

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 2017**

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

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for the year ended 31 August 2017**

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STRATHNAIRN COMMUNITY BENEFIT FUND LIMITED

REPORT OF THE TRUSTEES for the year ended 31 August 2017

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 2017. 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 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, Respite Grants, and Energy Grants.

Grants and donations awarded during the year amounted to £337,314 (2016 - £188,185), with attributable support costs of £14,373 (2016 - £17,919) and governance costs of £11,742 (2016 - £2,640).

FINANCIAL REVIEW

Principal funding sources

The principal funding sources are Developer Contributions paid by the Developers of the Farr and Dunmaglass windfarms. 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

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 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 Memorandum and Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

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

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

**REPORT OF THE TRUSTEES
for the year ended 31 August 2017**

STRUCTURE, GOVERNANCE AND MANAGEMENT

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	
M H Fitzgerald	- resigned 14/12/2016
N Duncan	- resigned 14/12/2016
T G Colbourne	- resigned 14/12/2016
I Hunt	
I McQueer	Chair
S MacDonald	Vice Chair
P Robinson	
M Burton	- resigned 7/8/2017
P Thompson	
C MacPherson	- appointed 14/12/2016
N Boyle	- appointed 1/6/2017

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**


**REPORT OF THE TRUSTEES
for the year ended 31 August 2017**

Acting Company Secretary
Foundation Scotland

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 on 9 November 2017 and signed on its behalf by:


.....
I McQueer - 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 2017 set out on pages five 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.

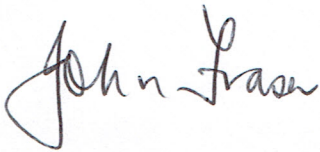
Independent examiner's statement

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: 13 NOVEMBER 2017

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the year ended 31 August 2017**

	Notes	2017 Unrestricted funds £	2016 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2	158,719	95,783
Investment income	3	<u>31,214</u>	<u>18,916</u>
Total		189,933	114,699
EXPENDITURE ON			
Raising funds	4	11,278	5,462
Charitable activities			
General grants		264,529	95,037
Venture grants		-	250
Further education and training grants		-	3,882
Renewables grants		5,411	8,605
Home heating grants		4,846	8,873
Sport support grants		-	833
Learning/development grants		-	556
Business start up grants		-	556
Energy efficiency fund		7,333	5,658
Respite grants		699	-
Duke of Edinburgh grants		-	82
Energy grants		79,532	82,196
Hardship grant		<u>1,079</u>	<u>2,216</u>
Total		374,707	214,206
Net gains/(losses) on investments		<u>51,168</u>	<u>81,582</u>
NET INCOME/(EXPENDITURE)		(133,606)	(17,925)
RECONCILIATION OF FUNDS			
Total funds brought forward		<u>1,468,876</u>	<u>1,486,801</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>1,335,270</u></u>	<u><u>1,468,876</u></u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

**BALANCE SHEET
At 31 August 2017**

	Notes	2017 Unrestricted funds £	2016 Total funds £
FIXED ASSETS			
Investments	8	1,160,274	1,236,633
CURRENT ASSETS			
Debtors	9	1,774	399
Cash at bank		<u>183,049</u>	<u>236,644</u>
		184,823	237,043
CREDITORS			
Amounts falling due within one year	10	(9,827)	(4,800)
NET CURRENT ASSETS		<u>174,996</u>	<u>232,243</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,335,270</u>	<u>1,468,876</u>
NET ASSETS		<u>1,335,270</u>	<u>1,468,876</u>
FUNDS			
Unrestricted funds	11	<u>1,335,270</u>	<u>1,468,876</u>
TOTAL FUNDS		<u>1,335,270</u>	<u>1,468,876</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2017.

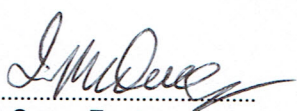
The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 August 2017 in accordance with Section 476 of the Companies Act 2006.

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.

The financial statements were approved by the Board of Trustees on 11 November 2017 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, 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 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).

