

NORTH WEST MULL COMMUNITY WOODLAND COMPANY LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT and FINANCIAL STATEMENTS

For the year ended 31 July 2023

NORTH WEST MULL COMMUNITY WOODLAND COMPANY LIMITED
(A company limited by guarantee)

| CONTENTS | Page |
|--------------------------------------|-------------|
| Legal and administrative information | 1 |
| Directors' report | 2 - 6 |
| Auditors' report to the directors | 7 - 9 |
| Statement of financial activities | 10 |
| Balance sheet | 11 |
| Cash flow statement | 12 |
| Notes to the financial statements | 13 - 28 |

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) Pippa Lanteri Laura (resigned 19 June 2023) Patricia Claire Evans (resigned 19 June 2023) Andrew Primrose (resigned 5 March 2024) John Moxon Addy (resigned 19 June 2023, appointed 28 August 2023) Anne Cleave Tracey Mayo (appointed 19 June 2023) Nicolas Waller (appointed 19 June 2023, resigned 11 August 2023) Ian Hepburn (appointed 28 February 2023) |
| Secretary | Helen Murray |
| Independent Auditors | Chiene + Tait LLP (trading at CT) Chartered Accountants & Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL |
| Bankers | Clydesdale Bank plc 20 Main Street Tobermory Isle of Mull PA75 6NY 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 2023

The directors present their report and the financial statements for the year ended 31 July 2023. 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 (2022: 152) members as at 31 July 2023 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 NWMWC 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) (continued)

For the year ended 31 July 2023

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.

Financial Review

In the year to 31 July 2023, income totaled £1,217,288 (2022: £1,763,665) and expenditure totaled £724,523 (2022: £332,706). Unrestricted reserves (excluding the designated reserves) increased during the year by £495,482 to a balance of £1,340,598. As detailed in Note 23, the Trustees have designated £94,189 of funds at the year-end towards activities that they expect to take place during the forthcoming and future years. Restricted reserves increased during the year by £93,423 to a balance of £6,982,057. Note 22 details what these reserves are held for.

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 need 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 the assistance and funding from various parties 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 nearing completion of the phase 1 harvesting and replanting of the woodland as stipulated within the Forest Plan. This has been managed by our appointed consultants – Treestory and James Jones and Sons Ltd as the timber harvesting contractors. With the completion of this initial phase, a further discussion is planned in early 2024 to discuss the potential phase 2 harvesting and replanting with Treestory.

Alongside that work, there is further work being carried out to create more community benefit from the newly replanted woodland, such as the re-establishment of footpaths, the renovation of signage particularly around historical and local heritage features such as the old township at Kildavie, and a new survey of the archaeological and historical landscape of the newly harvested and planted areas.

NORTH WEST MULL COMMUNITY WOODLAND COMPANY LIMITED
(A company limited by guarantee)

REPORT of the DIRECTORS (incorporating the Trustees' Report) (continued)

For the year ended 31 July 2023

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 has been 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. Attracting new business to Ulva whilst also updating the infrastructure, revitalise and expand agricultural activity whilst enhancing biodiversity, conserving sensitive habitats and species and protecting the built historic environment and the archaeology.

Main areas of activity

Ulva

All the houses that we renovated as part of the initial scheme to upgrade the existing housing stock, are now occupied.

Work is continuing to market the new housing plots that have outline planning permission, and it is anticipated that these will be available in 2024.

Sheila's Cottage/museum is scheduled to be re-thatched in early 2024 and work has also been completed by Lateral North as to the possibility of renovating the displays within the museum and Sheila's Cottage. Further funding to carry out this work, is due to be looked at in 2024.

The Highland cattle that were purchased as part of the Agri Environment Climate Scheme (AECS), have thrived on the island. A new farmer has taken on the lease of farming on Ulva and has purchased the existing Highland cattle from the charity and supplemented it with new stock from off island.

Ardalum Hostel was leased to a couple who renovated the property over two to three years and it is now fully open and functioning as a hostel, alongside a campsite and yurt facilities.

Craigraig Bothy was renovated and re-opened for the new season. Bookings were good for 2023 and seem to be very good so far for the new season in 2024.

Work is being done to secure a new business use for Ulva House, which it is hoped, will mean that the house is secured for the future for the island, and provide another business opportunity on Ulva.

Forestry

The Forest Design Plan was approved in 2023 and harvesting and replanting was carried out throughout the year, managed by the appointed consultancy, Treestory. Work was carried on the existing haul route to replace the timbers on the four haul road bridges, to allow their use by the harvesting contractors – James Jones and Sons.

Harvesting and replanting of the first phase is almost complete, and we are awaiting a meeting with Treestory to establish the final figures for that phase and to discuss the potential phase 2 part of the project.

Initial discussions have been had to create more community benefit within the new replanted areas, such as re-establishing footpaths, renewal or new signage, a new project to survey and create a baseline study of the built historic and archaeological environment that has been revealed by the harvesting.

