

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

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2017
FOR
VALLEY RENEWABLES GROUP**

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

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COMPANIES HOUSE

VALLEY RENEWABLES GROUP

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	Page
Report of the Trustees	1 to 5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8 to 9
Notes to the Financial Statements	10 to 13
Detailed Statement of Financial Activities	14

VALLEY RENEWABLES GROUP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017

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 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 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 is the Development Trust for the Carron Valley and District community and applies its funds specifically to households within the community council area. It negotiates community benefit with prospective wind farm operators, receives community benefit funds from the operators. It makes a wide range of grants to individuals and organisations and carries out activities and services itself within its community.

During the accounting year, the charity, supported by the Community Council, accepted the transfer of accrued and future community benefit payments from Earlsburn and Kingsburn wind farms operated by Falck and distributed on their behalf by Foundation Scotland. The accrued funds transferred to VRG during the 2016/17 financial year were for Earlsburn £88,152 and £22,268 and for Kingsburn £19,947. These funds are restricted to community wide projects, where any expenditure must have approval from the Community Council and Foundation Scotland. Pending suitable projects, these and other funds have been invested in a two year fixed term deposit account with the Bank of Scotland.

The charity directly received payments of £49,174 in community benefit from Craigengelt wind farm operated by Scotia Windfarms. This fund is unrestricted and is applied to finance the various small grant schemes and community activities. With this fund, the charity has also built up a substantial balance of funds (£126,629), which it holds in reserve for larger development projects - the Community Woodland and Community Base - where we hope to secure the land transfer during 2018. Meantime these funds have been placed in an interest bearing Charities Fixed Term Deposit account with the Clydesdale Bank.

OBJECTIVES AND ACTIVITIES

Other activities

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 household energy efficiency and self-sufficiency improvements; it continues to promote a Young Persons Grant Scheme to assist those aged between 7 and 25 with training, equipment, travel, education and environmental projects. A Student Bursary Scheme is now operational for those in full time education, training or apprenticeships. The Household Small Grant Scheme maximum grant is £500 per application; the Young Person's Small Grant Scheme maximum grant is £250 and both still, within reason, permit an unrestricted number of applications per household. The student bursary scheme is £500 per year for the duration of the course. 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 over £27,000/year.

Community Open Day

VRG organises and runs a Community Open Day each year at the end of August. This was held on Saturday 26th August and for a third 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 250 people of all ages (from a community of 320) and was a big success. It has become a well-supported and established annual community event.

Mobile Phone and Broadband Services

VRG, in conjunction with the Community Council continues to pursue new infrastructure to improve mobile and broadband coverage for the area where the service is currently poor and patchy. This has temporarily stalled for three reasons. Firstly, the current flux in the technology (4G roll out) and the offer from service providers. Secondly, the planned upgrade to emergency mobile phone coverage in parts of our area which will also provide improved access to the 4G signal for mobile and broadband services. Thirdly, advice from BT that some area postcodes may benefit from fibre services at some undetermined time in the future put at risk early funding from Community Broadband Scotland. VRG is convinced of the need for a solution and retains funds to support infrastructure improvements when the way forward for these becomes clear. As an interim arrangement, small grant scheme funding continues to be available to households for the installation of a satellite based broadband service.

Community Base Project

The longstanding need for a community base, in a community without a school, church, shop, pub, community hall or meeting place has been vigorously pursued by VRG with the full support of the Community Council. A development site has been identified at the entrance to the Carron Valley Forest and an application made for purchase under the Community Asset Transfer Scheme operated by Forest Enterprise Scotland. Stage 1 Project Development Funding has been provided by the Scottish Land Fund and a feasibility study and business case was completed and presented to a joint meeting of VRG and the Community Council in February. The joint meeting concluded that the community should proceed with the purchase of the 51 acre site and for its phased development. Phase 1 is to establish the community woodland; Phase 2 is to provide a permanent site for the community open day and other community events; Phase 3 is for construction of the community base building and drop in cafe. Stage 3 is only to proceed when Stages 1 and 2 are operating successfully; with support from a further community mandate and match funding from external sources.

Archaeological Work

VRG, supported by Stirling Council, has been successful in the award of Heritage Lottery Funding for investigative and interpretative archaeology for two important sites in the Carron Valley - Sir John de Graham's Castle and the Kirk o'Muir graveyard. The background history of the sites was described by archaeologists during the 2017 Community Open Day. The findings will be fully presented to the 2018 Open Day and uploaded to the website.

