

Charity registration number SC039443 (Scotland)

Company registration number SC338213 (Scotland)

VALLEY RENEWABLES GROUP
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

VALLEY RENEWABLES GROUP

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	I B Macfarlane R J Ferguson C Brown C Logan D Petch J N Holdsworth Dr J H Speake M Porter	(Appointed 8 November 2022) (Appointed 9 May 2023)
Secretary	J N Holdsworth	
Charity number (Scotland)	SC039443	
Company number	SC338213	
Registered office and principal address	Greathill House Stirling Scotland FK7 9QS	
Independent examiner	John S Anderson CA French Duncan LLP trading as AAB Macfarlane Gray House Castlecraig Business Park Springbank Road Stirling United Kingdom FK7 7WT	

VALLEY RENEWABLES GROUP

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VALLEY RENEWABLES GROUP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2023

The trustees present their annual report and financial statements for the year ended 30 June 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "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)" (second edition - October 2019) (effective 1 January 2019).

Objectives and activities

Aims and objectives

The aims of Valley Renewable Group (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 rural living for the community we serve.

Activities

The Charity is the Development Trust for the Carron Valley and District Community and applies its funds specifically to households and community groups within the community council area. It negotiates community benefit with prospective wind farm operators and receives community benefit funds from those operators. It makes a wide range of grants to individuals and organisations and carries out activities and services itself within its community. The Community Benefit funds we receive from wind farm operators are paid over 25 years from the generation start date and are index linked each year to the energy price.

Achievements and performance

Restricted funds

During the accounting year, the charity, on behalf of the Community Council, accepted the transfer of community benefit payments from Earlsburn and Kingsburn wind farms operated by Falck/Renantis and distributed on their behalf by Foundation Scotland. The funds transferred to VRG during the 2022/23 financial year were £26,915 for Earlsburn, and £31,198 for Kingsburn. These funds are restricted to community-wide projects, community group projects and events where the expenditure must have approval from the Community Council and Foundation Scotland. This year these funds have been applied to the ongoing development of the Community Woodland in accordance with a second three year development plan and budget (2021-2024), and a transfer into the Investment Fund, both agreed with the Community Council and Foundation Scotland. We also received a one-off grant of £8,000 as the successful bidder for Falck's Call for Projects in response to the 'Cost of Energy Crisis'. This funding has allowed the purchase of a fire wood processor for use in community wood fuel days.

In future years, restricted funds will also be applied to community events such as the Open Day/Residents' Picnic, Spring and Autumn events and to Community Group activities. These have been previously funded from the unrestricted funds.

Unrestricted funds

The charity directly received payments of £67,019 in community benefit from Craigengelt wind farm operated by Engie UK Ltd and £4,000 from Clean Earth Energy from their single turbine at Craiggannet. These funds are both unrestricted and are applied to finance the various grant schemes to households, for administration and community activities.

Other income

There were 8 membership subscriptions at £3.00 each.

VALLEY RENEWABLES GROUP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Our grants, projects and activities

Strategy delivery

This year we reviewed and revised our strategy. The focus is on two main themes - home energy efficiency and support for local residents' groups. The 2023-28 strategy is now the basis for our delivery of activities and the distribution of funds. The new strategy consolidates the work we have done to date on income distribution within our community, and continues to shift the emphasis from projects led by VRG Board members to projects led by groups from within the community, supported by Board members and reporting to the VRG Board. This has been successful in bringing more community members into our work. We now have nine subgroups running, ranging from grants, investments, and communications to the community woodland, meeting room and community events. We have an important new subgroup developing and delivering our home energy efficiency strategy.

Grant schemes

During the 2022-23 financial year the charity has replaced its successful Household Grant Scheme with a new Energy Efficiency Grant Scheme focused on offering households enhanced grants and technical support for home insulation and heating. It continues to promote a Young Person's Grant Scheme to assist those aged up to 25 with training, equipment, travel, education and environmental projects, and child support. A Student Bursary Scheme provides grants for those in full-time education, training, or apprenticeships. There were 24 Household Grants (maximum £500 per application); 29 Energy Efficiency Grants (£1,000 per household), 13 Young Person's Grants (maximum £250) and 5 Student Bursaries (£500 per year).

