

**MORVOLTS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

# **MORVOLTS LIMITED**

## **COMPANY INFORMATION**

### **DIRECTORS**

Ms S Jones (resigned 27 October 2022)  
Mr A F G Robertson  
Mr N G Tordoff  
Mr R M Jones (appointed 27 October 2022)  
Ms A G Stammers (appointed 27 October 2022)

### **COMPANY SECRETARY**

Ms L Dobrokhodova

### **REGISTERED NUMBER**

SC631215

### **REGISTERED OFFICE**

Lochaline Harbour  
Lochaline  
Morvern  
Oban  
PA80 5XT

### **INDEPENDENT AUDITORS**

EQ Audit Services LLP  
Chartered Accountants & Statutory Auditors  
14 City Quay  
Dundee  
DD1 3JA

# **MORVOLTS LIMITED**

## **CONTENTS**

	Page
<b>Directors' report</b>	1 - 2
<b>Independent auditors' report</b>	3 - 5
<b>Statement of income and retained earnings</b>	6
<b>Statement of financial position</b>	7
<b>Notes to the financial statements</b>	8 - 14
The following pages do not form part of the statutory financial statements:	
<b>Detailed profit and loss account and summaries</b>	15 - 17



## **MORVOLTS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their report and the financial statements for the year ended 31 March 2023.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **DIRECTORS**

The directors who served during the year were:

Ms S Jones (resigned 27 October 2022)

Mr A F G Robertson

Mr N G Tordoff

Mr R M Jones (appointed 27 October 2022)

Ms A G Stammers (appointed 27 October 2022)

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## **MORVOLTS LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023**

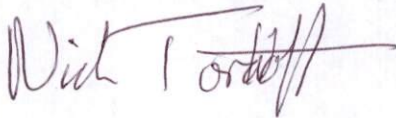
#### **AUDITORS**

The auditors, EQ Audit Services LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

#### **SMALL COMPANIES NOTE**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 30 November 2023 and signed on its behalf.

A handwritten signature in dark ink, appearing to read 'Nick Tordoff', with a long horizontal stroke extending to the right.

**Mr N G Tordoff  
Director**



## **MORVOLTS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MORVOLTS LIMITED**

#### **OPINION**

We have audited the financial statements of MORVOLTS LIMITED (the 'Company') for the year ended 31 March 2023, which comprise the Statement of income and retained earnings, the Statement of financial position 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 Financial Reporting Standard 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 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 directors' 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 Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors 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 Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.



## **MORVOLTS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MORVOLTS LIMITED (CONTINUED)**

#### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the 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 set out on page 1, the directors 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.



## MORVOLTS LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MORVOLTS LIMITED (CONTINUED)

#### AUDITORS' 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 Auditors' 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:

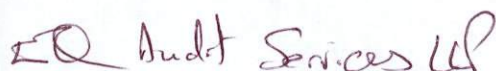
We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, 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 or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel. There are inherent limitations in the audit procedures described above 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 did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Douglas Rae (Senior statutory auditor)

for and on behalf of

**EQ Audit Services LLP**

Chartered Accountants  
Statutory Auditors

14 City Quay  
Dundee  
DD1 3JA

5 December 2023



# MORVOLTS LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Turnover	683,998	518,294
Cost of sales	(161,600)	(153,505)
<b>Gross profit</b>	<b>522,398</b>	<b>364,789</b>
Administrative expenses	(98,727)	(89,783)
<b>Operating profit</b>	<b>423,671</b>	<b>275,006</b>
Interest receivable and similar income	1,627	15
Interest payable and similar expenses	(282,773)	(201,920)
<b>Profit before tax</b>	<b>142,525</b>	<b>73,101</b>
Tax on profit	(73,600)	-
<b>Profit after tax</b>	<b>68,925</b>	<b>73,101</b>
Retained earnings at the beginning of the year	576	(72,525)
	576	(72,525)
Profit for the year	68,925	73,101
Dividends declared and paid	(50,000)	-
<b>Retained earnings at the end of the year</b>	<b>19,501</b>	<b>576</b>

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of income and retained earnings.