NORTH WEST MULL COMMUNITY WOODLAND COMPANY LIMITED
(A company limited by guarantee)

REPORT of the DIRECTORS (incorporating the Trustees' Report) (continued)

For the year ended 31 July 2023

Micro Hydro

The micro hydro continues to provide a substantial ongoing financial input into the charity, due to another high rainfall year.

Woodfuels (Trading Company)

A new business plan for the woodfuels company was agreed in 2023, which included a detailed analysis of the pricing structure and operating costs. This study highlighted a need to significantly increase the pricing structure of the chip and firewood products, alongside agreeing a set period over which the woodfuels should establish a solid business base.

Product supply issues were experienced in the early part of 2023, which was an island-wide issue brought about by increase demand for construction timber, but with the start of the harvesting programme within the charity's woodland, it was expected to solve that issue.

Dervaig Toilets

The Dervaig Toilets are now completed and are due to open in the middle of March 2024.

Key Risks and Uncertainties

The key risks that will continue to affect the company over the coming years are: meeting the costs associated with fencing and replanting of the phase two part of the Forest Plan; the stability of the timber market; volunteer fatigue and management / director succession and enabling a new purpose for Ulva House. The landscape has changed dramatically over the 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

The future plans for NWMWC are focused on the sustainable social and economic development of the Island of Ulva by increasing the population. This will be achieved through the selling of housing plots on Ulva and working with ACHA (Argyll Community Housing Association) over the possibility of developing housing on Ulva. Continuing support of farming and environmental activities on the island, particularly focused around the existing woodland area, working on bringing a new business use to Ulva House, improving the opportunities for tourism and other development. In our Mull based woodlands, plans now focus on the phase two replanting and developing and actioning community benefits within the woodland, such as the re-establishment of footpaths, signage and heritage projects. There are also plans to investigate the potential of a peatland restoration scheme within the woodland area.

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:

NORTH WEST MULL COMMUNITY WOODLAND COMPANY LIMITED
(A company limited by guarantee)

REPORT of the DIRECTORS (incorporating the Trustees' Report) (continued)

For the year ended 31 July 2023

Trustees' responsibilities in relation to the financial statements (continued)

- 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.

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

CT 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 **26 April 2024** and signed on its behalf by

Anne Cleave

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Anne Cleave
Director

INDEPENDENT AUDITOR'S REPORT to the TRUSTEES/DIRECTORS and MEMBERS of

NORTH WEST MULLCOMMUNITY 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 2023 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 2023 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.

Conclusions relating to going concern

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

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

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

**INDEPENDENT AUDITOR'S REPORT to the TRUSTEES/DIRECTORS and MEMBERS of
NORTH WEST MULLCOMMUNITY WOODLAND COMPANY LIMITED (continued)**

Matters on which we are required to report by exception

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

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

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

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.

**INDEPENDENT AUDITOR'S REPORT to the TRUSTEES/DIRECTORS and MEMBERS of
NORTH WEST MULLCOMMUNITY WOODLAND COMPANY LIMITED (continued)**

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

26 April 2024

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Barry Truswell (Senior Statutory Auditor)
For and on behalf of CT
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 2023

| | Notes | Un- restricted Funds £ | Restricted Funds £ | Desig- nated Funds £ | 2023 Total £ | Un- restricted Funds £ | Re- stricted Funds £ | Desig- nated Funds £ | 2022 Total £ |
|------------------------------------|------------------|---------------------------------|--------------------------|-------------------------------|--------------------|---------------------------------|-------------------------------|-------------------------------|--------------------|
| Income from: | | | | | | | | | |
| Donations, legacies & grants | 2 | 94,365 | 222,092 | 32,019 | 348,476 | 1,844 | 1,595,788 | 102,376 | 1,700,008 |
| Income from Charitable activities | 5 | 832,690 | - | - | 832,690 | 33,287 | - | - | 33,287 |
| Fundraising activities | 3 | - | - | 2,642 | 2,642 | - | - | 141 | 141 |
| Investment income | | 1,715 | - | - | 1,715 | 1,715 | - | - | 1,715 |
| Other income | 6 | 31,765 | - | - | 31,765 | 28,514 | - | - | 28,514 |
| Total income | | 960,535 | 222,092 | 34,661 | 1,217,288 | 65,360 | 1,595,788 | 102,517 | 1,763,665 |
| Expenditure on: | | | | | | | | | |
| Charitable activities | 7, 8 | 465,053 | 128,669 | 130,801 | 724,523 | 156,362 | 86,979 | 89,365 | 332,706 |
| Total expenditure | | 465,053 | 128,669 | 130,801 | 724,523 | 156,362 | 86,979 | 89,365 | 332,706 |
| Net income/(expenditure) | 9 | 495,482 | 93,423 | (96,140) | 492,765 | (91,002) | 1,508,809 | 13,152 | 1,430,959 |
| Transfers between funds | | - | - | - | - | - | - | - | - |
| Net movement in funds | | 495,482 | 93,423 | (96,140) | 492,765 | (91,002) | 1,508,809 | 13,152 | 1,430,959 |
| Reconciliation of funds: | | | | | | | | | |
| Total funds brought forward | | 845,116 | 6,888,634 | 190,329 | 7,924,079 | 936,118 | 5,379,825 | 177,177 | 6,493,120 |
| Total funds carried forward | 21, 22, 23 | 1,340,598 | 6,982,057 | 94,189 | 8,416,844 | 845,116 | 6,888,634 | 190,329 | 7,924,079 |

