

REGISTERED COMPANY NUMBER: SC272756
REGISTERED CHARITY NUMBER: SC036807

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED
REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016**

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

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for the year ended 31 August 2016**

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**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

**REPORT OF THE TRUSTEES
for the year ended 31 August 2016**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The company was set up by the Strathnairn Community Council to administer on its behalf the community funds emanating from the Farr Windfarm. In addition, the company now manages funds emanating from Dunmaglass Windfarm and the Farr Hydro Scheme. In order to achieve this task the company solicits and receives applications for funding from local residents and institutions. It also invests monies not needed immediately for grants in investment funds, bonds and bank deposits which give maximum safety and flexibility.

Significant activities

The principal activity of the company is the promotion of urban or rural regeneration in areas of social and economic deprivation in the Strathnairn Community Council area through award of grants to individuals and groups within this area.

Grantmaking

The company makes such grants as are allowed by the Minute of Agreement with Farr Windfarm Limited and the minute of agreement with Monadhliath Energy Limited and by the Memorandum of Association as approved by the Office of the Scottish Charity Regulator.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The grants awarded by the Fund have been categorised under the headings of General Grants, Venture Grants, Further Education and Training Grants, Home Heating Grants, Renewable Energy Grant, Sports Support Grants, Learning/Development Grants, Start Up Business Grant, Energy Efficiency Improvement Grant, Hardship Grant, Duke of Edinburgh Grant, and Energy Grants.

Grants and donations awarded during the year amounted to £188,185 (2015 - £129,824), with attributable support costs of £17,919 (2015 - £11,704) and governance costs of £2,640 (2015 - £2,160).

FINANCIAL REVIEW

Principal funding sources

The principal funding source is the income received from Farr Windfarm Limited, who established a community benefits package paid on completion of the wind farm sited in the area and Monadhliath Energy Limited, who have established a community benefits package paid on the signing of the agreement. These funds are designed to support local projects and events within the Strathnairn Community Council area.

Investment policy and objectives

The company adopted a policy of investing its available capital in a selection of unit trusts, bonds, equities and managed funds, under the advice of Brewin Dolphin.

Reserves policy

The General Fund represents the unrestricted funds arising from past operating results. It also represents the free reserves of the charity. The trustees will work towards a level of total funds of £700,000, adjusted for inflation, and will manage its annual spending accordingly. This policy will be subject to regular review

FUTURE PLANS

The company will continue to consider and, where appropriate, approve grants.

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

**REPORT OF THE TRUSTEES
for the year ended 31 August 2016**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, its Memorandum and Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The company has one member which is the Strathnairn Community Council. The management of the company is the responsibility of the trustees who are elected under the terms of the Memorandum and Articles of Association.

Recruitment and appointment of new trustees

The board shall consist of not less than ten and not more than twelve trustees. One third of all trustees are required to retire at the annual general meeting on a rotational basis and may not be reappointed for three years. No person other than a trustee retiring by rotation shall be appointed or reappointed a trustee at any general meeting unless he is recommended by the trustees or, within the required time limits, notice is given by a member qualified to vote of the intention to propose that person for appointment or reappointment.

Induction and training of new trustees

To make sure any new trustee becomes familiar with all aspects of the Strathnairn Community Benefit Fund Limited, before joining they are provided with a copy of the charity's governing document (Memorandum and Articles of Association) and information about the aims and objectives of the charity. The role and responsibilities of a new trustee should be clearly identified and the level of their commitment clearly agreed to, they will also be provided with a copy of the OSCR's guidance for charity trustees. All new trustees will be offered the opportunity to attend an induction session to understand the current grant award and financial situation and to review the operational and financial documents.

Related parties

The charity has only one member, which is the Strathnairn Community Council. Trustees appointed by the Strathnairn Community Council shall at all times be in a minority on the board.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC272756

Registered Charity number

SC036807

Registered office

Farr Community Hall
Inverarnie Park
Inverarnie
Inverness
IV2 6AX

Trustees

S E A Moore		- appointed 10/12/2014
E Hardie		- resigned 21/12/2015
D E G Rennie		- resigned 21/12/2015
M H Fitzgerald	Chair to 29/06/16	- appointed 07/01/2013
N Duncan		- appointed 11/01/2013
T G Colbourne		- appointed 07/01/2013
I Hunt		- appointed 11/12/2013
I McQueer	Chair from 29/06/16	- appointed 11/12/2013
S MacDonald		- appointed 11/12/2014
P Robinson		- appointed 10/12/2014
M Burton		- appointed 21/12/2015
P Thompson		- appointed 21/12/2015

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

**REPORT OF THE TRUSTEES
for the year ended 31 August 2016**

REFERENCE AND ADMINISTRATIVE DETAILS

Company Secretary

D Robertson

Independent examiner

MacKenzie Kerr Limited
Chartered Accountants
Redwood
19 Culduthel Road
Inverness
IV2 4AA