Grants to a maximum of £220 were provided for households to comply with Scottish Government legislation requiring linked fire alarms in every home. 54 grants have been paid in total and the scheme is now closed. Get the Valley Growing aims to encourage increased self-sufficiency and food security offering up to £500 of funding towards polytunnels, compost bins, greenhouses, raised beds, plants, seeds, compost and gardening sundries. 34 grants were awarded in the year.

In response to the Cost of Energy Crisis, the Board quickly established a support scheme offering grants of up to £250 to help with managing energy costs and keeping warm. The Warm Up/Costs Down grant scheme provided funding for air fryers, slow cookers, microwave ovens, clothes dryers, dehumidifiers, thermal blankets and more. 40 grants were awarded, and the scheme will restart for the winter of 2023/24. The Electric Bike Scheme offering grants of £500 per household is being continued.

Two newer grant schemes offering up to £5,000, and over £5,000 for larger projects, are aimed at Community Groups and Residents Groups. The first five projects have been delivered. Also, the Tom Robb memorial run, in memory of one of our residents, is financially supported each year. The community defibrillator project has now installed the five units planned. The funding for a chainsaw training course for residents has been approved and is ready to go this autumn.

We have appointed Kerrian Grant to undertake an independent review of our grant schemes. This work will consider their effectiveness in meeting our aims and objectives, and the efficacy of their delivery. The review will report in autumn 2023.

Falck/Renantis - Call for Projects

We were successful in winning £8,000 of additional funding from Falck Energy in a 'Call for Projects', a response to the developing cost of energy crisis. Based on our established community wood fuel scheme we have been able to expand this to offer firewood gratis to households in the community with six wood fuel events a year. The funding has allowed us to purchase and maintain a firewood processor, simplifying and speeding the production and loading of split logs.

Grant scheme expenditure

Current expenditure on all the grant schemes for the 2022/23 financial year was £70,352. There were 24 Household grants (£10,921), 29 Energy Efficiency grants (£27,279) introduced January 2023, 13 Young Person's grants (£3,047), 5 Student Bursaries (£2,500), 12 Linked Fire Alarm grants (£1,983), 34 Get the Valley Growing grants (£12,608), 40 Warm Up/Costs Down grants (£9,618), 1 eBike (£500) and 2 Community Group grants (£1,896). The total number of grants was 160. The amount distributed in grants was significantly higher than in previous years, with a large number of applications for the new Energy Efficiency grant, and a substantial uptake of Warm Up/Costs Down grants, both reflecting the major impact on our community of increased energy prices.

VALLEY RENEWABLES GROUP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Community Open Day (Residents' Picnic)

The event for 2022 was held at the end of August and was a resounding success - a warm and sunny day with over 250 folk attending. After five successful Community Open Days at Craigend Farm, the Open Day has been renamed the 'Residents' Picnic', and will be relocated to the event space at the Community Woodland. The successful formula of crafts, talks, demonstrations, children's entertainment, and a good lunch, all under canvas, will be continued.

A new spring event 'Gardener's Question Time' and the autumn 'Pomona Day' both held under canvas at the Community Woodland were very popular and well supported.

Community woodland

The Community Woodland is now in its fifth year, and we have been encouraged by winning the 'Commended' award for Scotland's Finest Woods presented by the Cabinet Secretary for Rural Affairs in the Scottish Government at the Royal Highland Show on 23rd June 2023. The award reflects the commitment by the community to the successful development and operation of its 21ha woodland.

This year, in response to the developing energy crisis, we have expanded our community wood fuel offer to residents. We purchased a fire wood processor with the support of a Falck grant, bought in bulk 150 tonnes of fire wood grade timber and organised six firewood days through the winter. 75 households have taken fire wood, 54 volunteers helping and delivering, with 347 loads delivered this year. The work will continue in future years to support our community where there is no mains gas and most households are dependent on oil, LPG or wood for heating, and with most homes classed as 'hard to heat'.

With most of the development work to create an accessible native woodland complete, we are now preparing the next three-year plan and budget (2024-2027). This will improve the facilities for operating the wood fuel days with a hardstanding and pole barn, access improvements in the mature mixed woodland, and additional green paths through the young areas of native woodland.