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 13 to 28 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 2023

| | Notes | £ | 2023 £ | £ | 2022 £ |
|--|-------|-----------|-----------|-----------|-----------|
| Fixed assets | | | | | |
| Intangible assets | 12 | | - | | - |
| Tangible assets | 13 | | 8,592,494 | | 8,358,848 |
| Investments | 14 | | 26,997 | | 27,574 |
| | | | ----- | | ----- |
| | | | 8,619,491 | | 8,386,422 |
| Current assets | | | | | |
| Stocks | 16 | - | | 16,750 | |
| Debtors | 17 | 267,584 | | 227,581 | |
| Cash at bank and in hand | | 439,885 | | 232,968 | |
| | | | ----- | ----- | |
| | | | 707,469 | 477,299 | |
| Creditors: amounts falling due within one year | | | | | |
| | 18 | (232,651) | | (222,580) | |
| | | | ----- | ----- | |
| Net current assets | | | 474,818 | | 254,719 |
| | | | ----- | | ----- |
| Total assets less current liabilities | | | 9,094,309 | | 8,641,141 |
| Creditors: amounts falling due after more than one year | | | | | |
| | 19 | (677,465) | | (717,062) | |
| | | | ----- | ----- | |
| Net assets | 20 | | 8,416,844 | | 7,924,079 |
| | | | ===== | | ===== |
| Funds | | | | | |
| Designated funds | 23 | | 94,189 | | 190,329 |
| Restricted income funds | 22 | | 6,982,057 | | 6,888,634 |
| Unrestricted income funds | 21 | | 1,340,598 | | 845,116 |
| | | | ----- | | ----- |
| Total funds | | | 8,416,844 | | 7,924,079 |
| | | | ===== | | ===== |

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

Anne Cleave

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Anne Cleave
Director

26 April 2024

The notes on pages 13 to 28 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 2023

| | Notes | 2023 | 2022 |
|--|--------------|-------------|-------------|
| | | £ | £ |
| Net income for the year | | 492,765 | 1,430,959 |
| Interest payable | | 11,809 | 20,478 |
| Interest receivable | | (1,715) | (1,715) |
| Taxation charge/(credit) | | - | - |
| Depreciation and impairment | | 47,209 | 41,017 |
| Decrease in stocks | | 16,750 | 1,289 |
| (Increase)/decrease in debtors | | (39,424) | 18,265 |
| Increase in creditors | | 13,957 | 135,508 |
| Decrease in deferred grants | | (12,739) | (1,599) |
| | | ----- | ----- |
| Net cash provided by operating activities | | 528,612 | 1,644,202 |
| | | ----- | ----- |
| Cash flows from financing activities: | | | |
| Repayments/Borrowing | 27 | (30,745) | 252,359 |
| | | ----- | ----- |
| Cash flows from investing activities | | | |
| Returns on investments and servicing of finance | 27 | (10,094) | (18,763) |
| Cash flows from investments | | - | - |
| Capital expenditure | 27 | (280,856) | (1,890,731) |
| | | ----- | ----- |
| Net cash used in financing and investing activities | | (321,695) | (12,933) |
| | | ----- | ----- |
| Change in cash and cash equivalents in the year | | | |
| Increase/(decrease) in cash in the year | | 206,917 | (12,933) |
| Cash and cash equivalents brought forward | | 232,968 | 245,901 |
| | | ----- | ----- |
| Cash and cash equivalents at the end of the year | | 439,885 | 232,968 |
| | | ===== | ===== |

NORTH WEST MULL COMMUNITY WOODLAND COMPANY LIMITED
(A company limited by guarantee)

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 July 2023

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.

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 £492,765.

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 2024 shows that the company will generate net income. The directors therefore consider it appropriate to prepare the financial statements on the going concern basis.

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.

Income

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.

NORTH WEST MULL COMMUNITY WOODLAND COMPANY LIMITED
(A company limited by guarantee)

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 July 2022

1. Accounting policies

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.

Goodwill

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

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 | - 20% and 10% straight line |

The land and buildings cost in the accounts represents the purchase price, including legal costs of the Woodlands, Langamull and West Ardh. 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 discussed 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.

