Drimnin Community Broadband C.I.C.

Company Limited by Guarantee
Company Registration Number SC554497

Unaudited Financial Statements

1st February 2025 to 31st January 2026

Registered Office

Auchnasaul House
Drimnin
Oban
PA80 5XZ

Drimnin Community Broadband C.I.C.

Directors' Report

1st February 2025 to 31st January 2026

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year.

Principal Activities
The principal activity of the company during the year was provision of a broadband service for the community of Drimnin and some properties on the Morvern peninsula outwith Drimnin as well as a limited number on Mull.

Main Risks
The directors have identified two main risks to the business.

Failure of equipment from weather events or breakdown could lead to substantial unexpected costs. The company has purchased insurance against weather events and is putting in place significant mitigation measures with the aim of reducing the impact of equipment failures.

The company's ability to obtain new customers is very limited. A significant number of our existing customers cancelling their contracts during 2026 could result in the company being unable to continue in the medium term.

During 2026, the Company is implementing a risk mitigation plan which will address many of its most significant operating risks, thus improving the resilience of its service with the aim of reducing the tendency of customers to cancel contracts. Significant changes to our operating model have allowed prices to be reduced to a more competitive level.

Directors
The directors who served the company during the year were as follows:

Name (Position)	Date of Appointment
R David Campbell (Secretary)	13th January 2017
Clive R Edwardes (Chairman)	13th January 2017
Michael B Foulis	13th January 2017
B. Colin Kupris	1st March 2024
Rhonda Newsham	13th January 2017
Annabel B Thomas	13th January 2017

Small Company Provisions

These accounts have been prepared in accordance with the small companies' regime applicable to micro-entities in Part 15 of the Companies Act 2006.

Going Concern

The directors are satisfied that the company is a going concern. In taking this view, the directors have taken the following into account: there are no outstanding capital expenditure commitments; the number of customers contracted is sufficient to support the service; the company holds significant cash reserves to meet contractual commitments if an unexpectedly large number of customers discontinue payments or to meet a short term revenue shortfall.

Signed by order of the directors:

R D Campbell
Secretary

Drimnin Community Broadband C.I.C. Company Registration Number SC554497

Income and Expenditure Account

1st February 2025 to 31st January 2026

	Notes	2026	2025
		£	£
Turnover	3	30,560	31,030
Cost of Sales	4	-19,839	-20,129
Gross Profit/(Loss)		10,720	10,901
Grants	1,7	21,684	21,685
Administrative Expenses	5	-2,156	-2,701
Depreciation	1,7	-25,044	-24,980
Corporation Tax	12	0	0
Profit/(Loss)		5,204	4,904

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Balance Sheet: 31st January 2026

	Notes	2026	2025
		£	£
Fixed Assets			
Tangible Fixed Assets	1,7	2,455	27,242
Current Assets			
Debtors	6	1,037	3,568
Cash at bank		21,492	10,892
Total Current assets		22,529	14,461
Creditors			
Amounts falling due within one year			
BT		648	648
Subscriptions received in advance	3	180	420
Rapier Systems Maintenance		0	0
Deferred Income in respect of grants	7	0	21,684
Corporation Tax	12	0	0
Loans	8	5,000	0
Net Current Assets		16,701	-8,291
Total Assets Less Current Liabilities		19,155	18,951
Creditors			
Amounts falling due after more than one year			
Loans	8	0	5,000
Deferred Income in respect of grants	7	0	0
Net Assets		19,155	13,951
Reserves			
Profit and Loss Account		19,155	13,951
Members' Funds	9	19,155	13,951

For the year ending 31st January 2026 the company was entitled to exemption from audit under section 477 of Companies Act 2006 ("the Act") relating to small companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

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

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in particular The Small Companies (Micro-Entities' Accounts) Regulations 2013.

These financial statements, including the notes, have been approved for issue by the Board of directors on 27th July 2026.