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 2017**

2. DONATIONS AND LEGACIES

	2017	2016
	£	£
Farr Wind Farm (Innogy)	92,537	90,684
Dunmaglass Wind Farm (SSE)	63,578	-
Farr Hydro (FCS)	<u>2,604</u>	<u>5,099</u>
	<u>158,719</u>	<u>95,783</u>

3. INVESTMENT INCOME

	2017	2016
	£	£
Dividends received	30,888	12,863
Interest on investments	<u>326</u>	<u>6,053</u>
	<u>31,214</u>	<u>18,916</u>

4. RAISING FUNDS

Investment management costs

	2017	2016
	£	£
Portfolio management	<u>11,278</u>	<u>5,462</u>

5. NET INCOME/(EXPENDITURE)

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

	2017	2016
	£	£
Independent examination	<u>1,200</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 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
Paul Robinson	Energy grant	<u>220</u>

Trustees' expenses

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

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 August 2017**

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	95,783
Investment income	<u>18,916</u>
Total	114,699
EXPENDITURE ON	
Raising funds	5,462
Charitable activities	
General grants	95,037
Venture grants	250
Further education and training grants	3,882
Renewables grants	8,605
Home heating grants	8,873
Sport support grants	833
Learning/development grants	556
Business start up grants	556
Energy efficiency fund	5,658
Duke of Edinburgh grants	82
Energy grants	82,196
Hardship grant	<u>2,216</u>
Total	214,206
Net gains/(losses) on investments	<u>81,582</u>
NET INCOME/(EXPENDITURE)	(17,925)
RECONCILIATION OF FUNDS	
Total funds brought forward	1,486,801
TOTAL FUNDS CARRIED FORWARD	<u><u>1,468,876</u></u>

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 August 2017**

8. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1 September 2016	929,674	306,959	1,236,633
Additions	267,281	146,481	413,762
Disposals	(117,687)	(425,859)	(543,546)
Revaluations	53,425	-	53,425
	<u>1,132,693</u>	<u>27,581</u>	<u>1,160,274</u>
At 31 August 2017			
NET BOOK VALUE			
At 31 August 2017	<u>1,132,693</u>	<u>27,581</u>	<u>1,160,274</u>
At 31 August 2016	<u>929,674</u>	<u>306,959</u>	<u>1,236,633</u>

The investments are split as follows:

UK Investments	942,792	765,293
Overseas Investments	<u>189,901</u>	<u>164,381</u>
	<u>1,132,693</u>	<u>929,674</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

	2017 £	2016 £
Other debtors	-	69
Prepayments and accrued income	<u>1,774</u>	<u>330</u>
	<u>1,774</u>	<u>399</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Accrued expenses	<u>9,827</u>	<u>4,800</u>

11. 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	<u>101,152</u>	<u>-</u>	<u>162,570</u>	<u>263,722</u>
	<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>

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 August 2017**

11. MOVEMENT IN FUNDS - continued

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

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.

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 2017.

12. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2017.

**STRATHNAIRN COMMUNITY BENEFIT FUND
LIMITED**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 August 2017**

	2017 £	2016 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Farr Wind Farm (Innogy)	92,537	90,684
Dunmaglass Wind Farm (SSE)	63,578	-
Farr Hydro (FCS)	<u>2,604</u>	<u>5,099</u>
	158,719	95,783
Investment income		
Dividends received	30,888	12,863
Interest on investments	<u>326</u>	<u>6,053</u>
	<u>31,214</u>	<u>18,916</u>
Total incoming resources	189,933	114,699
EXPENDITURE		
Investment management costs		
Portfolio management	11,278	5,462
Charitable activities		
Grants to institutions	245,571	83,012
Grants to individuals	<u>91,743</u>	<u>105,173</u>
	337,314	188,185
Support costs		
Management		
Company Secretary services	10,849	10,257
Insurance	701	685
Postage, stationery, advertising and printing	2,360	5,559
Professional and legal	-	964
Bank charges	<u>463</u>	<u>454</u>
	14,373	17,919
Governance costs		
Accountancy fees	1,200	1,200
Legal fees	840	1,440
Consultancy fees	<u>9,702</u>	<u>-</u>
	<u>11,742</u>	<u>2,640</u>
Total resources expended	374,707	214,206
Net expenditure before gains and losses	(184,774)	(99,507)
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>(2,256)</u>	<u>5,639</u>
Net expenditure	<u>(187,030)</u>	<u>(93,868)</u>

This page does not form part of the statutory financial statements