Tangible fixed assets and depreciation (continued)

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 2022, the directors are of the opinion that no write down of the Island's value is required.

NORTH WEST MULL COMMUNITY WOODLAND COMPANY LIMITED
(A company limited by guarantee)

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2022

1. Accounting policies (continued)

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.

Biological assets

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

Investments

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

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.

Stock

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

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.

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.

Debtors

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

Creditors

Creditors are measured at the transaction price.

NORTH WEST MULL COMMUNITY WOODLAND COMPANY LIMITED
(A company limited by guarantee)

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2023

2. Donations, legacies and grants

| | Unrestricted funds £ | Restricted funds £ | Designated funds £ | 2023 Total £ | 2022 Total £ |
|--|----------------------------|---------------------------|--------------------------|---------------------------|-----------------------------|
| Donations | 1,073 | 14,339 | - | 15,412 | 4,270 |
| Hydro donation | 30,553 | - | - | 30,553 | - |
| Farm payments (AECS/SIACS) | - | - | 32,019 | 32,019 | 29,517 |
| Highlands & Islands Enterprise | - | 23,554 | - | 23,554 | 13,900 |
| Rural Housing Feasibility Fund | - | - | - | - | 900,361 |
| Scottish Government | - | - | - | - | - |
| Flag EMFF Funding | - | 17,303 | - | 17,303 | 431,001 |
| Island Green Recovery Fund | - | - | - | - | - |
| Rural Communities Grant Fund | - | - | - | - | 47,205 |
| Strategic Housing Fund | - | - | - | - | 72,000 |
| Island Community Fund | - | - | - | - | 72,859 |
| Rural Communities Testing Change Fund | - | - | - | - | 75,460 |
| Argyll & Bute Council | - | 90,663 | - | 90,663 | - |
| National Heritage Lottery Fund | - | - | - | - | 10,484 |
| Argyll Community Housing Association | - | 52,000 | - | 52,000 | 10,400 |
| Other grant income | 62,739 | 24,233 | - | 86,972 | 32,551 |
| | ----- 94,365 ===== | ----- 222,092 ===== | ----- 32,019 ===== | ----- 348,476 ===== | ----- 1,700,008 ===== |

3. Fundraising activities

| | Designated Funds £ | 2023 Total £ | 2022 Total £ |
|--------------------|--------------------------|--------------------|--------------------|
| Fundraising events | 2,642 | 2,642 | 141 |
| | ----- ===== | ----- ===== | ----- ===== |

4. Trading subsidiaries

The charity controls the companies listed below by virtue of holding a controlling interest in the equityshare 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
(A company limited by guarantee)

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2023

4. Trading subsidiaries (continued)

NWMCW Trading Company Limited

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

| Summary of trading results | 2023 | 2022 |
|-----------------------------------|-------------|-------------|
| | £ | £ |
| Turnover | 57,988 | 63,329 |
| Total expenditure | (60,554) | (73,662) |
| | ----- | ----- |
| Net (loss) for the year | (2,566) | (10,233) |
| Retained (loss) brought forward | (31,678) | (21,445) |
| | ----- | ----- |
| Retained (loss) | (34,244) | (31,678) |
| | ===== | ===== |

The assets and liabilities of NWMCW Company Limited were:

| | 2023 | 2022 |
|-------------------------|-------------|-------------|
| | £ | £ |
| Assets | 25,892 | 24,657 |
| Liabilities | (60,134) | (56,333) |
| | ----- | ----- |
| Deficit of funds | (34,242) | (31,676) |
| | ===== | ===== |

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 | 2023 | 2022 |
|-----------------------------------|-------------|-------------|
| | £ | £ |
| Turnover | 115,549 | 110,765 |
| Total expenditure | (102,277) | (72,447) |
| | ----- | ----- |
| Net profit for the year | 13,272 | 38,318 |
| Tax on profit | - | (1,905) |
| Retained profit brought forward | 70,146 | 29,923 |
| | ----- | ----- |
| Retained profit | 83,418 | 70,146 |
| | ===== | ===== |

The assets and liabilities of Ardhu Power Limited were:

| | 2023 | 2022 |
|--------------|-------------|-------------|
| | £ | £ |
| Assets | 221,372 | 242,369 |
| Liabilities | (137,854) | (172,123) |
| | ----- | ----- |
| Funds | 83,518 | 70,246 |
| | ===== | ===== |

NORTH WEST MULL COMMUNITY WOODLAND COMPANY LIMITED
(A company limited by guarantee)