Communications - the newsletter, VRG website and social media

VRG and the Community Council jointly produce four newsletters a year, which are circulated to all homes in the community and to our funders. These provide households with regular updates on the work of the Development Trust and the Community Council, and details of events and activities within our community.

To support our work on home energy efficiency we held a community wide survey to gather basic information on our housing stock: its age, construction, thermal efficiency, heating type and energy costs. There were 51 responses, and the information is being used to frame a more detailed professional survey of 30 properties to establish the feasibility and cost of energy efficiency improvements by house type. This will then be grossed up to establish the costs across the community and the funding support required for delivery. An Energy Efficiency workshop is planned for autumn 2023 to introduce the community to a wide range professional advice on energy efficiency improvements.

An informal Wind Farm Opinion Survey was taken at two of our community events. The finding was a small majority in favour of the two new wind farms developments. On the subject of community benefit monies, respondents were generally content with the system of grants and community events. There were thoughts on other means of benefit distribution - energy cost subsidies, home insulation, enhanced grants, and new community facilities.

Our website (valleyrenewables.co.uk) carries details of all our activities, the various grant schemes, updates on the Community Woodland project, the investment fund, annual accounts, newsletters, and the bulk buying schemes for fuel. There is also a Facebook page and a social media site - Carron Connections. We employ a part-time administrative assistant to help support and service our activities.

VRG subgroups

The 2023-28 strategy sees a continuing movement for the work of the board to be delivered through subgroups supported by community members as a means of extending our reach and inclusiveness. This process is continuing, and we now have nine subgroups each led by a VRG director supported by community members for the Grant Schemes, Investment Fund, Community Woodland, Governance & Compliance, Communications, Community Meeting Room, Open Day (Residents' Picnic), Wind Farm Development, and a new and important group developing the Energy Efficiency strategy and its delivery.

VALLEY RENEWABLES GROUP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Community meeting space

A floor plan, indicative elevations and 3D images for the Meeting Room have been prepared and circulated in the community using the quarterly newsletter. The detailed costing is now being completed ready for a final review and decision to proceed or not at a joint meeting of the VRG Board and Community Council.

Community group projects

We now have three ongoing community group projects. Carron Collective Growing Association, Community Defibrillators, and the annual Tom Robb Memorial Run. An accredited chainsaw training course has been finalised and will be funded to support our wood fuel initiative. The first course will run in the autumn of 2023. Like the Community Woodland, these community wide projects have the benefit of bringing together groups of friends, neighbours, and residents to support new activities and interests, building social engagement and community cohesion. We have made available more grant funding in our budget for community and neighbourhood group projects, which we hope to see coming forward.

Financial review

Reserves policy

It is the policy of the charity to maintain unrestricted funds at a level which would permit its continued operations for at least three months. The trustees consider that in the event of a significant drop in funding, this will enable them to respond promptly to grant applications, community activity payments and for funding its own administration, while consideration is given to ways in which additional funds may be raised. The general reserves at the year end were £55,838 (£75,548).

The budget plan for the next financial years - 2023/24 has been accepted by the board. This will provide the basis for monitoring expenditure, particularly the grant schemes and our capital expenditure on the woodland and meeting room during the coming year. We take most seriously our trustee responsibility for managing our funds for the benefit of existing and future generations of our community. Saving and investment for the future is as important a part of trusteeship as is current spending.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details are given in the accounting policy 1.2.

Investment fund

2022/23 has been a difficult year for all savings and investments: market instability and rapidly rising inflation affecting confidence and returns. Our investment fund with RBC Brewin Dolphin has recovered most of the value lost during the previous two years during the pandemic. At the year end its value was £448,489, up 3.1% over 12 months on the original investment of £435,000. The income from the fund continues to be reinvested. The fund could provide a capital sum for a future major project or projects.

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 or error.

Future plans

Our focus for the year ahead will be on developing our Energy Efficiency Strategy and its delivery. The aim is to bring all homes in our community to current thermal and energy efficiency standards. Once we have established the scope of work required and the costs, we shall be talking to government agencies, the wind farm operators, energy suppliers and local trades people about funding and delivery logistics. Continuing consultation with our community on the direction of travel will be essential to a successful outcome. We hope our experience might be a pilot for other small rural communities.

