

**REGISTERED COMPANY NUMBER: SC338213 (Scotland)**  
**REGISTERED CHARITY NUMBER: SC039443**

**REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2016  
FOR  
VALLEY RENEWABLES GROUP**

French Duncan LLP  
Chartered Accountants  
Macfarlane Gray House  
Castlecraig Business Park  
Springbank Road  
Stirling  
Stirlingshire  
FK7 7WT

**VALLEY RENEWABLES GROUP**

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FOR THE YEAR ENDED 30 JUNE 2016**

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## VALLEY RENEWABLES GROUP

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2016

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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 30 June 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 aims of VRG are the advancement of community development, environmental protection, improvement and education; the provision of community or recreational facilities, or the organisation of community or recreational activities, or any other purpose that may be reasonably regarded as analogous to any of the preceding, all with the objective of improving the quality of life for the community we serve.

The charity specifically benefits the Carron Valley and District community. It negotiates community benefit with prospective wind farm operators, receives community benefit funds from the operators, it makes grants to individuals and organisations and carries out activities and services itself within its community. VRG continues to act as administrator for an annual funding allocation made to the Community Council by Foundation Scotland, which distributes funds from the Earlsburn 1 wind farm.

During the accounting year the charity received payments of £47,754 from Scotia Windfarms (Craigengelt Windfarm). The charity has built up a substantial balance of funds (£125,000), which it holds in reserve for larger development projects (principally, the Community Base) where the planning stage is now progressing. Meantime these funds have been placed in an interest bearing Charities Fixed Term Deposit account.

## VALLEY RENEWABLES GROUP

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2016

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#### OBJECTIVES AND ACTIVITIES

##### Other activities

###### Earsburn Fund

VRG has agreed to administer funds received from Foundation Scotland on behalf of the Community Council. A separate Micro-grant Scheme has been established to meet the terms of the Foundation Scotland funding. The Community Council undertakes to report to Foundation Scotland on micro-grant distribution three times a year in June, October and February. VRG provides this reporting for the Community Council. The maximum grant is £250. This will be superseded shortly by a new arrangement whereby Foundation Scotland and wind farm operator Falck have agreed to the transfer of the accrued Earsburn funds for management by VRG acting on behalf of the Community Council. Initially, this sum (£88,000), and annual additions, will be held in a Fixed Term Deposit Account pending transfer, in due course when it proceeds, into the Community Base project.

###### Small Grant Schemes

The VRG 2015-18 Strategy approved at the 2014 AGM provides the basis for our delivery activities and the distribution of funds. During this financial year the charity has continued its successful Small Grant Scheme for home energy efficiency improvements; it has promoted a new Young Persons Grant Scheme to assist those aged between 7 and 25 with training, equipment, travel, education and environmental projects. The Household Small Grant Scheme maximum grant was raised to £500 per application; this better reflects the scale, complexity and cost of home energy efficiency improvements. For the Young Person's Small Grant Scheme the maximum grant is £250 and both still, within reason, permit an unrestricted number of applications per household. A Student Bursary Scheme is being considered by the Board for those between the ages of 16 and 25 in full time education, training or apprenticeships. A full review of the scope of the Small Grant Schemes is planned to optimise accessibility to community benefit funding across our whole community and in compliance with our terms and conditions. Current expenditure on all the small grant schemes is running at about £10,000 per year.

###### Community Open Day

VRG organises and runs a Community Open Day each year at the end of August. This was held on Saturday 27th August and for a second year at Craigend Farm. There was a full programme of talks, demonstrations, stalls staffed by *environmental charities, local producers and local groups*. *This year's event attracted over 200 people of all ages (from a community of 320) and was a big success. It has become a well-supported and established community event.*

###### Mobile Phone and Broadband Services

VRG in conjunction with the Community Council has been pursuing new infrastructure to improve mobile and broadband coverage for the area where the service is currently poor and patchy. This has temporarily stalled for two reasons. Firstly, the current flux in the technology (4G roll out) and the offer from service providers. Secondly, advice from BT that some area postcodes may benefit from fibre services at some undetermined time in the future has put at risk early funding from Community Broadband Scotland. VRG is convinced of the need for an early solution and retains funds to support infrastructure improvements when the way forward for these becomes clear.

