</u>	<u>55,309</u>	<u>20,980</u>	<u>93,238</u>	<u>245,691</u>	<u>14,996</u>	<u>292,089</u>	<u>115,598</u>	<u>6,717,973</u>
Depreciation										
At 1 August 2020	-	-	34,451	20,780	49,514	52,787	11,639	-	-	169,171
Charge for the year	-	-	4,172	200	9,503	24,569	1,224	-	-	39,668
On disposals	-	-	-	-	-	-	-	-	-	-
At 31 July 2021	<u>-</u>	<u>-</u>	<u>38,623</u>	<u>20,980</u>	<u>59,017</u>	<u>77,356</u>	<u>12,863</u>	<u>-</u>	<u>-</u>	<u>208,839</u>
Net book values										
At 31 July 2021	<u>1,230,102</u>	<u>4,650,000</u>	<u>16,686</u>	<u>-</u>	<u>34,221</u>	<u>168,335</u>	<u>2,103</u>	<u>292,089</u>	<u>115,598</u>	<u>6,509,134</u>
At 31 July 2020	<u>1,230,102</u>	<u>4,650,000</u>	<u>-</u>	<u>200</u>	<u>5,686</u>	<u>192,904</u>	<u>1,572</u>	<u>81,323</u>	<u>-</u>	<u>6,161,787</u>

The valuation reflects the current state of the woodlands with the value of replanting ground being less than ¼ of the value of established woodland and does not reflect its future value.

Standing timber is included in Woodlands and infrastructure is held at cost less depreciation.

North West Mull Community Woodland Company Limited
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Notes to financial statements for the year ended 31 July 2021

14. Fixed asset investments	Subsidiary undertakings	Subsidiary undertakings	Total
	shares	loans	£
	£	£	£
Valuation			
At 1 August 2020	202	29,600	29,802
Additions	-	-	-
Repayments	-	(2,228)	(2,228)
At 31 July 2021	<u>202</u>	<u>27,372</u>	<u>27,574</u>
Historical cost as at 31 July 2021	<u>202</u>	<u>-</u>	<u>202</u>

All fixed asset investments are held within the United Kingdom.

100 Ordinary shares in Island Woodfuels Limited, being 100% of the share capital of the company, were subscribed for in 2014, but were unpaid at the year end. This company remains dormant.

Two other companies shown below were set up on behalf of the charity in 2014 and shares were held in nominee accounts. The shares in Ardhu Power were formally transferred to the charity on 4th October 2016.

The loan to subsidiary represents a working capital loan to NWMCW Trading Limited. The loan carries an interest rate of 6% and is repayable over a period of 10 years. Repayments of the loan commenced during the year.

15. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Subsidiary undertaking	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
NWMCW Trading Company Limited	Scotland	Forestry activities	Ordinary shares	100%
Island Woodfuels Limited	Scotland	Dormant	Ordinary shares	100%
Ardhu Power Limited	Scotland	Hydro power operations	Ordinary	100%

The aggregate amount of capital and reserves and the results of the undertaking for the last relevant financial year were as follows:

	Capital and reserves	Profit/(loss) for the year
	£	£
NWMCW Trading Company Limited	(21,443)	(6,919)
Island Woodfuels Limited	100	-
Ardhu Power Limited	30,023	25,783

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Notes to financial statements for the year ended 31 July 2021

16. Stocks		
	2021	2020
	£	£
Raw materials and consumables	18,039	27,948
	<u>18,039</u>	<u>27,948</u>
Stock by category:		
Livestock	16,750	16,750
Processed timber	1,289	11,198
	<u>18,039</u>	<u>27,948</u>
	<u>18,039</u>	<u>27,948</u>
17. Debtors		
	2021	2020
	£	£
Trade debtors	995	1,449
Amounts due from subsidiary and associated undertakings	99,798	36,839
Other debtors	145,053	23,591
	<u>245,846</u>	<u>61,879</u>
	<u>245,846</u>	<u>61,879</u>
18. Creditors: amounts falling due within one year		
	2021	2020
	£	£
Other loans	13,379	17,068
Trade creditors	16,433	26,865
Amounts owed to group undertakings	-	5,835
Corporation tax	-	1,388
Other taxes and social security	-	1,954
Bank loans	26,719	4,800
Other creditors	16,034	918
Accrued expenses	13,380	14,853
	<u>85,945</u>	<u>73,681</u>
	<u>85,945</u>	<u>73,681</u>

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Notes to financial statements for the year ended 31 July 2021

19. Creditors: amounts falling due after more than one year	2021	2020
	£	£
Bank loan	319,504	-
Other loans	22,884	36,000
Woodshed loan	107,775	110,615
Deferred grant income	17,266	-
	<u>467,429</u>	<u>146,615</u>

Triodos Bank has standard security over the assets in respect of all sums due and to become due in relation to the mortgage which commenced in August 2018.

Standard Securities

Triodos Bank PLC hold securities over the following assets:

Ground at West Ardhu Isle of Mull ARG13037

Ground at Laganmul Isle of Mull ARG16643

Big Lottery hold a standard security over the Isle of Ulva ARG25660

Argyll and Bute Council hold security over the former public Toilet Dervaig Isle of Mull ARG24611.