Legacy Fund

The Board is mindful that community benefit from wind farm operators is potentially a time limited source of community funding. We are investigating the options for investing capital, within the lifespan of the community benefit funds, in an endowment fund where the interest only will be expended on community projects with the capital retained intact.

VALLEY RENEWABLES GROUP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017

FINANCIAL REVIEW

Reserves policy

The Charity is holding reserves of over £70,000 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 £126,629 with the Clydesdale Bank for the unrestricted funds. A second 24 month Charities Fixed Term Deposit of £150,313 has been arranged with the Bank of Scotland for the restricted funds. The Charity's total assets at the end of the financial year were £357,335

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

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 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 are actively seeking a suitable and willing member as the ninth trustee and hope to make a nomination at the AGM in November.

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 2016/17 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 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 retained by him. 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 improved Broadband provision, to develop the Student Bursary Grant Scheme, for the development of the Community Base and for the Community Open Day. A larger subgroup has been formed with four VRG Directors and two community members to prepare for, and to deliver the Community Woodland project.

The strategy review for the 2015-2018 period, which was 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, the community base and community woodland projects and other public documents.
(www.valleyrenewables.co.uk)

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 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.

VALLEY RENEWABLES GROUP

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

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).

We take legal advice from Burness Paull Solicitors, Glasgow who are recognised specialists in both the charity sector and in dealing with communities and wind farms operators. They have been advising on changes to our Articles of Association to bring these in line with current Scottish Government guidance. This has been essential to allow us to access the Community Asset Transfer Scheme for land acquisition and the Scottish Land Fund for financing the purchase. Articles 3, 5 and 101 were amended at an EGM in June. Further amendment to Article 5 (Open Membership) is proposed at the 2017 AGM.

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.

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

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

VALLEY RENEWABLES GROUP

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2017**

REFERENCE AND ADMINISTRATIVE DETAILS

Independent examiner

French Duncan LLP
Chartered Accountants
Macfarlane Gray House
Castle Craig 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 9 November 2017 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'R Ferguson', is written over a horizontal line.

Mr R Ferguson - Trustee

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

I report on the accounts for the year ended 30 June 2017 set out on pages seven to thirteen.

Respective responsibilities of trustees and examiner

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

Basis of the independent examiner's report

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

Independent examiner's statement

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

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

have not been met; or

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



Drew Pankhurst CA
French Duncan LLP
Chartered Accountants
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FK7 7WT

9 November 2017

VALLEY RENEWABLES GROUP

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2017**

		Unrestricted fund	Restricted funds	Total	2017 funds	2016 Total funds
	Not es	£	£	£	£	£
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	49,189	142,867	192,056		47,754
Investment income	3	<u>1,496</u>	<u>-</u>	<u>1,496</u>		<u>1,301</u>
Total		50,685	142,867	193,552		49,055
EXPENDITURE ON						
Raising funds	4	5,022	-	5,022		3,230
Charitable activities						
VRG Grant Scheme		15,492	-	15,492		14,936
Open day		7,602	-	7,602		4,911
Community Base		<u>18,926</u>	<u>12,500</u>	<u>31,426</u>		<u>-</u>
Total		47,042	12,500	59,542		23,077
NET INCOME		3,643	130,367	134,010		25,978
RECONCILIATION OF FUNDS						
Total funds brought forward		222,385	-	222,385		196,407
TOTAL FUNDS CARRIED FORWARD		<u>226,028</u>	<u>130,367</u>	<u>356,395</u>		<u>222,385</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

VALLEY RENEWABLES GROUP

**BALANCE SHEET
AT 30 JUNE 2017**

	Notes	2017 £	2016 £
CURRENT ASSETS			
Debtors	7	13,419	13,225
Cash at bank		<u>343,916</u>	<u>210,080</u>
		357,335	223,305
CREDITORS			
Amounts falling due within one year	8	(940)	(920)
NET CURRENT ASSETS		<u>356,395</u>	<u>222,385</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		356,395	222,385
NET ASSETS		<u>356,395</u>	<u>222,385</u>
FUNDS	10		
Unrestricted funds		226,028	222,385
Restricted funds		<u>130,367</u>	<u>-</u>
TOTAL FUNDS		<u>356,395</u>	<u>222,385</u>

The notes form part of these financial statements

VALLEY RENEWABLES GROUP

BALANCE SHEET - CONTINUED AT 30 JUNE 2017

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2017.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 30 June 2017 in accordance with Section 476 of the Companies Act 2006.