VALLEY RENEWABLES GROUP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

The second strand of our Development Strategy is the promotion of local community groups with funding, advice and support from the Board. The aim is for local groups of residents to come together in small neighbourhood projects. With a small and widely dispersed community this is a challenge and will require further work to establish a suitable project framework. We have one community based cooperative currently in the Carron Valley Growers, which might provide a template for others.

The independent grant scheme review will report before the 2023 year end. We shall carefully consider the findings and any recommendations for change. The distribution of wind farm benefits to the community through our grant schemes is central to our activities. We recognise the financial distribution must be fair, equitable and transparent, and we strive to deliver this.

During the year we have agreed the principles for community benefit distribution from the planned extension to the Earlsburn wind farm proposed by Falck/Naturalis. The project is with the Scottish Government for consideration and we await the outcome. In the coming year we shall enter into negotiations with Wind2/EDP to agree the community benefit from the proposed Drummarnock wind farm proposed for Muirpark in the centre of our community. Wind2 have some innovative ideas for benefit distribution including a 'good neighbour' scheme, and we look forward to the negotiation.

The prospect of substantial new community benefit income will also require innovative thinking from us on income distribution and full engagement with our community. The 2023/28 Strategy is the start of this process and we are now working to develop an Action Plan for its delivery.

Structure, governance and management

Governing document

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

The Trust was recognised as a Scottish charity with effect from 20th March 2008. The Trust is administered in accordance with the Trust Deed set out in the Memorandum and Articles of Association dated 13th February 2008, now superseded by adoption of the new Articles of Association at the General Meeting held on Thursday 21st March 2019.

The trustees, who are also the directors for the purpose of company law, and who served during the year and since the year end were as follows:

I B Macfarlane	
B Wilson	(Resigned 8 November 2022)
R J Ferguson	
N D Sinclair	(Resigned 9 May 2023)
C Brown	
C Logan	
S M Smith	(Resigned 8 November 2022)
D Petch	
J N Holdsworth	
Dr J H Speake	(Appointed 8 November 2022)
M Porter	(Appointed 9 May 2023)

VALLEY RENEWABLES GROUP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Retiring trustees

During the year three Trustees have resigned. Nicolas Sinclair on 5th May, Barbara Wilson and Sara Smith at the AGM on 8th November. Nicolas and Barbara, as Chair and Secretary respectively, and Sara as Trustee Director, have given sterling service to the Board. At the AGM on 8th November, John Speake joined the Board. Jenny Holdsworth transferred to full Trustee and was elected Secretary. At the year end there was one Trustee post vacant. Iain Macfarlane, a long serving Board member intimated he will be leaving the area and the Board in the autumn. We would record our thanks to Iain for his long and dedicated service to the community. We shall be actively seeking volunteers to fill the two vacant Trustee positions at the November AGM.

Youth board member

Jenny Holdsworth completed her trustee training and was appointed as a full Trustee. She has taken on the role of Secretary. We will endeavour to recruit another youth board member to encourage age diversity within the Board.

Induction and training of new Trustees

The Board has issued a handbook of Directors' Guidelines setting out the roles of the Trustees and Office Bearers, and the remit for the various subgroups. This will assist in the briefing and assimilation of new Trustees.

In the view of the Board, all new Trustees are given sufficient training and have enough knowledge of their specific field to understand the role, operation and management of the charity. They are made fully aware of their legal and professional responsibilities under charity and company law. Before each board meeting Trustees are reminded that they are required to declare any conflict of interest with an agenda item and for this to be minuted. The Secretary holds details of those trustees who have benefitted from successful applications to the grant schemes in the current financial year.

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 2022/23 financial year, the Chair has been Nicolas Donald Sinclair, replaced by Margaret Porter on 9th May 2023; the Secretary was Barbara Wilson, replaced by Jenny Holdsworth on 8th November 2022; and the Treasurer is Robert James Ferguson.