###### Community Base Project

The longstanding need for a community base, in a community without a school, church, shop, pub, community hall or meeting place is being pursued vigorously by VRG with full support from the Community Council. A site has been identified and an application made for community purchase under the National Forest Land Scheme. Stage 1 Project Development Funding has been sought and provided by the Scottish Land Fund for the appointment of consultants to assist in developing a feasibility and business case for the project. This is due for interim review at the AGM in November and the study completed in December. A view will be taken at that time on a Stage 2 application for site purchase and parallel funding applications to support the construction of the Community Base building. VRG funds are likely to be required and are being held as match funding.

#### FINANCIAL REVIEW

##### Reserves policy

The Charity is holding reserves of £75,000 - £90,000 in its bank current account and considers this appropriate to allow it to respond promptly to grant application and community activity payments and for funding its own administration. The charity has been seeking improved savings arrangements for its reserves and has agreed to an 18 month Charities Fixed Term Deposit of £126,000 with the Clydesdale Bank with effect from 21st September 2016. This account provides a reasonable rate of interest (1.15%) consistent with access to the funds, should one or more of our larger projects progress quickly to the delivery stage.

## VALLEY RENEWABLES GROUP

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2016

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### **Governing document**

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

The trust was recognised as a Scottish charity with effect from 20 March 2008. The trust is administered in accordance with the terms of the Trust Deed set out in the Memorandum and Articles of Association dated 13 February 2008.

##### **Recruitment and appointment of new trustees**

There were eight trustees out of a maximum of nine at the year end. There were no changes to the named trustees during the year. We continue to seek a suitable and willing member to invite as the ninth trustee.

##### **Organisational structure**

The Board of Trustees, in accordance with the governance document, must have at least four trustees and no more than nine serving at any one time. From this number, the Chair, Secretary and Treasurer are appointed each year at the AGM. For the 2015/16 financial year, the Chair has been Margaret Porter; the Secretary, Barbara Wilson and the Treasurer, Robert Ferguson.

The full board meets monthly, its deliberations are fully minuted and this record is retained by the Secretary. There is a written report on financial transactions for each monthly meeting provided by the Treasurer. Subgroups are appointed as and when required to carry out external meetings and to undertake research work, reporting back to the main Board. In the last year there have been subgroups for liaison with wind farm developers and with neighbouring development trusts bidding for wind farm community benefits, for improved Broadband provision, to develop the Young Person's Small Grant Scheme, for the development of a Community Base, and for the Community Open Day.

The strategy review for the 2015-2018 period, which was reviewed and approved for adoption at the AGM in November 2014 remains the basis for the Board's policies and programme. Copies were circulated to all households in the community. Similarly, regular newsletters, typically three a year, are issued to every household in the community to keep all residents fully advised of the work of the Board and the distribution of funds. The board has continued to expand and improve its website making available to all its strategy, newsletters, details of the three small grant schemes, and other public documents.

##### **Induction and training of new trustees**

All new trustees are given, in the view of the board, sufficient training and have enough knowledge of their specific field to understand the nature of the charity and fully comply with the charities current view of its progression. They are fully aware of both their legal and professional responsibilities under charity and company law.

##### **Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

##### **Professional advice**

We have reappointed French Duncan LLP, to carry out independent preparation and examination of our accounts. They are experienced in the Charity Sector and this has been of continuing benefit in our activities, most recently advising on the enhanced reporting required under the Charities Act - the new Statement of Recommended Practice (SORP 2015) and also the new Financial Reporting Standard (FRS 102).

For legal advice we use Burness Paull Solicitors, Glasgow who are recognised specialists in both the charities sector and in dealing with communities and wind farms. They also arrange seminars on subjects relevant to our charity to which we are invited.