The notes on pages 8 to 14 form part of these financial statements.

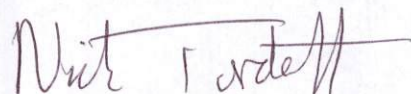
**MORVOLTS LIMITED**  
**REGISTERED NUMBER: SC631215**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2023**

		2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	4	<u>5,001,728</u>	<u>5,123,849</u>
		<b>5,001,728</b>	<b>5,123,849</b>
<b>Current assets</b>			
Debtors	5	<b>194,837</b>	322,542
Cash at bank and in hand		<u><b>916,671</b></u>	<u>672,078</u>
		<b>1,111,508</b>	<b>994,620</b>
Creditors: amounts falling due within one year	6	<u><b>(309,189)</b></u>	<u>(245,152)</u>
<b>Net current assets</b>		<b>802,319</b>	<b>749,468</b>
<b>Total assets less current liabilities</b>		<b>5,804,047</b>	<b>5,873,317</b>
Creditors: amounts falling due after more than one year	7	<b>(5,708,346)</b>	<b>(5,871,391)</b>
<b>Provisions for liabilities</b>			
Deferred tax		<b>(73,600)</b>	-
Other provisions	10	<u><b>(2,500)</b></u>	<u>(1,250)</u>
		<b>(76,100)</b>	<b>(1,250)</b>
<b>Net assets</b>		<b>19,601</b>	<b>676</b>
<b>Capital and reserves</b>			
Called up share capital	11	<b>100</b>	<b>100</b>
Profit and loss account		<u><b>19,501</b></u>	<u>576</u>
		<b>19,601</b>	<b>676</b>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 November 2023.



Mr N G Tordoff  
**Director**

The notes on pages 8 to 14 form part of these financial statements.



## **MORVOLTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

#### **1. GENERAL INFORMATION**

Morvolts Limited is a private company, limited by shares, incorporated in Scotland with the registration number SC631215. The registered office is Lochaline Harbour Lochaline, Morvern, Oban, Scotland, PA80 5XT.

The Company's functional and presentational currency is GBP.

#### **2. ACCOUNTING POLICIES**

##### **2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### **2.2 GOING CONCERN**

Although the company has significant liabilities, the directors have modelled cashflows over the life of the project and are confident that adequate income will be received to cover the liabilities as they fall due. On that basis, the directors believe that the use of the going concern basis is appropriate.

##### **2.3 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

###### **Sale of energy**

Turnover from the sale of energy is recognised when the energy has been generated and transferred to the customer. These transfers are measured by an automated meter reading process and revenue is recognised using these readings at the point of transfer through the customer's self-billing procedure.

Management regularly review the self-billing invoices agree to the readings of the physical meters. Where this results in the identification of under-recorded income, the increase in revenue is recognised when agreed by the customer.

##### **2.4 OPERATING LEASES: THE COMPANY AS LESSEE**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

##### **2.5 INTEREST INCOME**

Interest income is recognised in profit or loss using the effective interest method.



## **MORVOLTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

## **2. ACCOUNTING POLICIES (CONTINUED)**

### **2.6 CURRENT AND DEFERRED TAXATION**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### **2.7 TANGIBLE FIXED ASSETS**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Plant and machinery	-	2.5% Straight line
Motor vehicles	-	25.0% Reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.



## MORVOLTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

#### 2. ACCOUNTING POLICIES (CONTINUED)

##### 2.8 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

#### 3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 4 (2022 -3).

#### 4. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>			
At 1 April 2022	5,255,230	-	5,255,230
Additions	2,959	8,500	11,459
At 31 March 2023	5,258,189	8,500	5,266,689
<b>Depreciation</b>			
At 1 April 2022	131,381	-	131,381
Charge for the year on owned assets	131,455	2,125	133,580
At 31 March 2023	262,836	2,125	264,961
<b>Net book value</b>			
At 31 March 2023	4,995,353	6,375	5,001,728
At 31 March 2022	5,123,849	-	5,123,849

Included within the Cost of Plant and Machinery is £170,049 (2022: £170,049) of financing costs incurred during the construction of the assets.

**MORVOLTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023****5. DEBTORS**

	<b>2023</b> <b>£</b>	<b>2022</b> <b>£</b>
<b>Due after more than one year</b>		
FLS Restoration bond	<b>50,000</b>	<b>50,000</b>
	<b>50,000</b>	<b>50,000</b>
<b>Due within one year</b>		
Trade debtors	<b>109,362</b>	<b>251,311</b>
Prepayments and accrued income	<b>35,475</b>	<b>21,231</b>
	<b>194,837</b>	<b>322,542</b>

**6. CREDITORS: Amounts falling due within one year**

	<b>2023</b> <b>£</b>	<b>2022</b> <b>£</b>
Bank loans	<b>131,021</b>	<b>125,790</b>
Other loans	<b>93,826</b>	<b>-</b>
Trade creditors	<b>112</b>	<b>4,865</b>
Other taxation and social security	<b>4,141</b>	<b>22,897</b>
Other creditors	<b>-</b>	<b>60,825</b>
Accruals and deferred income	<b>80,089</b>	<b>30,775</b>
	<b>309,189</b>	<b>245,152</b>

The entire balance of both bank and other loans and is secured as described in Note 8.



## MORVOLTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

#### 7. CREDITORS: Amounts falling due after more than one year

	2023 £	2022 £
Bank loans	3,972,570	4,103,591
Other loans	1,735,776	1,767,800
	<u>5,708,346</u>	<u>5,871,391</u>

The entire balance of both bank and other loans and is secured as described in Note 8.

The aggregate amount of liabilities repayable wholly or in part more than five years after the reporting date is:

	2023 £	2022 £
Repayable by instalments	4,702,521	4,929,904
	<u>4,702,521</u>	<u>4,929,904</u>

The bank loan from Triodos is repayable in four tranches, each of which are held on an interest-only basis until the prior tranche is repaid in full. Once capital repayment commences for each tranche, the capital is repaid in twenty instalments.

The other loan from Energy Investment Fund (administered by Scottish Enterprise) is repayable by instalments following an agreed schedule. The first instalment is due in April 2023 and the final instalment is due in April 2042.

#### 8. Creditors: Security

Bank overdrafts and loans are secured by a standard security in favour of Triodos Bank UK Limited over all and whole the tenant's interest in lease of land at Barr Forest, Lochaline, Morvern which forms part and portion of the estates of Glenmorvern and Drimmin via an an existing first bond and floating charge over all assets and undertakings (both present and future) of the company.

The other loan from the Energy Investment Fund is secured by a standard security in favour of Scottish Enterprise (as administrator of the Energy Investment Fund) over all and whole the tenant's interest in the lease of land at Barr Forest, Lochaline, Morvern. A ranking agreement is in place giving first charge to Triodos Bank in respect of this land.

In addition, Triodos have the right of set-off for any liability against any accounts held with the bank by the company.

# MORVOLTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 9. LOANS

Analysis of the maturity of loans is given below:

	2023 £	2022 £
<b>Amounts falling due within one year</b>		
Bank loans	131,021	125,790
Other loans	93,826	-
	<u>224,847</u>	<u>125,790</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	136,326	130,870
Other loans	93,826	93,826
	<u>230,152</u>	<u>224,696</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	494,196	435,314
Other loans	281,477	281,477
	<u>775,673</u>	<u>716,791</u>
<b>Amounts falling due after more than 5 years</b>		
Bank loans	3,342,048	3,537,407
Other loans	1,360,473	1,392,497
	<u>4,702,521</u>	<u>4,929,904</u>
	<u>5,933,193</u>	<u>5,997,181</u>

### 10. PROVISIONS

	Restoration provision £
At 1 April 2022	1,250
Charged to profit or loss	1,250
<b>At 31 March 2023</b>	<u><u>2,500</u></u>

At the end of the lease over the land on which the Barr Hydro scheme is located, Morvolts are obliged to restore the land and remove their equipment. The lease requires a bond to be lodged with Forestry and Land Scotland at an amount calculated to reflect the expected cost of the restoration works. This amount will be charged to the profit and loss account on a straight-line basis over the useful life of the scheme.



## MORVOLTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

#### 11. SHARE CAPITAL

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
100 (2022 -100) Ordinary shares of £1.00 each	<b>100</b>	<b>100</b>

#### 12. CAPITAL COMMITMENTS

At 31 March 2023, the Company had no capital commitments contracted (2022 - £nil).

#### 13. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	<b>1</b>	<b>1</b>
Later than 1 year and not later than 5 years	<b>4</b>	<b>4</b>
Later than 5 years	<b>33</b>	<b>34</b>
	<b>38</b>	<b>39</b>

In addition to the annual rental charge of £1, MorVolts is obliged to pay the landlord:

- 2.5% of gross revenue from commissioning to the 13th anniversary; and
- 5% thereafter

#### 14. RELATED PARTY TRANSACTIONS

The group has taken advantage of provisions within FRS102 and has not disclosed transaction entered into with other wholly owned members of the group.

#### 15. CONTROLLING PARTY

The Company is a wholly owned subsidiary of The Morvern Community Development Company (MCDC), a company limited by guarantee incorporated in Scotland with registration number SC200325. MCDC is the ultimate controlling party and has its registered office at Lochaline Harbour, Lochaline, Morvern, Oban, Argyll, PA80 5XT.

MCDC is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 March 2023. The results of MorVolts Limited are included within the consolidated financial statements of MCDC.

#### 16. PROVISIONS AVAILABLE FOR AUDITS OF SMALL ENTITIES

In keeping with many other businesses of our size and nature, we use our auditor to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

**MORVOLTS LIMITED****DETAILED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2023**

	<b>2023</b> <b>£</b>	<b>2022</b> <b>£</b>
Turnover	<b>683,998</b>	518,294
Cost Of Sales	<b>(161,600)</b>	(153,505)
<b>Gross profit</b>	<b>522,398</b>	364,789
<b>GROSS PROFIT %</b>	<b>76.4 %</b>	70.4 %
<b>Less: overheads</b>		
Administration expenses	<b>(98,727)</b>	(89,783)
<b>Operating profit</b>	<b>423,671</b>	275,006
Interest receivable	<b>1,627</b>	15
Interest payable	<b>(282,773)</b>	(201,920)
Tax on profit on ordinary activities	<b>(73,600)</b>	-
<b>Profit for the year</b>	<b>68,925</b>	73,101



**MORVOLTS LIMITED****SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
<b>Turnover</b>		
Sale of electricity	335,855	266,983
Feed in tariff	348,143	251,311
	<u>683,998</u>	<u>518,294</u>
	2023 £	2022 £
<b>Cost of sales</b>		
Grid charges	-	1,537
Lease of land	16,660	17,964
Maintenance	10,110	1,373
Depreciation of plant and equipment	133,580	131,381
Land restoration provision	1,250	1,250
	<u>161,600</u>	<u>153,505</u>
	2023 £	2022 £
<b>Administration expenses</b>		
Telephone, fax and internet	-	515
Computer costs	845	298
Legal and professional	18,230	14,940
Auditors' remuneration	2,750	1,575
Accountancy fees	6,357	3,885
Bank charges	7,917	53,694
Difference on foreign exchange	-	(140)
Rates	24,838	-
Light and heat	255	344
Insurances	19,477	12,536
General expenses	11,275	1,125
SEPA return	6,783	1,011
	<u>98,727</u>	<u>89,783</u>
	2023 £	2022 £
<b>Interest receivable</b>		
Bank interest receivable	1,627	15
	<u>1,627</u>	<u>15</u>

**MORVOLTS LIMITED**

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Interest payable</b>		
Bank loan interest payable	<b>175,607</b>	98,218
Other loan interest payable	<b>107,166</b>	103,702
	<b>282,773</b>	201,920