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

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 9 November 2017 and were signed on its behalf by:



Mr R Ferguson -Trustee

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

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.

Financial reporting standard 102 - reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

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.

VALLEY RENEWABLES GROUP

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 JUNE 2017

2. DONATIONS AND LEGACIES

	2017	2016
	£	£
Distribution	49,174	47,754
Grants	142,867	-
Subscriptions	15	-
	<u>192,056</u>	<u>47,754</u>

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

	2017	2016
	£	£
Foundation Scotland	130,367	-
Community Base	12,500	-
	<u>142,867</u>	<u>-</u>

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.

3. INVESTMENT INCOME

	2017	2016
	£	£
Deposit account interest	<u>1,496</u>	<u>1,301</u>

4. RAISING FUNDS

Raising donations and legacies

	2017	2016
	£	£
Support costs	<u>5,022</u>	<u>3,230</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2017 nor for the year ended 30 June 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 June 2017 nor for the year ended 30 June 2016.

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	47,754	-	47,754
Investment income	1,301	-	1,301

VALLEY RENEWABLES GROUP

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2017**

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
Total	49,055	-	49,055
EXPENDITURE ON			
Raising funds	3,230	-	3,230
Charitable activities			
VRG Grant Scheme	14,936	-	14,936
Open day	4,911	-	4,911
Total	23,077	-	23,077
NET INCOME	25,978	-	25,978
RECONCILIATION OF FUNDS			
Total funds brought forward	196,407	-	196,407
TOTAL FUNDS CARRIED FORWARD	222,385	-	222,385

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Distribution receivable	12,289	11,905
Prepayments and accrued income	1,130	1,320
	13,419	13,225

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Other creditors	940	920
	940	920

VALLEY RENEWABLES GROUP

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2017**

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	Total 2017 funds	Total 2016 funds
	£	£	£	£
Current assets	226,968	130,367	357,335	223,305
Current liabilities	(940)	-	(940)	(920)
	<u>226,028</u>	<u>130,367</u>	<u>356,395</u>	<u>222,385</u>

10. MOVEMENT IN FUNDS

	At 1/7/16 £	Net movement in funds £	At 30/6/17 £
Unrestricted funds			
General fund	222,385	3,643	226,028
Restricted funds			
Foundation Scotland Earlsburn	-	110,420	110,420
Foundation Scotland Kingsburn	-	19,947	19,947
	-	130,367	130,367
TOTAL FUNDS	<u>222,385</u>	<u>134,010</u>	<u>356,395</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	50,685	(47,042)	3,643
Restricted funds			
Scottish Land Fund	12,500	(12,500)	-
Foundation Scotland Earlsburn	110,420	-	110,420
Foundation Scotland Kingsburn	19,947	-	19,947
	142,867	(12,500)	130,367
TOTAL FUNDS	<u>193,552</u>	<u>(59,542)</u>	<u>134,010</u>

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 June 2017.

VALLEY RENEWABLES GROUP

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2017**

	2017 £	2016 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Distribution	49,174	47,754
Grants	142,867	-
Subscriptions	15	-
	<u>192,056</u>	<u>47,754</u>
Investment income		
Deposit account interest	1,496	1,301
Total incoming resources	<u>193,552</u>	<u>49,055</u>
EXPENDITURE		
Charitable activities		
VRG grant scheme	27,992	14,936
Open day	7,602	4,911
Feasibility studies	18,926	-
	<u>54,520</u>	<u>19,847</u>
Support costs		
Finance		
Postage and stationery	578	745
Sundries	175	530
Administrative support	901	678
Website design and implementation	84	50
	<u>1,738</u>	<u>2,003</u>
Governance costs		
Legal and professional fees	2,160	115
Accountancy	1,124	1,112
	<u>3,284</u>	<u>1,227</u>
Total resources expended	<u>59,542</u>	<u>23,077</u>
Net income	<u>134,010</u>	<u>25,978</u>

This page does not form part of the statutory financial statements