Bankers

Clydesdale Bank plc
32 Longman Road
Inverness
IV1 1RY

Solicitors

Harper MacLeod
Alder House
Cradlehall Business Park
Inverness
IV2 5GH

TRUSTEES RESPONSIBILITY STATEMENT

The trustees (who are also the directors of Strathnairn Community Benefit Fund Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 26 October 2016 and signed on its behalf by:


.....
D Robertson - Secretary

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

I report on the accounts for the year ended 31 August 2016 set out on pages five to thirteen.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

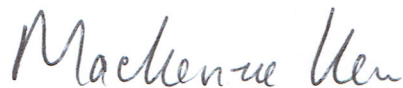
Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



MacKenzie Kerr Limited
Chartered Accountants
Redwood
19 Culduthel Road
Inverness
IV2 4AA

Date: 1 November 2016

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the year ended 31 August 2016**

	Notes	2016 Unrestricted funds £	2015 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies		95,783	623,008
Investment income	2	<u>18,916</u>	<u>12,979</u>
Total		114,699	635,987
EXPENDITURE ON			
Raising funds	3	5,462	-
Charitable activities			
General grants		95,037	52,645
Venture grants		250	1,009
Further education and training grants		3,882	6,365
Renewables grants		8,605	1,106
Charitable donations		-	940
Home heating grants		8,873	9,739
Sport support grants		833	2,226
Learning/development grants		556	2,346
Business start up grants		556	2,767
Energy efficiency fund		5,658	5,645
Respite grants		-	182
Duke of Edinburgh grants		82	885
Youth Adventure grant		-	283
Energy grants		82,196	31,652
Retrospective renewable grants		-	25,898
Hardship grant		<u>2,216</u>	<u>-</u>
Total		214,206	143,688
NET INCOME/(EXPENDITURE)		(99,507)	492,299
Other recognised gains/(losses)			
Gains/(losses) on investment assets		<u>81,582</u>	<u>3,138</u>
Net movement in funds		(17,925)	495,437
RECONCILIATION OF FUNDS			
Total funds brought forward		1,486,801	991,364
TOTAL FUNDS CARRIED FORWARD		<u><u>1,468,876</u></u>	<u><u>1,486,801</u></u>

The notes form part of these financial statements

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

**BALANCE SHEET
At 31 August 2016**

	Notes	£	2016 Unrestricted funds £	2015 Total funds £
FIXED ASSETS				
Investments	7		1,236,633	312,466
CURRENT ASSETS				
Debtors	8		399	319
Cash at bank			<u>236,644</u>	<u>1,176,176</u>
			237,043	1,176,495
CREDITORS				
Amounts falling due within one year	9		(4,800)	(2,160)
NET CURRENT ASSETS			<u>232,243</u>	<u>1,174,335</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,468,876</u>	<u>1,486,801</u>
NET ASSETS			<u>1,468,876</u>	<u>1,486,801</u>
FUNDS	10			
Unrestricted funds			<u>1,468,876</u>	<u>1,486,801</u>
TOTAL FUNDS			<u>1,468,876</u>	<u>1,486,801</u>

The notes form part of these financial statements

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

BALANCE SHEET - CONTINUED
At 31 August 2016

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2016.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 August 2016 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on 26 October 2016 and were signed on its behalf by:


.....
I McQueer -Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company have been prepared in accordance with the Charities SORP (FRSSE) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015)', the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from investments is included in the SOFA in the period in which it is received.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examination fees and costs linked to the strategic management of the charity.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Fixed asset investments

Listed investments are stated at market value at the balance sheet date.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase price if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase price if later).

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 August 2016

2. INVESTMENT INCOME

	2016	2015
	£	£
Dividends received	12,863	-
Interest on investments	<u>6,053</u>	<u>12,979</u>
	<u>18,916</u>	<u>12,979</u>

3. RAISING FUNDS

Investment management costs

	2016	2015
	£	£
Portfolio management	<u>5,462</u>	<u>-</u>

4. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2016	2015
	£	£
Auditors' remuneration	-	1,200
Auditors' remuneration for non audit	-	960
Independent examination	<u>1,200</u>	<u>-</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

During the year, the following trustees were recipients of the following grants:

Trustee	Grant	£
Mark Burton	Renewables grant	1,250
Scott MacDonald	Business Start up	250
Mark Burton	Energy grant	300
Mike Fitzgerald	Energy grant	200
Norma Duncan	Energy grant	200
Sally Moore	Energy grant	200
Scott MacDonald	Energy grant	200
Trevor Colbourne	Energy grant	200
Ian Hunt	Energy grant	200
Isobel McQueer	Energy grant	200
Pauline Thompson	Energy grant	200
Paul Robinson	Energy grant	<u>200</u>

Trustees' expenses

During the year, payments made on behalf of the company amounting to £2,500 were re-imbursed to one trustee.