Argyll and Bute Council hold security over Ulva House and the Isle of Ulva ARG25660.

The Scottish Ministers hold security over various assets on Ulva and the Isle of Ulva ARG25660.

The Ecology Building Society hold security over various assets on Ulva and the Isle of Ulva ARG25660.

North West Mull Community Woodland Company Limited
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Notes to financial statements for the year ended 31 July 2021

20. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Designated funds £	Total funds £
Fund balances at 31 July 2021 as represented by:				
Tangible fixed assets	1,092,989	5,291,063	125,082	6,509,134
Investment assets	27,574	-	-	27,574
Current assets	368,929	88,762	52,095	509,786
Current liabilities	(85,945)	-	-	(85,945)
Long-term liabilities	(467,429)	-	-	(467,429)
	<u>936,118</u>	<u>5,379,825</u>	<u>177,177</u>	<u>6,493,120</u>

Analysis of net assets between funds (prior year)

	Unrestricted funds £	Restricted funds £	Designated funds £	Total funds £
Fund balances at 31 July 2020 as represented by:				
Tangible fixed assets	1,034,719	5,057,485	69,583	6,161,787
Investment assets	29,802	-	-	29,802
Current assets	95,661	8,167	75,543	179,371
Current liabilities	(73,681)	-	-	(73,681)
Long-term liabilities	(146,615)	-	-	(146,615)
	<u>939,886</u>	<u>5,065,652</u>	<u>145,126</u>	<u>6,150,664</u>

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Notes to financial statements for the year ended 31 July 2021

21. Unrestricted funds	At 1 August 2020 £	Income £	Expenditure £	Transfers £	At 31 July 2021 £
General Funds	(51,114)	158,984	(162,752)	-	(54,822)
Forestry Fund	167,434	-	-	-	167,434
Forestry Fund - Asset	822,617	-	-	-	822,617
Eagle Tours Fund	949	-	-	-	949
	<u>939,886</u>	<u>158,984</u>	<u>(162,752)</u>	<u>-</u>	<u>936,118</u>

The harvesting of the forests at Langamull and West Ardhu will eventually lead to reforestation and replanting in accordance with the Forest Plan. To meet the charity's obligations under this plan, funds realised from the harvesting will be set aside to achieve these objectives once the amounts incurred for the infrastructure costs have been cleared. The balances relating to the Forestry work have been transferred to a designated fund split between the capital/asset fund and a working capital fund.

Unrestricted funds (prior year)

	At 1 August 2019 £	Income £	Expenditure £	Transfers £	At 31 July 2020 £
General Funds	(98,906)	82,718	(36,143)	1,217	(51,114)
Forestry Fund	198,147	9,253	(39,966)	-	167,434
Forestry Fund - Asset	822,617	-	-	-	822,617
Micro Hydro Scheme	4,617	-	-	(4,617)	-
Eagle Tours Fund	2,249	-	(1,300)	-	949
	<u>928,724</u>	<u>91,971</u>	<u>(77,409)</u>	<u>-</u>	<u>939,886</u>

North West Mull Community Woodland Company Limited
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Notes to financial statements for the year ended 31 July 2021

22. Restricted funds

	At 1 August 2020 £	Income £	Expenditure £	Transfers £	At 31 July 2021 £
Capital Asset Funds					
Purchase of Woodlands	407,485	-	-	-	407,485
Island of Ulva	4,650,000	-	-	-	4,650,000
Paths and signs	1,816	-	-	-	1,816
Island Green Recovery Fund	-	38,083	(7,608)	-	30,475
Ulva House	-	50,979	-	-	50,979
Ulva Housing	-	142,313	-	-	142,313
Revenue Funds					
Ulva slipway	2,713	-	(2,713)	-	-
Fireworks Night	238	-	(238)	-	-
Dervaig toilet fund	3,400	-	(1,679)	-	1,721
Langamull replant	-	106,250	(11,214)	-	95,036
	<u>5,065,652</u>	<u>337,625</u>	<u>(23,452)</u>	<u>-</u>	<u>5,379,825</u>

Purposes of restricted funds

Ulva Revenue Fund

The restricted Ulva Fund consists of grants received towards the various professional fees associated with the buyout of the island. The transfer out of the fund is to meet the balance of those costs and is from the funds contributed by the Macquarie Group (see designated funds)

Dervaig Toilet Fund

Funds have been set aside for future development of the toilet block.

Langamull replant

These funds relate to donations received for and expenditure on the Langamull replanting project.

Island Green Recovery Fund

These funds have been used to purchase e-vehicles on the Island of Ulva.

Ulva House

These funds are being used to renovate Ulva House.

Ulva Housing

These funds are being used to renovate the housing stock on the Island of Ulva.

