

COMPANY REGISTRATION NUMBER: SC331585

Scottish Bioenergy Cooperative Ventures Limited

Filleted Unaudited Financial Statements

For the year ended

30 September 2023

Scottish Bioenergy Cooperative Ventures Limited

Financial Statements

Year ended 30 September 2023

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Scottish Bioenergy Cooperative Ventures Limited

Statement of Financial Position

30 September 2023

		2023	2022
	Note	£	£
Fixed assets			
Intangible assets	5	3,329,032	2,620,456
Tangible assets	6	2,417,664	994,955
		5,746,696	3,615,411
Current assets			
Debtors	7	476,414	564,299
Cash at bank and in hand		28,389	9,778
		504,803	574,077
Creditors: amounts falling due within one year	8	10,339,520	7,559,582
Net current liabilities		9,834,717	6,985,505
Total assets less current liabilities		(4,088,021)	(3,370,094)
Net liabilities		(4,088,021)	(3,370,094)
Capital and reserves			
Called up share capital	10	15,640	15,640
Share premium account		100,526	100,526
Other reserves		107,243	110,830
Profit and loss account		(4,311,430)	(3,597,090)
Shareholders deficit		(4,088,021)	(3,370,094)

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 30 September 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements 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 financial statements .

These financial statements were approved by the board of directors and authorised for issue on 6 February 2024 , and are signed on behalf of the board by:

P Bready

Director

J L Walker CBE

Director

Company registration number: SC331585

Scottish Bioenergy Cooperative Ventures Limited

Notes to the Financial Statements

Year ended 30 September 2023

1. General information

The company is a private company limited by shares, registered in Scotland (registration number SC331585). The address of the registered office is Unit 28 Shairps Business Park, Houstoun Road, Livingston, EH54 5FD, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity. Going concern The financial statements have been prepared on a going concern basis. The directors have assessed the Company's ability to continue as a going concern and have concluded that the Company has adequate resources to conclude the construction of the company's production facility and begin to generate saleable product during 2024. The directors have sought and received satisfactory assurance that the working capital needs of the business can be met through financing of the parent company. Investors and external funders look upon the group's prospects favourably and engagement with potential customers has been promising. As in previous years, the company continues to receive financial support from the parent company in order to meet its liabilities as they fall due. The parent company will not seek repayment of the loan within 12 months of the accounts signing date. On this basis, and taking into account the aforementioned assessment and assurances, the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses. Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

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

Trademark	-	10% straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Development costs are amortised at the point of being ready for sale.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

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

Fixtures and fittings	-	15% reducing balance
Equipment	-	25% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Research and development policy

Research expenditure is written off in the period in which it is incurred.

Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- There is the intention to complete the intangible asset and use or sell it;
- There is the ability to use or sell the intangible asset;
- The use or sale of the intangible asset will generate probable future economic benefits;
- There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Expenditure that does not meet the above criteria is expensed as incurred.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial assets, which include trade and other debtors and cash, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Basic financial liabilities, which include trade and other creditors, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. At each reporting date the company assesses whether there is objective evidence that any financial asset has been impaired. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due. The amount of the provision is recognised immediately in profit or loss.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Share-based payments

Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. This is based upon the company's estimate of the shares or share options that will eventually vest which takes into account all vesting conditions and non-market performance conditions, with adjustments being made where new information indicates the number of shares or share options expected to vest differs from previous estimates. Fair value is determined using an appropriate pricing model. All market conditions and non-vesting conditions are taken into account when estimating the fair value of the shares or share options. As long as all other vesting conditions are satisfied, no adjustment is made irrespective of whether market or non-vesting conditions are met. Where the terms of an equity-settled transaction are modified, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the fair value of the transaction, as measured at the date of modification. Where an equity-settled transaction is cancelled or settled, it is treated as if it had vested on the date of cancellation or settlement, and any expense not yet recognised in profit or loss is expensed immediately. Cash-settled share-based payment transactions are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 14 (2022: 19).