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 August 2016

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	623,008
Investment income	<u>12,979</u>
Total	635,987
EXPENDITURE ON	
Charitable activities	
General grants	52,645
Venture grants	1,009
Further education and training grants	6,365
Renewables grants	1,106
Charitable donations	940
Home heating grants	9,739
Sport support grants	2,226
Learning/development grants	2,346
Business start up grants	2,767
Energy efficiency fund	5,645
Respite grants	182
Duke of Edinburgh grants	885
Youth Adventure grant	283
Energy grants	31,652
Retrospective renewable grants	<u>25,898</u>
Total	143,688
NET INCOME/(EXPENDITURE)	492,299
Other recognised gains/(losses)	
Gains/(losses) on investment assets	<u>3,138</u>
Net movement in funds	495,437
RECONCILIATION OF FUNDS	
Total funds brought forward	991,364
TOTAL FUNDS CARRIED FORWARD	<u>1,486,801</u>

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 August 2016**

7. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1 September 2015	312,466	-	312,466
Additions	821,487	1,132,907	1,954,394
Disposals	(280,222)	(825,948)	(1,106,170)
Revaluations	75,943	-	75,943
At 31 August 2016	<u>929,674</u>	<u>306,959</u>	<u>1,236,633</u>
NET BOOK VALUE			
At 31 August 2016	<u>929,674</u>	<u>306,959</u>	<u>1,236,633</u>
At 31 August 2015	<u>312,466</u>	<u>-</u>	<u>312,466</u>

The investments are split as follows:

UK Investments	765,293	312,466
Overseas Investments	<u>164,381</u>	<u>-</u>
	<u>929,674</u>	<u>312,466</u>

The listed investment is in a selection of unit trusts, bonds, UK and overseas equities and other investments.

Listed investments in individual entities held at 31 August 2016 which are over 5% of the portfolio by value are as follows:

Investment	Market Value
Fundsmith LLP Equity	54,060
AXA Investment Managers (UK)	48,715
Vanguard Investment Series UK bond	48,869
Vanguard Investment Series UK short term investment	51,351
Kames Capital PLC	51,435
Juniper Unit Trust Managers Strategic Bond	46,893
Seven IM Unit Trust	<u>62,387</u>
	<u>£363,710</u>

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 August 2016

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Other debtors	<u>399</u>	<u>319</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Other creditors	<u>4,800</u>	<u>2,160</u>

10. MOVEMENT IN FUNDS

	At 1/9/15	Net movement in funds	At 31/8/16
	£	£	£
Unrestricted funds			
General fund	1,425,285	(57,561)	1,367,724
Revaluation reserve	<u>61,516</u>	<u>39,636</u>	<u>101,152</u>
	1,486,801	(17,925)	1,468,876
	<u>1,486,801</u>	<u>(17,925)</u>	<u>1,468,876</u>
TOTAL FUNDS			

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	114,699	(214,206)	41,946	(57,561)
Revaluation reserve	<u>-</u>	<u>-</u>	<u>39,636</u>	<u>39,636</u>
	114,699	(214,206)	81,582	(17,925)
	<u>114,699</u>	<u>(214,206)</u>	<u>81,582</u>	<u>(17,925)</u>
TOTAL FUNDS				

Purpose of funds

General fund

Unrestricted funds to meet the financial objectives of the trust as set out in the report of the trustees.

Revaluation reserve

The revaluation reserve reflects the increase in the market value of investments held at the balance sheet date over their original cost.

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2016.

12. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Board of Trustees.

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 August 2016**

	2016 £	2015 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Windfarm income	95,783	623,008
Investment income		
Dividends received	12,863	-
Interest on investments	<u>6,053</u>	<u>12,979</u>
	<u>18,916</u>	<u>12,979</u>
Total incoming resources	114,699	635,987
EXPENDITURE		
Investment management costs		
Portfolio management	5,462	-
Charitable activities		
Grants to institutions	83,012	44,290
Grants to individuals	<u>105,173</u>	<u>85,534</u>
	188,185	129,824
Support costs		
Management		
Company Secretary services	10,257	7,200
Insurance	685	676
Postage, stationery, advertising and printing	5,559	3,442
Professional and legal	964	-
Bank charges	<u>454</u>	<u>386</u>
	17,919	11,704
Governance costs		
Auditors' remuneration	-	1,200
Accountancy fees	1,200	960
Legal fees	<u>1,440</u>	<u>-</u>
	<u>2,640</u>	<u>2,160</u>
Total resources expended	214,206	143,688
Net (expenditure)/income before gains and losses	(99,507)	492,299
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>5,639</u>	<u>-</u>
Net (expenditure)/income	<u>(93,868)</u>	<u>492,299</u>

This page does not form part of the statutory financial statements