The full board meets monthly, its deliberations are minuted and this record is retained by the Secretary. There is a written report of financial transactions for each monthly meeting provided by the treasurer and appended to the minutes. The bank statements are tabled for inspection at each monthly board meeting. Restricted fund expenditure and transfers are reported quarterly and annually to Foundation Scotland and Falck. Subgroups are appointed as and when required to carry out external meetings and to undertake research work, reporting back to the main board. The board and subgroup meeting minutes are all available on our website.

The Development Strategy for the 2023-28 period forms the basis for the board's policies and programme.

Professional advice

We have reappointed AAB (formerly French Duncan LLP), to carry out preparation and examination of our accounts. They are experienced in the charity sector, and this has been of continuing benefit in our activities.

We take legal advice from Burness Paull Solicitors, Glasgow who are recognised specialists in both the charities sector and in dealing with communities and wind farms operators.

Our community woodland, the defibrillators and wood fuel processor are insured in a single policy with Keegan and Pennykid, Edinburgh, who are experienced community insurance providers.

Our investment managers are Brewin Dolphin, Edinburgh. David Hourston, their Charities Director, has worked closely with us in developing our investment policy and managing the investment of our funds. Brewin Dolphin offer informative and regular webinars and seminars on charities finance and investments.

VALLEY RENEWABLES GROUP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

VRG is a full member 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. We are members of the Community Woodland Association, who provide advice on operating and managing our Community Woodland through regular newsletters and events.

Statement of trustees' responsibilities

The trustees, who are also the directors of Valley Renewables Group for the purpose of company law, are responsible for preparing the Trustees' Report 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.



R J Ferguson

Trustee

Dated: 8 November 2023

VALLEY RENEWABLES GROUP

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF VALLEY RENEWABLES GROUP

I report on the financial statements of the charity for the year ended 30 June 2023, which are set out on pages 9 to 22.

Respective responsibilities of trustees and examiner

The charity's trustees, who are also the directors of Valley Renewables Group for the purposes of company law, are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investments (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the 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 financial statements.

Independent examiner's statement

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

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - (ii) to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



John S Anderson CA
French Duncan LLP trading as AAB
Macfarlane Gray House
Castlecraig Business Park
Springbank Road
Stirling
FK7 7WT
United Kingdom

Dated: 8 November 2023

VALLEY RENEWABLES GROUP

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds 2023 £	Restricted funds 2022 £	Total 2022 £
Income from:						
Donations and legacies	2	71,054	66,113	137,167	62,607	125,584
Charitable activities	3	2,500	-	2,500	34,777	34,777
Investments	4	13,149	587	13,736	7,906	7,954
Total income		86,703	66,700	153,403	105,290	168,315
Expenditure on:						
Raising funds	5	4,097	-	4,097	4,086	4,086
Charitable activities	6	99,940	38,957	138,897	58,072	81,909
Total expenditure		104,037	38,957	142,994	62,158	85,995
Net gains/(losses) on investments	8	647	-	647	(56,087)	(56,087)
Net (outgoing)/incoming resources before transfers		(16,687)	27,743	11,056	(12,955)	26,233
Gross transfers between funds		36,905	(36,905)	-	(131,365)	131,365
Net movement in funds		20,218	(9,162)	11,056	(144,320)	26,233
Fund balances at 1 July 2022		503,623	247,251	750,874	647,943	724,641
Fund balances at 30 June 2023		523,841	238,089	761,930	503,623	750,874

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

VALLEY RENEWABLES GROUP

BALANCE SHEET

AS AT 30 JUNE 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11		210,877		180,603
Investments	12		448,489		438,835
			<u>659,366</u>		<u>619,438</u>
Current assets					
Debtors	13	17,926		22,380	
Cash at bank and in hand		86,678		111,133	
		<u>104,604</u>		<u>133,513</u>	
Creditors: amounts falling due within one year	14	(2,040)		(2,077)	
Net current assets			102,564		131,436
Total assets less current liabilities			<u>761,930</u>		<u>750,874</u>
Income funds					
Restricted funds	17		238,089		247,251
<u>Unrestricted funds</u>					
Designated funds	16	468,003		428,075	
General unrestricted funds	15	55,838		75,548	
			<u>523,841</u>		<u>503,623</u>
			<u>761,930</u>		<u>750,874</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 June 2023.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 8 November 2023



R J Ferguson
Trustee

Company Registration No. SC338213

VALLEY RENEWABLES GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

Charity information

Valley Renewables Group is a private company limited by guarantee incorporated in Scotland. The registered office is Greathill House, Stirling, FK7 9QS, Scotland.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's deed of trust, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "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)" (second edition - October 2019) (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have reviewed the future funding and activities of the charity including the impact of the Covid-19 pandemic. The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations and similar income

Donations and similar income are included in the year in which they are receivable, which is when the charity becomes entitled to the resource and receipt is probable.