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2023

| 5. Income from Charitable activities | Unrestricted Funds | Designated funds | 2023 Total | 2022 Total |
|---|---------------------------|-------------------------|-------------------|-------------------|
| | £ | £ | £ | £ |
| Pier & slipway rentals | 2,000 | - | 2,000 | 1,500 |
| Sale of Cattle | 30,304 | - | 30,304 | - |
| Sale of Timber | 751,462 | - | 751,462 | - |
| Service Charges | 2,944 | - | 2,944 | - |
| Equipment Hire | 9,000 | - | 9,000 | 13,732 |
| Forest crofts | 1,636 | - | 1,636 | 1,808 |
| Ulva Rental income | 35,344 | - | 35,344 | 16,247 |
| | ----- | ----- | ----- | ----- |
| | 832,960 | - | 832,960 | 33,287 |
| | ===== | ===== | ===== | ===== |

| 6. Other income | Unrestricted Funds | Designated funds | 2023 Total | 2022 Total |
|------------------------|---------------------------|-------------------------|-------------------|-------------------|
| | £ | £ | £ | £ |
| Other income | 14,508 | - | 14,508 | 10,597 |
| Management Fees | 16,658 | - | 16,658 | 17,917 |
| | ----- | ----- | ----- | ----- |
| | 31,166 | - | 31,166 | 28,514 |
| | ===== | ===== | ===== | ===== |

| 7. Cost of charitable activities by fund type | Unrestricted funds | Restricted funds | Designated funds | 2023 Total | 2022 Total |
|--|---------------------------|-------------------------|-------------------------|-------------------|-------------------|
| | £ | £ | £ | £ | £ |
| General Development | 91,709 | 43,979 | - | 135,688 | 142,738 |
| Ulva | 14,450 | 3,735 | 130,801 | 148,986 | 122,784 |
| Island green recovery | - | 7,607 | - | 7,607 | 8,643 |
| Langamull Native Woodland Project | 308,941 | 64,615 | - | 373,556 | 30,421 |
| | ----- | ----- | ----- | ----- | ----- |
| | 479,715 | 119,936 | 130,801 | 665,837 | 304,586 |
| | ===== | ===== | ===== | ===== | ===== |

| 8. Audit fees and finance charges | Unrestricted funds | Restricted funds | Designated funds | 2023 Total | 2022 Total |
|--|---------------------------|-------------------------|-------------------------|-------------------|-------------------|
| | £ | £ | £ | £ | £ |
| Professional – auditor remuneration | 20,696 | - | - | 20,816 | 7,311 |
| Interest – bank loans and overdraft | 27,824 | 8,733 | - | 36,557 | 20,166 |
| Finance charges – finance lease and HP | 1,255 | - | - | 1,255 | 401 |
| Bank charges | 178 | - | - | 178 | 242 |
| | ----- | ----- | ----- | ----- | ----- |
| | 49,953 | 8,733 | - | 58,806 | 28,120 |
| | ===== | ===== | ===== | ===== | ===== |

NORTH WEST MULL COMMUNITY WOODLAND COMPANY LIMITED
(A company limited by guarantee)

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2023

| 9. Net movement in funds for the year | 2023 | 2022 |
|--|-------------|-------------|
| | £ | £ |
| Net movement in funds is stated after charging: | | |
| Depreciation and other amounts written off tangible fixed assets | 47,209 | 41,017 |
| Auditors' remuneration | 20,816 | 7,311 |
| | ===== | ===== |

| 10. Employees | 2023 | 2022 |
|--------------------------|-------------|-------------|
| | £ | £ |
| Employment costs | | |
| Wages and salaries | 73,356 | 104,909 |
| Employers NI | 941 | 3,287 |
| Pension costs | 1,173 | 1,680 |
| Recruitment and training | - | 410 |
| | ----- | ----- |
| | 75,470 | 110,286 |
| | ===== | ===== |

No employee received emoluments of more than £60,000 (2022: £Nil).

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

| | 2023 | 2022 |
|---------------------|-------------|-------------|
| | No. | No. |
| Number of employees | 5 | 5 |
| | ===== | ===== |

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.

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 2022 resulting in no taxation charges.

| 12. Intangible fixed assets | Goodwill |
|--|-----------------|
| | £ |
| Cost | |
| At 1 August 2022 and 31 July 2023 | 20,000 |
| | ===== |
| Provision for diminution in value | |
| At 1 August 2022 and 31 July 2023 | 20,000 |
| | ===== |
| Net book value | |
| At 31 July 2023 | - |
| | ===== |
| At 31 July 2022 | - |
| | ===== |

NORTH WEST MULL COMMUNITY WOODLAND COMPANY LIMITED
(A company limited by guarantee)

