

Drimnin Community Broadband C.I.C.

**Company Limited by Guarantee
Company Registration Number SC554497**

Unaudited Financial Statements

1st February 2021 to 31st January 2022

Registered Office

**Auchnasaul House
Drimnin
Oban
PA80 5XZ**

Drimnin Community Broadband C.I.C.

Directors' Report

1st February 2021 to 31st January 2022

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.

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 a maintenance contract to cover equipment failure.

The company's ability to obtain new customers is very limited. The company has entered into a long term contract to purchase wholesale bandwidth. A significant number of our existing customers failing to renew their contracts in August 2024 could result in the company being unable to meet its costs.

Directors

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

Name (Position)	Date of Appointment
R David Campbell (Secretary)	13 th January 2017
Clive R Edwardes (Chairman)	13 th January 2017
Michael B Foulis	13 th January 2017
Rhonda Newsham	13 th January 2017
Annabel B Thomas	13 th 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 leave the area and 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 2021 to 31st January 2022

	Notes	2022	2021
		£	£
Turnover	3	18,496	20,833
Cost of Sales	4	-11,007	-15,359
Gross Profit/(Loss)		<u>7,489</u>	<u>5,473</u>
Grants	1,7	5,625	5,625
Administrative Expenses	5	-1,551	-1,796
Depreciation	1,7	-10,066	-10,066
Corporation Tax	12	-89	0
Profit/(Loss)		<u>1,408</u>	<u>-762</u>

Balance Sheet: 31st January 2022

	Notes	2022 £	2021 £
Fixed Assets			
Tangible Fixed Assets	1,7	520	10,585
Current Assets			
Debtors	6	1,883	1,878
Cash at bank		14,192	7,773
Total Current assets		16,075	9,651
Creditors			
Amounts falling due within one year			
BT		540	930
Subscriptions received in advance	3	392	77
Deferred Income in respect of grants	7	0	5,625
HMRC VAT	12	562	0
Corporation Tax	12	89	0
Net Current Assets		<u>14,493</u>	<u>3,018</u>
Total Assets Less Current Liabilities		<u>15,013</u>	<u>13,604</u>
Creditors			
Amounts falling due after more than one year			
Loans	8	14,877	14,877
Deferred Income in respect of grants	7	0	0
Net Assets		<u>136</u>	<u>-1,272</u>
Reserves			
Profit and Loss Account		136	-1,272
Members' Funds	9	<u>136</u>	<u>-1,272</u>

For the year ending 31st January 2022 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 responsibilities 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 September 2022.

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 net of Value Added Tax.

Subscriptions are due at the beginning of month of service and a proportion of subscriptions in respect of February 2022 had been received by the end of January 2022. 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 most due for renewal in August 2024.

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 (£7,263) and the cost of the company's maintenance contract with Rapier Systems for the same period (£3,016).

The company's contract with BT is for a fixed term of 5 years ending in 2026. The company's contract with Rapier Systems is for 1 year ending in August 2023.

5. Administrative Expenses

Administrative expenses comprise the portion of the insurance premium corresponding to the year (£1,082) together with a few minor items.

6. Prepayments

Debtors comprise the unexpired portion of the fee for the maintenance contract with Rapier Systems (£1,435) together with a few minor items.

7. Capital Expenditure, Grants and Fixed Assets

Depreciation in respect of the assets acquired in previous years funded by grants came to £5,625 and a corresponding amount of the total grant receipts has been recognised as income. Total depreciation for the year was £10,066.

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 1 st February 2021	£14,877
New Loans	£nil
Loan Repayments	£nil
Loan Balance at 31 st January 2022	£14,877

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 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.

There are no off-balance sheet arrangements.

11. Employees

The company has not employed anyone during the year.

12. Taxation

The company registered for VAT with effect from 1st April 2021. Accounting entries in the Profit and Loss Account and the Balance Sheet are shown net of VAT.

VAT transactions during the year were as follows

	£
VAT owed at 1st February 2021	0
VAT paid during the year	749
VAT not yet paid as at 31st January 2022	484

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 2022/23 and will not incur any costs.

The directors consider that a Corporation Tax liability of £89 arises in respect of the year.