

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 2018

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

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for the year ended 31 August 2018**

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**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

**REPORT OF THE TRUSTEES
for the year ended 31 August 2018**

The trustees (who are also directors of the company for the purposes of the Companies Act 2006), present their report with the financial statements of the charity for the year ended 31 August 2018. 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 applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity was set up by the Strathnairn Community Council to administer on its behalf the community funds emanating from the Farr Windfarm. In addition, the charity now manages funds emanating from Dunmaglass Windfarm, Moy Windfarm and the Farr Hydro Scheme. In order to achieve this task the charity solicits and receives applications for funding from local residents and groups. 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 charity 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 charity makes such grants as are allowed by the Agreements with Developers and by the Memorandum of Association as approved by the Office of the Scottish Charity Regulator.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The grants awarded this year by the charity have been categorised under the headings of General Grants, Supplementary Home Heating Grants, Renewable Energy Grants, Energy Efficiency Improvement Grants, Hardship Grants, and Energy Grants.

Grants and donations awarded during the year amounted to £209,604 (2017 - £337,314), with attributable support costs of £17,957 (2017 - £14,373) and governance costs of £1,772 (2017 - £11,742).

FINANCIAL REVIEW

Principal funding sources

The principal funding sources are Developer Contributions paid by the Developers of the Farr, Moy and Dunmaglass windfarms and Farr Hydro scheme. These contributions are designed to support local residents, projects and events within the Strathnairn Community Council area.

Investment policy and objectives

The charity 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

Included in unrestricted funds is the General Fund which represents the unrestricted funds arising from past operating results. Also included in unrestricted reserves are details of the latest income received from each of the windfarms and the grants made from that income to date. These funds also represent the free reserves of the charity. The company will work towards a level of total funds of £500,000, and will manage its annual spending accordingly. This policy will be subject to regular review.

FUTURE PLANS

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, its Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. Revised Articles of Association were adopted at an Extra-Ordinary General Meeting held on 24 September 2018.

From 24 September 2018, membership of the charity is open to any permanent resident from the area of benefit aged 16 years or over. The management of the company is the responsibility of the trustees, acting as Directors, who are elected under the terms of the Articles of Association.

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

**REPORT OF THE TRUSTEES
for the year ended 31 August 2018**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The board shall consist of not less than six and not more than twelve trustees. Prior to every fourth annual general meeting, the members may elect any member to be a director using a postal ballot system. The result of the ballot shall be announced at the annual general meeting. The directors may at any time appoint any member to be a director. The board shall stand for a term of 4 years in office. At every fourth annual general meeting, all of the directors shall retire from office but shall then be eligible for re-election.

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 (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

During the period under review, the charity had only one member, which was the Strathnairn Community Council. Trustees appointed by the Strathnairn Community Council were 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

I Hunt

I McQueer

S MacDonald

M Burton

P Thompson

C MacPherson

N Boyle

T Slade

Chair

Vice Chair


- appointed 13/12/2017

Independent examiner

John Fraser, MA, CA
MacKenzie Kerr Limited
Chartered Accountants
Redwood
19 Culduthel Road
Inverness
IV2 4AA

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 on26.11.18..... and signed on its behalf by:


.....
I Hunt - Trustee

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

I report on the accounts for the year ended 31 August 2018 set out on pages four to eleven.

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.

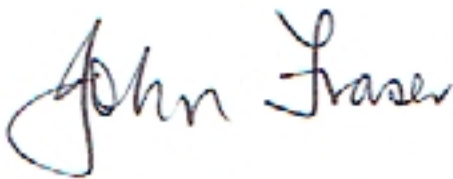
Independent examiner's statement

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.