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2023

| 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 | Ulva other assets | Total |
|----------------------------------|---|---------------------------|------------------------------------|---|--------------------------------------|-----------------|-------------------------|-------------------------|----------------------------------|--------------|
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Cost | | | | | | | | | | |
| At 1 August 2022 | 1,230,102 | 4,650,000 | 55,309 | 20,980 | 93,238 | 245,691 | 14,966 | 1,642,794 | 655,624 | 8,608,704 |
| Additions | - | - | 956 | - | 23,875 | - | 32,618 | 206,712 | 16,694 | 280,855 |
| Disposals | - | - | - | - | - | - | - | - | - | - |
| At 31 July 2023 | 1,230,102 | 4,650,000 | 56,265 | 20,980 | 117,113 | 245,691 | 47,584 | 1,849,506 | 672,318 | 8,889,559 |
| Depreciation | | | | | | | | | | |
| At 1 August 2022 | - | - | 42,795 | 20,980 | 68,519 | 101,926 | 14,090 | - | 1,546 | 249,856 |
| Charge for the year | - | - | 4,363 | - | 14,277 | 24,570 | 439 | - | 3,560 | 47,209 |
| On disposals | - | - | - | - | - | - | - | - | - | - |
| At 31 July 2023 | - | - | 47,158 | 20,980 | 82,796 | 126,496 | 14,529 | - | 5,106 | 297,065 |
| Net book values | | | | | | | | | | |
| At 31 July 2023 | 1,230,102 | 4,650,000 | 9,107 | - | 34,317 | 119,195 | 33,055 | 1,849,506 | 667,212 | 8,592,494 |
| At 31 July 2022 | 1,230,102 | 4,650,000 | 12,514 | - | 24,719 | 143,765 | 876 | 1,642,794 | 654,078 | 8,358,848 |

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 and is held at cost less depreciation.

NORTH WEST MULL COMMUNITY WOODLAND COMPANY LIMITED
(A company limited by guarantee)

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2023

| 14. Fixed asset investments | Subsidiary undertakings shares £ | Subsidiary undertakings loans £ | Total £ |
|------------------------------------|---|--|--------------------|
| Valuation | | | |
| At 1 August 2022 | 202 | 27,372 | 27,574 |
| Additions | - | - | - |
| Repayments | - | (577) | (577) |
| | ----- | ----- | ----- |
| At 31 July 2023 | 202 | 26,795 | 26,997 |
| | ===== | ===== | ===== |
| Historical cost as at 31 July 2023 | 202 | - | 202 |
| | ===== | ===== | ===== |

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 Company Limited. The loan carries an interest rate of 6% and is repayable over a period of 10 years.

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 | (34,242) | (2,566) |
| Island Woodfuels Limited | 100 | - |
| Ardhu Power Limited | 83,518 | 13,272 |
| | ===== | ===== |

NORTH WEST MULL COMMUNITY WOODLAND COMPANY LIMITED
(A company limited by guarantee)

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2023

| | | |
|--|-------------|-------------|
| 16. Stocks | 2023 | 2022 |
| | £ | £ |
| Raw materials and consumables | - | 16,750 |
| | ===== | ===== |
| Stock by category: | | |
| Livestock | - | 16,750 |
| Processed timber | - | - |
| | ----- | ----- |
| | - | 16,750 |
| | ===== | ===== |
| 17. Debtors | 2023 | 2022 |
| | £ | £ |
| Trade debtors | 199,789 | 15,977 |
| Amounts due from subsidiary and associated undertakings | 54,915 | 76,582 |
| Other debtors | 12,880 | 135,022 |
| | ----- | ----- |
| | 267,584 | 227,581 |
| | ===== | ===== |
| 18. Creditors: amounts falling due within one year | 2023 | 2022 |
| | £ | £ |
| Other loans | 3,378 | 13,379 |
| Trade creditors | 74,693 | 15,965 |
| Bank loans | 33,961 | 27,846 |
| Other creditors | 65,250 | 64,943 |
| Social security and taxation | 20,620 | - |
| Accrued expenses | 34,749 | 100,447 |
| | ----- | ----- |
| | 232,651 | 222,580 |
| | ===== | ===== |
| 19. Creditors: amounts falling due after more than one year | 2023 | 2022 |
| | £ | £ |
| Bank loan | 574,410 | 586,221 |
| Other loans | 1,127 | 12,287 |
| Woodshed loan | 99,000 | 102,887 |
| Deferred grant income | 2,928 | 15,667 |
| | ----- | ----- |
| | 677,465 | 717,062 |
| | ===== | ===== |

NORTH WEST MULL COMMUNITY WOODLAND COMPANY LIMITED
(A company limited by guarantee)

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2023

19. Creditors: amounts falling due after more than one year (continued)

Standard Securities

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.

Triodos Bank PLC hold securities over the following assets:
 Ground at West Ardhru 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.