Grants receivable

Grants receivable are credited to the Statement of Financial Activities (SOFA) in the year in which they accrue and are treated as restricted funds.

Membership income

Membership subscriptions are included in the year in which the charity becomes entitled to the resource.

Income from charitable activities

Income from charitable activities includes income from activities or where entitlement is subject to specific performance conditions is recognised as earned (as the related service is provided).

VALLEY RENEWABLES GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

Investment income

Income from investments and from rental income and similar sources is included in the Statement of Financial Activities in the year in which it is receivable.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Capital Grants

Grants received to fund the purchase or construction of a fixed asset are retained in a restricted fund until the asset is purchased or completed. Thereafter the grant is transferred to designated funds and released in line with the depreciation of the relevant asset.

1.5 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.

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities, the charity is not registered for VAT and accordingly expenditure is shown gross.

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in activities that raise funds. Costs of raising funds are costs incurred for the management of the investment portfolio.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

The land and buildings cost comprises of the purchase price, professional fees and the costs incurred to prepare the land for its charitable purposes.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Community Woodland	Straight line over 50 years
Plant and equipment	20% Reducing balance
Fixtures and fittings	20% Reducing balance

The land element of the Community Woodland is not being depreciated over 50 years as the land has an unlimited useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

VALLEY RENEWABLES GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

VALLEY RENEWABLES GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and gifts	71,030	-	71,030	62,580	-	62,580
Grants	-	66,113	66,113	-	62,977	62,977
Membership fees	24	-	24	27	-	27
	<u>71,054</u>	<u>66,113</u>	<u>137,167</u>	<u>62,607</u>	<u>62,977</u>	<u>125,584</u>
Grants receivable for core activities						
Foundation Scotland (Renantis Earlsburn)	-	26,915	26,915	-	27,483	27,483
Foundation Scotland (Kingsburn Wind Energy Ltd)	-	31,198	31,198	-	23,726	23,726
Falck Renewables Earlsburn	-	-	-	-	5,000	5,000
Clackmannanshire and Stirling Environment Trust	-	-	-	-	6,768	6,768
Renantis (Call for Projects)	-	8,000	8,000	-	-	-
	<u>-</u>	<u>66,113</u>	<u>66,113</u>	<u>-</u>	<u>62,977</u>	<u>62,977</u>

Windfarm payments are received half yearly in arrears 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, 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 2023

3 Charitable activities

	2023 £	2022 £
Sundry income	2,500	740
Sale of timber	-	34,037
	<u>2,500</u>	<u>34,777</u>
Analysis by fund		
Unrestricted funds	<u>2,500</u>	<u>34,777</u>

4 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Dividends	11,982	-	11,982	4,442	-	4,442
Property distribution	96	-	96	410	-	410
Interest receivable	1,071	587	1,658	3,054	48	3,102
	<u>13,149</u>	<u>587</u>	<u>13,736</u>	<u>7,906</u>	<u>48</u>	<u>7,954</u>

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Investment management	4,097	4,086
	<u>4,097</u>	<u>4,086</u>

VALLEY RENEWABLES GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

6 Charitable activities

	2023 £	2022 £
Grants Payable	70,326	44,487
Community Events	13,459	-
Community Woodland Expenditure	32,256	21,221
Donations	232	-
Consultancy	-	4,700
	<u>116,273</u>	<u>70,408</u>
Share of support costs (see note 7)	20,271	9,648
Share of governance costs (see note 7)	2,353	1,853
	<u>138,897</u>	<u>81,909</u>
Analysis by fund		
Unrestricted funds	99,940	58,072
Restricted funds	38,957	23,837
	<u>138,897</u>	<u>81,909</u>