5. Intangible assets

	Development costs £	Trademark £	Total £
Cost			
At 1 October 2022	2,618,893	1,858	2,620,751
Additions	708,762	–	708,762
At 30 September 2023	3,327,655	1,858	3,329,513
Amortisation			
At 1 October 2022	–	295	295
Charge for the year	–	186	186
At 30 September 2023	–	481	481
Carrying amount			
At 30 September 2023	3,327,655	1,377	3,329,032
At 30 September 2022	2,618,893	1,563	2,620,456

6. Tangible assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 October 2022	129,768	12,920	1,521,108	1,663,796
Additions	–	255,277	1,513,108	1,768,385
Disposals	(129,768)	–	–	(129,768)
At 30 September 2023	–	268,197	3,034,216	3,302,413
Depreciation				
At 1 October 2022	–	7,040	661,801	668,841
Charge for the year	–	1,060	214,848	215,908
At 30 September 2023	–	8,100	876,649	884,749
Carrying amount				
At 30 September 2023	–	260,097	2,157,567	2,417,664
At 30 September 2022	129,768	5,880	859,307	994,955

7. Debtors

	2023 £	2022 £
Trade debtors	675	618
Amounts owed by group undertakings and undertakings in which the company has a participating interest	–	47,799
Other debtors	475,739	515,882
	476,414	564,299

8. Creditors: amounts falling due within one year

2023	2022
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	£	£
Trade creditors	581,053	61,635
Amounts owed to group undertakings	9,707,299	7,392,955
Social security and other taxes	17,233	16,816
Other creditors	33,935	88,176
	10,339,520	7,559,582

9. Share-based payments

Certain employees had been granted options to subscribe for shares in the parent company, Tantillus Synergy Limited, under share option schemes as follows: During the prior period the following unapproved options were granted:

	Number of shares
Option exercise period December 2018 to December 2018	10,850
Option exercise period December 2018 to December 2020	2,500
Option exercise period April 2021 to April 2021	1,100
Option exercise period April 2021 to April 2031	600

During the prior period the following approved options were granted:

	2023
	£
Option exercise period May 2019 to May 2029	1,500
Option exercise period April 2021 to April 2031	2,150

The estimated fair value of each share option granted is as follows:

	Number	Exercise Price £	Option Price Value £	Fair
Unapproved	13,350	11		8
Unapproved	1,700	51		8
Approved	1,500	11		8
Approved	2,150	13		11

Details of the number and weighted average exercise prices (WAEP) of share options during the year are as follows:

	2023		2022	
	No.	WAEP	No.	WAEP
Outstanding at 1 October 2022	18,700	8.28	48,500	10.68
Forfeited during the year	(2,500)	7.99	(29,800)	8.37
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Outstanding at 30 September 2023	16,200	8.32	18,700	8.28
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The total expense recognised in profit or loss for the year is as follows:

	2023	2022
	£	£
Equity-settled share-based payments	(3,587)	(203,918)
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The estimated fair values were calculated by applying the Black-Scholes option pricing model. The model inputs were 2023 Share price at grant date £10.68 - £14.21 Exercise price £10.68 - £51.17 Expected volatility 70% Expected life 10 years Risk free interest rate 0.756%-1.272% Dividend yield 0% The options outstanding at the year end have an average exercise price of £8.32 and a weighted average contractual life of 5.82 years. The fair value of equity-settled share-based payments at date of grant was estimated using the Black Scholes valuation model as this model, taking into account the terms and conditions of the share options granted.

10. Called up share capital

Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary shares of £ 1 each	15,640	15,640	15,640	15,640

11. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2023	2022
	£	£
Not later than 1 year	117,238	—
Later than 1 year and not later than 5 years	345,305	—
Later than 5 years	135,366	—
	597,909	—

12. Reserves

Share premium account - includes any premiums received on issue of share capital.

Profit and loss account - includes current and prior period retained profits and losses.

Other reserves - represents the cumulative value of share-based payments recognised in respect of options to subscribe in the parent company, Tantillus Synergy Limited, granted to employees.

Scottish Bioenergy Cooperative Ventures Limited classes all of its reserves as capital. The company manages its reserves through its financial and budgeting policies and procedures. There are no external capital requirements imposed on the company.

13. Related party transactions

As at 30 September 2023 Tantillus Synergy Ltd held 100% of the company's issued share capital and it was therefore the parent company and ultimate controlling party. The company has taken advantage of exemption under FRS 102 Section 1A from the requirement to disclose related party transactions with wholly owned group undertakings.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.