John Fraser, MA, CA
MacKenzie Kerr Limited
Chartered Accountants
Redwood
19 Culduthel Road
Inverness
IV2 4AA

Date: 28 NOVEMBER 2018

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the year ended 31 August 2018**

	Notes	2018 Unrestricted funds £	2017 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2	298,353	158,719
Investment income	3	<u>35,010</u>	<u>31,214</u>
Total		333,363	189,933
EXPENDITURE ON			
Raising funds	4	(2,231)	11,278
Charitable activities			
General grants		129,818	264,529
Renewables grants		3,950	5,411
Home heating grants		3,282	4,846
Energy efficiency fund		4,125	7,333
Respite and hardship grants		1,264	1,778
Energy grants		<u>86,894</u>	<u>79,532</u>
Total		227,102	374,707
Net gains/(losses) on investments		<u>(3,335)</u>	<u>51,168</u>
NET INCOME/(EXPENDITURE)		102,926	(133,606)
RECONCILIATION OF FUNDS			
Total funds brought forward		1,335,270	1,468,876
TOTAL FUNDS CARRIED FORWARD		<u>1,438,196</u>	<u>1,335,270</u>

The notes form part of these financial statements

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

**BALANCE SHEET
At 31 August 2018**

	Notes	2018 Unrestricted funds £	2017 Total funds £
FIXED ASSETS			
Investments	8	1,390,633	1,160,274
CURRENT ASSETS			
Debtors	9	428	1,774
Cash at bank		<u>77,410</u>	<u>183,049</u>
		77,838	184,823
CREDITORS			
Amounts falling due within one year	10	<u>(30,275)</u>	<u>(9,827)</u>
NET CURRENT ASSETS		<u>47,563</u>	<u>174,996</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,438,196</u>	<u>1,335,270</u>
NET ASSETS		<u>1,438,196</u>	<u>1,335,270</u>
FUNDS	11		
Unrestricted funds		<u>1,438,196</u>	<u>1,335,270</u>
TOTAL FUNDS		<u>1,438,196</u>	<u>1,335,270</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2018 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 charitable small companies.

The financial statements were approved by the Board of Trustees on 26.11.18 and were signed on its behalf by:


.....
I Hunt - 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, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the entity.

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 fair 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 fair value (purchase price if later). Unrealised gains and losses are calculated as the difference between the fair value at the year end and opening fair value (or purchase price if later).

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 August 2018

2. DONATIONS AND LEGACIES

	2018	2017
	£	£
Farr Windfarm (Ventient)	96,382	92,537
Dunmaglass Windfarm (SSE)	65,871	63,578
Farr Hydro (FCS)	5,481	2,804
Moy Windfarm (ENECO)	130,019	-
Goodwill gesture	600	-
	<u>298,353</u>	<u>158,719</u>

3. INVESTMENT INCOME

	2018	2017
	£	£
Dividends received	33,255	30,888
Interest on investments	1,755	326
	<u>35,010</u>	<u>31,214</u>

4. RAISING FUNDS

Investment management costs

	2018	2017
	£	£
Portfolio management	<u>(2,231)</u>	<u>11,278</u>

5. NET INCOME/(EXPENDITURE)

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

	2018	2017
	£	£
Independent examination	<u>1,320</u>	<u>1,200</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustee	Grant	£
Ian Hunt	Energy efficiency grant	500
Mark Burton	Energy efficiency grant	227
Mark Burton	Energy grant	220
Christine MacPherson	Energy grant	220
Nicholas Boyle	Energy grant	220
Scott MacDonald	Energy grant	220
Ian Hunt	Energy grant	220
Isobel McQueer	Energy grant	220
Pauline Thompson	Energy grant	220
Sally Moore	Energy grant x 2 years	440
Trevor Slade	Energy grant x 2 years	440

Trustees' expenses

During the year, payments made on behalf of the company amounting to £104 were re-imbursed to one trustee (2017 - £50).