7 Support costs

	Support costs £	Governance costs £	2023		Governance costs £	2022 £
	£	£	Support costs £	£	£	£
Depreciation	6,631	-	6,631	2,907	-	2,907
Postage and stationery	2,814	-	2,814	2,449	-	2,449
Sundries	642	-	642	258	-	258
Administrative support	3,316	-	3,316	2,803	-	2,803
Website costs	462	-	462	1,075	-	1,075
Premises costs	106	-	106	156	-	156
Professional fees	6,300	-	6,300	-	-	-
Accountancy	-	2,040	2,040	-	1,800	1,800
Legal and professional fees	-	143	143	-	53	53
Board meeting and AGM expenses	-	170	170	-	-	-
	<u>20,271</u>	<u>2,353</u>	<u>22,624</u>	<u>9,648</u>	<u>1,853</u>	<u>11,501</u>
Analysed between						
Charitable activities	<u>20,271</u>	<u>2,353</u>	<u>22,624</u>	<u>9,648</u>	<u>1,853</u>	<u>11,501</u>

Governance costs includes payments of £2,040 (2022- £1,800) for independent examiners fees.

VALLEY RENEWABLES GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

8 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Revaluation of investments	2,337	7,153
Gain/(loss) on sale of investments	(1,690)	(63,240)
	<u>647</u>	<u>(56,087)</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total	-	-
	<u>-</u>	<u>-</u>

There were no employees whose annual remuneration was more than £60,000.

11 Tangible fixed assets

	Community Woodland £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 July 2022	186,363	-	8,270	194,633
Additions	19,217	17,688	-	36,905
At 30 June 2023	<u>205,580</u>	<u>17,688</u>	<u>8,270</u>	<u>231,538</u>
Accumulated depreciation and impairment				
At 1 July 2022	9,734	-	4,296	14,030
Depreciation charged in the year	2,298	3,538	795	6,631
At 30 June 2023	<u>12,032</u>	<u>3,538</u>	<u>5,091</u>	<u>20,661</u>
Carrying amount				
At 30 June 2023	<u>193,548</u>	<u>14,150</u>	<u>3,179</u>	<u>210,877</u>
At 30 June 2022	<u>176,629</u>	<u>-</u>	<u>3,974</u>	<u>180,603</u>

VALLEY RENEWABLES GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

12 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 July 2022	430,163	8,672	438,835
Additions	78,821	-	78,821
Valuation changes	647	-	647
Cash movement	-	(287)	(287)
Disposals	(69,527)	-	(69,527)
	<u>440,104</u>	<u>8,385</u>	<u>448,489</u>
At 30 June 2023	440,104	8,385	448,489
	<u>440,104</u>	<u>8,385</u>	<u>448,489</u>
Carrying amount			
At 30 June 2023	440,104	8,385	448,489
	<u>440,104</u>	<u>8,385</u>	<u>448,489</u>
At 30 June 2022	430,163	8,672	438,835
	<u>430,163</u>	<u>8,672</u>	<u>438,835</u>

Fixed asset investments revalued

The investments are held at revalued amounts, this valuation is provided by Brewin Dolphin Limited annually. Valuations are prepared, generally, on the basis of the middle market price at the close of business on the valuation date, and as supplied by external information providers. For certain securities, the price may be on a different basis, e.g. last trade or bid price. The cost of the investments at the year end is £464,915 (2022: £453,571).

13 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	16,691	14,662
Prepayments and accrued income	1,235	7,718
	<u>17,926</u>	<u>22,380</u>

14 Creditors: amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	2,040	2,077
	<u>2,040</u>	<u>2,077</u>

VALLEY RENEWABLES GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

15 Unrestricted funds

	Movement in funds			Movement in funds				Balance at 30 June 2023 £
	Balance at 1 July 2021 £	Incoming resources £	Resources expended £	Balance at 1 July 2022 £	Incoming resources £	Resources expended £	Transfers £	
General fund	58,329	97,384	(55,165)	75,548	73,599	(93,309)	-	55,838
	<u>58,329</u>	<u>97,384</u>	<u>(55,165)</u>	<u>75,548</u>	<u>73,599</u>	<u>(93,309)</u>	<u>-</u>	<u>55,838</u>