20. Analysis of net assets between funds

| Fund balances at 31 July 2023 as represented by: | Unrestricted Funds | Restricted Funds | Designated Funds | Total Funds |
|--|-------------------------------|-----------------------------|-----------------------------|------------------------|
| | £ | £ | £ | £ |
| Tangible fixed assets | 1,637,135 | 6,955,359 | - | 8,592,494 |
| Investment assets | 26,997 | - | - | 26,997 |
| Current assets | 302,890 | 310,390 | 94,189 | 707,469 |
| Current liabilities | (231,451) | (1,200) | - | (232,651) |
| Long-term liabilities | (394,973) | (282,492) | - | (677,465) |
| | ----- | ----- | ----- | ----- |
| | 1,340,598 | 6,982,057 | 94,189 | 8,416,856 |
| | ===== | ===== | ===== | ===== |

Analysis of net assets between funds (prior year)

| Fund balances at 31 July 2022 as represented by: | Unrestricted Funds | Restricted Funds | Designated Funds | Total Funds |
|--|-------------------------------|-----------------------------|-----------------------------|------------------------|
| | £ | £ | £ | £ |
| Tangible fixed assets | 1,548,756 | 6,810,092 | - | 8,358,848 |
| Investment assets | 27,574 | - | - | 27,574 |
| Current assets | 208,428 | 78,542 | 190,329 | 477,299 |
| Current liabilities | (222,580) | - | - | (222,580) |
| Long-term liabilities | (717,062) | - | - | (717,062) |
| | ----- | ----- | ----- | ----- |
| | 845,116 | 6,888,634 | 190,329 | 7,924,079 |
| | ===== | ===== | ===== | ===== |

NORTH WEST MULL COMMUNITY WOODLAND COMPANY LIMITED
(A company limited by guarantee)

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2023

| | At 1 August 2022 £ | Income £ | Expenditure £ | Transfers £ | At 31 July 2023 £ |
|-------------------------------|-----------------------------|-------------|------------------|----------------|----------------------------|
| 21. Unrestricted funds | | | | | |
| General Funds | (145,884) | 960,535 | (465,053) | 949 | 350,547 |
| Forestry Fund | 167,434 | - | - | - | 167,434 |
| Forestry Fund - Asset | 822,617 | - | - | - | 822,617 |
| Eagle Tours Fund | 949 | - | - | (949) | - |
| | ----- | ----- | ----- | ----- | ----- |
| | 845,116 | 960,535 | (465,053) | - | 1,340,598 |
| | ===== | ===== | ===== | ===== | ===== |

The harvesting of the forests at Langamull and West Ardhru 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.

| | At 1 August 2021 £ | Income £ | Expenditure £ | Transfers £ | At 31 July 2022 £ |
|--|-----------------------------|-------------|------------------|----------------|----------------------------|
| Unrestricted funds (prior year) | | | | | |
| General Funds | (54,882) | 65,360 | (156,362) | - | (145,884) |
| Forestry Fund | 167,434 | - | - | - | 167,434 |
| Forestry Fund - Asset | 822,617 | - | - | - | 822,617 |
| Eagle Tours Fund | 949 | - | - | - | 949 |
| | ----- | ----- | ----- | ----- | ----- |
| | 936,118 | 65,360 | (156,362) | - | 845,116 |
| | ===== | ===== | ===== | ===== | ===== |

| | At 1 August 2022 £ | Income £ | Expenditure £ | Transfers £ | At 31 July 2023 £ |
|-----------------------------|-----------------------------|-------------|------------------|----------------|----------------------------|
| 22. Restricted funds | | | | | |
| 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 | 21,832 | - | (7,607) | - | 14,225 |
| Ulva House | 89,768 | - | (9,219) | - | 80,549 |
| Ulva Housing | 1,204,190 | 52,000 | (20,425) | - | 1,235,765 |
| Ulva Pier | 431,001 | 17,303 | - | - | 448,304 |
| Greenhouse | 4,000 | - | - | - | 4,000 |
| Dervaig toilet fund | 6,721 | 15,831 | - | - | 22,552 |
| A&B Grant | - | 90,663 | - | - | 90,663 |
| Revenue Funds | | | | | |
| Langamull replant | 64,615 | - | (64,615) | - | - |
| NHLF Sheliass | - | 17,500 | (3,000) | - | 14,500 |
| HIE | - | 23,554 | (23,554) | - | - |
| Other restricted donations | 7,206 | 5,241 | (249) | - | 12,198 |
| | ----- | ----- | ----- | ----- | ----- |
| | 6,888,634 | 222,092 | (128,669) | - | 6,982,057 |
| | ===== | ===== | ===== | ===== | ===== |

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2023

22. Restricted funds (continued)

Purposes of restricted funds

Purchase of Woodlands

Funds used for the purchase of Langamull and Ardhu Woodland.

Island of Ulva

Funds used for the purchase of the Isle of Ulva.

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.

Ulva Pier

These funds are being used to renovate and upgrade the Ulva Pier.

Greenhouse Fund

Funding received for the purchase of a new greenhouse.

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.

National Heritage Lottery Fund

Funding received for the Storas Ulbha project.

Highland & Island Enterprise

Funding received for 50% of the Ulva Development Manager salary costs.

NHLF Shelias

For consultants to produce an interpretation plan/proposal to upgrade the information panels in Sheila's Cottage.