North West Mull Community Woodland Company Limited
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Notes to financial statements for the year ended 31 July 2021

Restricted funds (prior year)

	At 1 August 2019 £	Income £	Expenditure £	Transfers £	At 31 July 2020 £
Capital Asset Funds					
Purchase of Woodlands	407,485	-	-		407,485
Island of Ulva	4,650,000	-	-		4,650,000
Paths and signs	1,816	-	-		1,816
Revenue Funds					
Ulva Revenue Fund	2,713	-	-	-	2,713
Ulva slipway	238	-	-	-	238
Fireworks Night	-	-	-	3,400	3,400
Other restricted donations	2,439	-	-	(2,439)	-
	<u>5,064,691</u>	<u>-</u>	<u>-</u>	<u>961</u>	<u>5,065,652</u>

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23. Designated funds

	At 1 August 2020 £	Income £	Expenditure £	Transfers £	At 31 July 2021 £
Purchase of Ulva – Development fund	137,904	-	-	-	137,904
Ulva Revenue Fund	<u>7,222</u>	<u>197,050</u>	<u>(164,999)</u>	<u>-</u>	<u>39,273</u>
	<u>145,126</u>	<u>197,050</u>	<u>(164,999)</u>	<u>-</u>	<u>177,177</u>

Purposes of designated funds

The balance of funds from the purchase of ULVA has been allocated to a designated fund for the future development of the island.

A separate fund shows the income generated by the island i.e rents, and ongoing revenue costs. A transfer is made to revenue from restricted funds where income is insufficient to meet annual costs.

Designated funds (PRIOR YEAR)

	At 1 August 2019 £	Income £	Expenditure £	Transfers £	At 31 July 2020 £
Purchase of Ulva - Development Fund	147,243	40,480	-	(49,819)	137,904
Ulva Revenue Fund	<u>9,121</u>	<u>85,134</u>	<u>(139,291)</u>	<u>52,258</u>	<u>7,222</u>
	<u>156,364</u>	<u>125,614</u>	<u>(139,291)</u>	<u>2,439</u>	<u>145,126</u>

24. Transactions with trustees

No director received any direct remuneration or other benefits in kind during the year.

One former director has made a loan to the charity.

25. Controlling interest

The charity is controlled by its board of directors.

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26. Related party transactions

NWMCW Trading Company Limited is a wholly owned subsidiary of North West Mull Community Woodland Company (NWCWC) Limited.

NWMCWC is owed £18,327 (2020: £36,839) by way of intercompany balance as at 31 July 2021 by NWMCW Trading Company Limited.

NWMCWC charged NWMCW Trading Company Limited Management fees of £22,077 (2020: £7,324) and Leasing hire fees of £9,262 (2020: £17,840) during the year.

In 2016, the charity made an additional investment in the form of a loan of £29,600 for working capital to the NWMCW Trading Company Limited. The loan carries an interest rate of 6% and is repayable over a period of 10 years from 1 April 2017. A repayment of the loan of £2,228 was made during the year. Interest was charged during the year of £1,715.

Ardhu Power Limited is a wholly owned subsidiary of North West Mull Community Woodland Company (NWCWC) Limited.

NWMCWC Limited is owed £81,471 (2020: £5,835 creditor) by Ardhu Power Limited by way of intercompany debtor.

A former director made a loan to NWMCWC Limited which remains outstanding as at 31 July 2021 of £25,000 (2020: £27,932) and interest was charged in the year of £nil (2020: £514).

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27. Gross cash flows

	2021	2020
	£	£
Returns on investments and servicing of finance		
Interest received	(1,715)	1,772
Interest paid	8,785	3,388
Interest element of finance lease rental payments	392	-
	<u>7,462</u>	<u>5,160</u>
Capital expenditure		
Payments to acquire tangible assets	(387,015)	(105,247)
Payments to acquire investments	-	(100)
Assets Transferred to Subsidiary	-	227,181
	<u>(387,015)</u>	<u>121,834</u>
Financing		
Loan movement	(30,854)	(5,135)
New other loans	352,632	-
Loan transferred to subsidiary	-	(113,400)
Repayment of CARES Loan	-	(102,243)
	<u>321,778</u>	<u>(220,778)</u>

28. Analysis of changes in net funds

	Opening	Cash	Other	Closing
	Balance	flows	movement	balance
	£	£	£	£
Cash at bank and in hand	<u>89,544</u>	<u>156,357</u>	-	<u>245,901</u>
Debt due within one year	(73,681)	(12,264)	-	(85,945)
Debt due after one year	(146,615)	(303,548)	-	(450,163)
	<u>(220,296)</u>	<u>(315,812)</u>	-	<u>(536,108)</u>
Net funds	<u>(130,752)</u>	<u>(159,455)</u>	-	<u>(290,207)</u>

North West Mull Community Woodland Company Limited
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29. Post balance sheet events

The Directors have reviewed both the financial and business risks that the current COVID crisis presents for the charity and are satisfied that all threats have been adequately identified as far as reasonably possible. As at the date the accounts were signed, there are no going concern indications and the Directors are confident that the charity has sufficient resources to emerge from the COVID hibernation period to continue trading in accordance with any applicable restrictions.

30. Company limited by guarantee

North West Mull Community Woodland Company Limited is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.