Signed by order of the directors:

R D Campbell
Secretary

Notes and Accounting Policies

1. Accounting Policies

   a) Basis of accounting

      The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 105, the Financial Reporting Standard applicable to the Micro-entities Regime.

   b) Turnover

      Turnover represents the fair value of consideration receivable in the ordinary course of business for services provided.

   c) Fixed assets

      All fixed assets are initially recorded at cost.

   d) Depreciation

      Depreciation is calculated to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

      Masts and electronic equipment - 25% of the initial cost of the asset on a straight line basis over 4 years. Residual values are taken at zero.

   e) Grants

      Grants received to meet operational costs are recognized as income in the year in which the corresponding operational costs are recognized.

      Grants received to fund the purchase of fixed assets are recognized as income to match the depreciation recognized in respect of the corresponding assets.

2. Directors' Emoluments

   Directors are unpaid and received no emoluments of any kind.

3. Turnover

   Turnover represents monthly subscriptions paid by customers in respect of broadband service during the year.

   Subscriptions are due at the beginning of month of service and a proportion of subscriptions in respect of February 2026 had been received by the end of January 2026. These prepaid subscriptions are not included in turnover but are shown in creditors.

   The company's contracts with subscribers are for fixed terms of 2 years with around 2/3 due for renewal in August 2026 and the remainder in August 2027.

4. Cost of Sales

The cost of sales represents the direct expenses which the company incurred to provide its service for the year. The main items of expenditure are payments to BT for fibre broadband service (£7,776), the cost of the company's maintenance contract with Rapier Systems for the period (£7.449) and Ofcom Licence (£3,179).

The company's contract with BT is for a fixed term of 5 years ending in 2026. The company plans to enter into a cooperation agreement with Scottish Sea Farms to share the costs of fibre broadband and will not renew its contract with BT.

The company ended its contract with Rapier Systems during the year.

The Ofcom Licence renews annually in April.

5. Administrative Expenses

Administrative expenses comprise the portion of the insurance premium corresponding to the year (£1,514) together with a few minor items.

6. Prepayments

Debtors comprise the unexpired portion of the fee for the Ofcom Licence (£530), the unexpired portion of the annual insurance premium (£332) together with a few minor items.

7. Capital Expenditure, Grants and Fixed Assets

Capital expenditure of £257 was incurred during the year. Depreciation in respect of the assets purchased in previous years funded by grants came to £21,684 and a corresponding amount of the total grant receipts has been recognised as income. Total depreciation for the year was £25,044.

8. Loans and Related Party Transactions

Loans represent long term loans from Members of the company, some of whom are directors of the company, and a community body. Loans are repayable only at the option of the company. No interest is payable on these loans. The loans are shown at transaction value.

Movements on the loan account during the year were as follows:

Loan Balance at 1st February 2024	£5,000
New Loans	£nil
Loan Repayments	£nil
Loan Balance at 31st January 2025	£5,000

The loans were repaid in full on 25th February 2026

The company was under the control of the directors throughout the year.

No transactions with related parties which are required to be disclosed under Financial Reporting Standard 8 were undertaken other than loans made to the company. No other financial arrangements, including credit arrangements, loan advances or guarantees have been made between the company and its directors.

9. Company Limited By Guarantee

The company is limited by guarantee and therefore has no share capital. The liability of the members upon winding up of the company is limited to £1.

10. Other Financial Transactions

The company has not made any contractual financial commitments other than those disclosed with BT, Ofcom and Rapier Systems and its lease arrangements for transmitter sites. One such site is the subject of an informal agreement under which a contingent payment would be due from the company if certain circumstances were to arise. The directors consider that the possibility of such circumstances arising is extremely remote. The amount of the contingent payment would be £1,000 per annum from the date at which such circumstances arose.

The company has arrangements with Scottish Sea Farms for mutual provision of services. No payments are made in relation to these services.

11. Employees

The company has not employed anyone during the year.

12. Taxation

The company is liable for business rates on its installations, but the directors consider that the company continues to be eligible for small business relief in 2025/26 and will not incur any costs.

The directors consider that no Corporation Tax liability arises in respect of the year