VRG are full members of the Development Trusts Association Scotland, the community led regeneration network, and we receive useful information from them with the opportunity to attend their events and workshops. They are available to answer queries that we may have as a community development trust.

VRG is represented at meeting of members of the Stirlingshire Development Trust Association and this of continuing benefit in the discussion of common local issues.

**VALLEY RENEWABLES GROUP**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 30 JUNE 2016**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

SC338213 (Scotland)

**Registered Charity number**

SC039443

**Registered office**

2 Buckieburn  
Carron Bridge  
Denny  
Stirlingshire  
FK6 5JJ

**Trustees**

Mr I MacFarlane	Trustee
Mr D McAlpine	Trustee
Miss M Porter	Trustee
Miss B Wilson	Trustee
Mrs M Gallagher	Trustee
Mr D Sparkes	Trustee
Mr R Ferguson	Trustee
Dr I Tabner	Trustee

**Company Secretary**

Miss B Wilson

**Independent examiner**

*French Duncan LLP*  
Chartered Accountants  
Macfarlane Gray House  
Castlecraig Business Park  
Springbank Road  
Stirling  
Stirlingshire  
FK7 7WT

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 10<sup>th</sup> NOVEMBER 2016 and signed on its behalf by:



Mr R Ferguson - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
VALLEY RENEWABLES GROUP**

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I report on the accounts for the year ended 30 June 2016 set out on pages six 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.



Ellen Waters BA CA  
French Duncan LLP  
Chartered Accountants  
Macfarlane Gray House  
Castlecraig Business Park  
Springbank Road  
Stirling  
Stirlingshire  
FK7 7WT

Date: 22/11/16.....

**VALLEY RENEWABLES GROUP**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	<b>2016 Unrestricted fund £</b>	2015 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	2	47,754	51,274
Investment income	3	1,301	78
<b>Total</b>		<b>49,055</b>	<b>51,352</b>
<b>EXPENDITURE ON</b>			
Raising funds	4	3,230	3,355
<b>Charitable activities</b>			
VRG Grant Scheme		14,936	10,581
Independent Community Survey		-	685
Open day		4,911	4,478
<b>Total</b>		<b>23,077</b>	<b>19,099</b>
<b>NET INCOME</b>		<b>25,978</b>	<b>32,253</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		<b>196,407</b>	<b>164,154</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>222,385</b>	<b>196,407</b>

The notes form part of these financial statements



**VALLEY RENEWABLES GROUP**

**BALANCE SHEET  
AT 30 JUNE 2016**

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	Notes	£	2016 Unrestricted fund £	2015 Total funds £
<b>CURRENT ASSETS</b>				
Debtors	7		13,225	11,824
Cash at bank			<b>210,080</b>	185,387
			<u>223,305</u>	<u>197,211</u>
<b>CREDITORS</b>				
Amounts falling due within one year	8		(920)	(804)
<b>NET CURRENT ASSETS</b>				
			<u>222,385</u>	<u>196,407</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				
			<u>222,385</u>	<u>196,407</u>
<b>NET ASSETS</b>				
			<u>222,385</u>	<u>196,407</u>
<b>FUNDS</b>				
Unrestricted funds	9		<u>222,385</u>	<u>196,407</u>
<b>TOTAL FUNDS</b>				
			<u>222,385</u>	<u>196,407</u>

The notes form part of these financial statements

**VALLEY RENEWABLES GROUP**

**BALANCE SHEET - CONTINUED  
AT 30 JUNE 2016**

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The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2016.

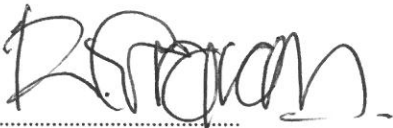
The members have not required the charitable company to obtain an audit of its financial statements for the year ended 30 June 2016 in accordance with Section 476 of the Companies Act 2006.