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	158,719
Investment income	31,214
Total	189,933
EXPENDITURE ON	
Raising funds	11,278
Charitable activities	
General grants	264,529
Renewables grants	5,411
Home heating grants	4,846
Energy efficiency fund	7,333
Respite and hardship grants	1,778
Energy grants	79,532
Total	374,707
Net gains/(losses) on investments	51,168
NET INCOME/(EXPENDITURE)	(133,606)
RECONCILIATION OF FUNDS	
Total funds brought forward	1,468,876
TOTAL FUNDS CARRIED FORWARD	1,335,270

8. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1 September 2017	1,132,693	27,581	1,160,274
Additions	1,722	243,256	244,978
Disposals	(10,106)	(1,284)	(11,390)
Revaluations	<u>(3,229)</u>	<u>-</u>	<u>(3,229)</u>
At 31 August 2018	<u>1,121,080</u>	<u>269,553</u>	<u>1,390,633</u>
NET BOOK VALUE			
At 31 August 2018	<u>1,121,080</u>	<u>269,553</u>	<u>1,390,633</u>
At 31 August 2017	<u>1,132,693</u>	<u>27,581</u>	<u>1,160,274</u>

The investments are split as follows:

	2018 £	2017 £
UK Investments	916,631	942,792
Overseas Investments	<u>204,449</u>	<u>189,901</u>
	<u>1,121,080</u>	<u>1,132,693</u>

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

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Prepayments and accrued income	<u>428</u>	<u>1,774</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Accrued expenses	<u>30,275</u>	<u>9,827</u>

STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 August 2018

11. MOVEMENT IN FUNDS

	At 1/9/17 £	Net movement in funds £	Transfers between funds £	At 31/8/18 £
Unrestricted funds				
General fund	1,071,548	83,774	3,348	1,158,670
Revaluation reserve	263,722	-	(3,348)	260,374
Dunmaglass Windfarm (SSE)	-	6,120	-	6,120
Farr Windfarm (Ventient)	-	4,810	-	4,810
Moy Windfarm (ENECO)	-	3,275	-	3,275
Farr Hydro (FCS)	-	4,947	-	4,947
	<u>1,335,270</u>	<u>102,926</u>	<u>-</u>	<u>1,438,196</u>
TOTAL FUNDS	<u>1,335,270</u>	<u>102,926</u>	<u>-</u>	<u>1,438,196</u>

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	99,465	(12,356)	(3,335)	83,774
Dunmaglass Windfarm (SSE)	65,871	(59,751)	-	6,120
Farr Windfarm (Ventient)	96,382	(91,572)	-	4,810
Moy Windfarm (ENECO)	66,164	(62,889)	-	3,275
Farr Hydro (FCS)	5,481	(534)	-	4,947
	<u>333,363</u>	<u>(227,102)</u>	<u>(3,335)</u>	<u>102,926</u>
TOTAL FUNDS	<u>333,363</u>	<u>(227,102)</u>	<u>(3,335)</u>	<u>102,926</u>

Comparatives for movement in funds

	At 1/9/16 £	Net movement in funds £	Transfers between funds £	At 31/8/17 £
Unrestricted Funds				
General fund	1,367,724	(133,606)	(162,570)	1,071,548
Revaluation reserve	101,152	-	162,570	263,722
	<u>1,468,876</u>	<u>(133,606)</u>	<u>-</u>	<u>1,335,270</u>
TOTAL FUNDS	<u>1,468,876</u>	<u>(133,606)</u>	<u>-</u>	<u>1,335,270</u>

Comparative 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	189,933	(374,707)	51,168	(133,606)
TOTAL FUNDS	<u>189,933</u>	<u>(374,707)</u>	<u>51,168</u>	<u>(133,606)</u>

11. MOVEMENT IN FUNDS - continued

Purpose of funds

General fund

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

Dunmaglass Windfarm (SSE)

Income and expenses attributed to this windfarm.

Farr Windfarm (Ventient)

Income and expenses attributed to this windfarm.

Moy Windfarm (ENECO)

Income and expenses attributed to this windfarm.

Farr Hydro (FCS)

Income and expenses attributed to this Hydro scheme.

Revaluation reserve

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

Transfers between funds

A transfer of funds has been made between the general fund and the revaluation reserve to reflect the increase in investments held at 31 August 2018.

12. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2018.