16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds					Movement in funds					Balance at 30 June 2023 £
	Balance at 1 July 2021 £	Incoming resources £	Resources expended £	Transfers £	Revaluations, gains and losses £	Balance at 1 July 2022 £	Incoming resources £	Resources expended £	Transfers £	Revaluations, gains and losses £	
Legacy fund	406,102	7,906	(4,086)	(106,365)	(56,087)	247,470	13,104	(4,097)	-	647	257,124
Capital fund	183,512	-	(2,907)	-	-	180,605	-	(6,631)	36,905	-	210,879
	<u>589,614</u>	<u>7,906</u>	<u>(6,993)</u>	<u>(106,365)</u>	<u>(56,087)</u>	<u>428,075</u>	<u>13,104</u>	<u>(10,728)</u>	<u>36,905</u>	<u>647</u>	<u>468,003</u>

Legacy fund

The aim is to build a legacy fund which will support the charitable activities when the wind farm benefits end. All income from this fund will be reinvested, together with any funds the trustees consider to exceed budgetary requirements.

Capital fund

This fund represents the NBV of assets purchased with capital grants. Transfers to this funds represent the purchase of capital assets.

VALLEY RENEWABLES GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				Balance at 30 June 2023 £
	Balance at 1 July 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 July 2022 £	Incoming resources £	Resources expended £	Transfers £	
Foundation Scotland Earlsburn	278	23,726	(10,688)	131,365	144,681	26,915	(18,208)	(11,069)	142,319
Foundation Scotland Kingsburn	76,420	27,531	(10,689)	-	93,262	31,784	(18,208)	(11,069)	95,769
New Start Grant Scheme	-	5,000	(2,460)	-	2,540	-	(2,540)	-	-
Accessible Path Improvement Carron Valley	-	6,768	-	-	6,768	-	-	(6,768)	-
Renantis Call for Projects	-	-	-	-	-	8,000	-	(8,000)	-
	<u>76,698</u>	<u>63,025</u>	<u>(23,837)</u>	<u>131,365</u>	<u>247,251</u>	<u>66,699</u>	<u>38,956</u>	<u>(36,906)</u>	<u>238,089</u>

Foundation Scotland Kingsburn and Earlsburn Funds

Grants are received from Falck Earlsburn (now called Renantis) and Kingsburn Community Benefit Funds administered by Foundation Scotland. They are to support a range of charitable community projects that will benefit those living or visiting the Carron Valley area in consultation with VRG members and the wider Carron Valley. They therefore, cannot be spent on the VRG small grant scheme but can be spent on community wide projects.

The prior period transfer to these funds represent a transfer of restricted funding into the investment portfolio. As agreed with Foundation Scotland, the capital amount is still subject to the funding conditions above.

New Start Grant Scheme

This project aims to support home working, new businesses and income generation. This project was funded by the Falck Renewables Recovery for Building Back Stronger Communities Award.

Accessible Path Improvement Carron Valley

Funding was received from Clackmannanshire and Stirling Environment Trust toward the cost of a new 220m section of all ability footpath in a currently inaccessible area.

VALLEY RENEWABLES GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

17 Restricted funds

(Continued)

Renantis Call for Projects

Funding was provided towards the purchase of a firewood processor to help local households better manage their fuel bills, in order to help reduce fuel poverty caused by the soaring costs of energy bills.

Transfers from restricted funds

Funds are transfers from the restricted funds when a tangible asset is purchased with restricted funding.

VALLEY RENEWABLES GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

18 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 30 June 2023 are represented by:						
Tangible assets	210,877	-	210,877	180,603	-	180,603
Investments	257,124	191,365	448,489	247,470	191,365	438,835
Current assets/(liabilities)	55,840	46,724	102,564	75,550	55,886	131,436
	<u>523,841</u>	<u>238,089</u>	<u>761,930</u>	<u>503,623</u>	<u>247,251</u>	<u>750,874</u>

19 Related party transactions

For the year ending 30th June 2023, five individual director households applied and received £4,754 in grants (2022: 4 households received £3,440).