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 10th NOVEMBER 2016 and were signed on its behalf by:



.....  
Mr R Ferguson -Trustee

## VALLEY RENEWABLES GROUP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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#### 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.

##### **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.

##### **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.

##### **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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

#### 2. DONATIONS AND LEGACIES

	2016	2015
	£	£
Distribution	47,754	47,156
Grants	-	4,094
Subscriptions	-	24
	<u>47,754</u>	<u>51,274</u>

Grants received, included in the above, are as follows:

	2016	2015
	£	£
Foundation Scotland	-	4,094

Windfarm payments are received in arrears half yearly at the end of March and September. It should be noted that residents in the Carron Valley Community now only pay a one off £3 when resident, and this enables them to receive VRG communications and to be able to vote at the AGM and become a director.

VALLEY RENEWABLES GROUP

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 30 JUNE 2016

3. INVESTMENT INCOME

	2016 £	2015 £
Deposit account interest	<u>1,301</u>	<u>78</u>

4. RAISING FUNDS

Raising donations and legacies

	2016 £	2015 £
Support costs	<u>3,230</u>	<u>3,355</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2016 nor for the year ended 30 June 2015.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 June 2016 nor for the year ended 30 June 2015.

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
<b>INCOME AND ENDOWMENTS FROM</b>	
Donations and legacies	51,274
Investment income	78
<b>Total</b>	<u>51,352</u>
<b>EXPENDITURE ON</b>	
Raising funds	3,355
<b>Charitable activities</b>	
VRG Grant Scheme	10,581
Independent Community Survey	685
Open day	4,478
<b>Total</b>	<u>19,099</u>
<b>NET INCOME</b>	<u>32,253</u>
<b>RECONCILIATION OF FUNDS</b>	
<b>Total funds brought forward</b>	164,154
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>196,407</u></u>

VALLEY RENEWABLES GROUP

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 30 JUNE 2016

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

Unrestricted  
fund  
£

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Distribution receivable	11,905	11,754
Prepayments and accrued income	1,320	70
	<u>13,225</u>	<u>11,824</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Other creditors	920	804
	<u>920</u>	<u>804</u>

9. MOVEMENT IN FUNDS

	At 1/7/15 £	Net movement in funds £	At 30/6/16 £
<b>Unrestricted funds</b>			
General fund	196,407	25,978	222,385
	<u>196,407</u>	<u>25,978</u>	<u>222,385</u>
<b>TOTAL FUNDS</b>	<u>196,407</u>	<u>25,978</u>	<u>222,385</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	49,055	(23,077)	25,978
	<u>49,055</u>	<u>(23,077)</u>	<u>25,978</u>
<b>TOTAL FUNDS</b>	<u>49,055</u>	<u>(23,077)</u>	<u>25,978</u>

10. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 June 2016.

**VALLEY RENEWABLES GROUP**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	2015
	<b>£</b>	£
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Distribution	47,754	47,156
Grants	-	4,094
Subscriptions	-	24
	<u>47,754</u>	<u>51,274</u>
<b>Investment income</b>		
Deposit account interest	1,301	78
	<u>1,301</u>	<u>78</u>
<b>Total incoming resources</b>	<b>49,055</b>	<b>51,352</b>
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Independent Community Survey	-	800
VRG grant scheme	14,936	10,581
Open day	4,911	4,363
	<u>19,847</u>	<u>15,744</u>
<b>Support costs</b>		
<b>Finance</b>		
Postage and stationery	745	1,050
Sundries	530	109
Administrative support	678	469
Website design and implementation	50	17
	<u>2,003</u>	<u>1,645</u>
<b>Governance costs</b>		
Legal and professional fees	115	300
Accountancy	1,112	1,410
	<u>1,227</u>	<u>1,710</u>
<b>Total resources expended</b>	<b>23,077</b>	<b>19,099</b>
<b>Net income</b>	<b><u>25,978</u></b>	<b><u>32,253</u></b>

This page does not form part of the statutory financial statements