NORTH WEST MULL COMMUNITY WOODLAND COMPANY LIMITED
(A company limited by guarantee)

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2023

23. Restricted funds (continued)

| Restricted funds (prior year) | At 1 August 2021 £ | Income £ | Expenditure £ | Transfers £ | At 31 July 2022 £ |
|--------------------------------|-----------------------|-------------|------------------|----------------|----------------------|
| 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 | 30,475 | - | (8,643) | - | 21,832 |
| Ulva House | 50,979 | 47,205 | (8,416) | - | 89,768 |
| Ulva Housing | 142,313 | 1,061,877 | - | - | 1,204,190 |
| Ulva Pier | - | 431,001 | - | - | 431,001 |
| Greenhouse | - | 5,000 | (1,000) | - | 4,000 |
| Revenue Funds | | | | | |
| Dervaig toilet fund | 1,721 | 5,000 | - | - | 6,721 |
| Langamull replant | 95,036 | - | (30,421) | - | 64,615 |
| National Heritage Lottery Fund | - | 10,484 | (10,484) | - | - |
| Highland & Island Enterprise | - | 13,900 | (13,900) | - | - |
| Other restricted donations | - | 21,321 | (14,115) | - | 7,206 |
| | ----- | ----- | ----- | ----- | ----- |
| | 5,379,825 | 1,595,788 | (86,979) | - | 6,888,634 |
| | ===== | ===== | ===== | ===== | ===== |

| 23. Designated Funds | At 1 August 2022 £ | Income £ | Expenditure £ | Transfers £ | At 31 July 2023 £ |
|-------------------------------------|-----------------------|-------------|------------------|----------------|----------------------|
| Purchase of Ulva – Development Fund | 137,904 | - | - | (43,715) | 94,189 |
| Ulva Revenue Fund | 52,425 | 34,661 | (130,801) | 43,715 | - |
| | ----- | ----- | ----- | ----- | ----- |
| | 190,329 | 34,661 | (130,801) | - | 94,189 |
| | ===== | ===== | ===== | ===== | ===== |

Purpose 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.

| Designated Funds (prior year) | At 1 August 2021 £ | Income £ | Expenditure £ | Transfers £ | At 31 July 2022 £ |
|-------------------------------------|-----------------------|-------------|------------------|----------------|----------------------|
| Purchase of Ulva – Development Fund | 137,904 | - | - | - | 137,904 |
| Ulva Revenue Fund | 39,273 | 102,517 | (89,365) | - | 52,425 |
| | ----- | ----- | ----- | ----- | ----- |
| | 177,177 | 102,517 | (89,365) | - | 190,329 |
| | ===== | ===== | ===== | ===== | ===== |

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.

NORTH WEST MULL COMMUNITY WOODLAND COMPANY LIMITED
(A company limited by guarantee)

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2023

25. Controlling interest

The charity is controlled by its board of directors.

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 £24,097 (2022: £24,111) by way of intercompany balance and £26,795 (2022: £27,372) by way of a working capital loan as at 31 July 2023 by NWMCW Trading Company Limited.

NWMCWC charged NWMCW Trading Company Limited Management fees of £16,658 (2022: £17,917) and leasing hire fees of £9,000 (2022: £12,750) 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 £Nil (2022: £Nil) 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 (NWMCWC) Limited.

NWMCWC Limited is owed £35,963 (2022: £52,471 creditor) by Ardhu Power Limited by way of intercompany debtor.

27. Gross cash flows

| | 2023 | 2022 |
|--|-------------|-------------|
| | £ | £ |
| Returns on investments and servicing of finance | | |
| Interest received | (1,1715) | (1,715) |
| Interest paid | 11,809 | 20,077 |
| Interest element of finance lease rental payments | 1,255 | 401 |
| | ----- | ----- |
| | 11,349 | 18,763 |
| | ===== | ===== |
| Capital expenditure | | |
| Payments to acquire tangible assets | (280,856) | (1,890,731) |
| | ----- | ----- |
| | (280,856) | (1,890,731) |
| | ===== | ===== |
| Financing | | |
| Loan movement | (30,745) | (31,659) |
| New other loans | | 284,018 |
| | ----- | ----- |
| | (30,745) | 252,359 |
| | ===== | ===== |

NORTH WEST MULL COMMUNITY WOODLAND COMPANY LIMITED
(A company limited by guarantee)

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 July 2023

| 28. Analysis of changes in net funds | Opening Balance £ | Cashflows £ | Other movement £ | Closing balance £ |
|---|----------------------------------|------------------------|---------------------------------|----------------------------------|
| Cash at bank and in hand | 232,968 | 206,917 | - | 439,885 |
| Debt due within one year | (41,225) | (2,986) | - | 44,211 |
| Debt due after one year | (701,395) | 27,758 | - | 673,637 |
| | (742,620) | (24,772) | - | (717,848) |
| Net funds | (509,652) | 231,689 | - | (277,963) |

29. 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.