

Charity Registration No. SC039443 (Scotland)

Company Registration No. SC338213 (Scotland)

VALLEY RENEWABLES GROUP
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

FRIDAY



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COMPANIES HOUSE

VALLEY RENEWABLES GROUP

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Miss M Porter
Mr I B Macfarlane
Mr D McAlpine
Miss B Wilson
Mr D P Sparkes
Mr R J Ferguson
Dr I T Tabner
Mrs E M Crawford

(Appointed 9 November
2017)

Mr N D Sinclair

(Appointed 9 November
2017)

Secretary

Miss B Wilson

Charity number (Scotland)

SC039443

Company number

SC338213

Registered office and principal address

2 Buckieburn
Carron Bridge
Denny
FK6 5JJ

Independent examiner

Drew Pankhurst CA
French Duncan LLP
Macfarlane Gray House
Castlecraig Business Park
Springbank Road
Stirling
Scotland
FK7 7WT

VALLEY RENEWABLES GROUP

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VALLEY RENEWABLES GROUP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2018

The trustees present their report and financial statements for the year ended 30 June 2018.

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, 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)" (as amended for accounting periods commencing from 1 January 2016)

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 and 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.

VALLEY RENEWABLES GROUP

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

FOR THE YEAR ENDED 30 JUNE 2018

Achievements and performance

Restricted Funds

During the year the Charity received funds of £9,650 from Heritage Scotland these funds were fully spent in the year. The Charity continues to hold funds in relation to Earlsburn and Kingsburn wind farm. These funds are restricted to community wide projects, where any expenditure must have approval from the Community Council and Foundation Scotland. These funds (£150,313.00) have been lodged meantime in an interest bearing Charities fixed term deposit account with the Bank of Scotland. Going forward, our intention is to apply part of these restricted funds to the operation of the Community Woodland, providing match funding to the SLF grant for revenue costs, and for capital investment in woodland project work.

Unrestricted Funds

The charity directly received payments of £50,623 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, administration and community activities. With this fund, the charity has also built up a substantial balance of funds, which it holds in reserve for larger development projects - the Community Base - which we hope to progress now that we have secured the Community Woodland site. Meantime these funds have been rolled over in an interest bearing Charities Fixed Term Deposit account with the Clydesdale Bank.

We have started work developing a financial strategy to guide and inform the distribution and investment of funds in the short and longer term, and to ensure we also leave a long term financial legacy for future generations.

Other Activities

Small Grant Schemes

The VRG 2015-18 Strategy approved at the 2014 AGM has been the basis for our delivery activities and the distribution of funds. We have started work on a new and expanded development strategy for the next three years 2019-2022, which we hope to complete for the end of 2018.

During the 2017-18 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. There were 24 Household Small Grants (maximum £500 per application); 6 Young Person's Small Grants (maximum £250) and both still, within reason, permit an unrestricted number of applications per household. There were 5 student bursaries (£500 per year for the duration of the course). A full review of the scope of the Small Grant Schemes is planned as part of our strategy review 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 was almost £15,000 for the 2017/18 financial year.

Community Open Day

We organise and fund a Community Open Day each year at the end of August. This was held on Saturday 25th August and for a fourth year at Craigend Farm. The day was warm and sunny, and attracted a large turnout. There was a full programme of talks, demonstrations, with 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. The cost of the 2018 Open Day was £5,200.

VALLEY RENEWABLES GROUP

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

FOR THE YEAR ENDED 30 JUNE 2018

Mobile Phone and Broadband Services

For a number of years VRG, in conjunction with the Community Council, has pursued providers and enablers for new infrastructure to improve mobile and broadband coverage for the area where the service is currently poor and patchy. Last year we reported we were frustrated in providing a clean and simple solution. We have now accepted that a mixed technology solution is the most likely short term solution. The planned upgrade to emergency mobile phone coverage, which also provides improved access to the 4G signal for mobile and broadband services is now operational. This, together with further 4G roll out, has provided much improved mobile and broadband service to large parts of our area. For those not covered by reliable 4G coverage, a satellite service remains the preferred option (for which a VRG grant of up to £500 is available to meet the installation cost).

In July 2017 we conducted a survey of existing Broadband services in our area. 34 (of 120) households responded. Download speeds for landlines were 1.5 - 4.0mbps, for satellite 1.1 - 7.5mbps and for mobile and wireless 6.8 - 27mbps. However, most of these provide nowhere near the super fast broadband service (+30mbps) required for modern living and promised by the UK Government to reach 95% of households by 2017. We intend to continue our lobbying for super fast fibre for all households in our area. There has been a suggestion that BT may extend its fibre network by replacing copper with fibre on its poles. We shall be working with Stirling Council's newly appointed Broadband Officer in an effort to deliver a super fast service for all our households and we retain funds to support infrastructure improvements when the way forward for these becomes clear.

Community Woodland and 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 we have been successful in our application to the Community Asset Transfer Scheme operated by Forest Enterprise Scotland for the purchase 51 acres of woodland. A grant of £130,000 has been offered by the Scottish Land Fund; £96,000 towards the cost of the land and £34,000 in revenue support for two years to provide for a woodland manager and to assist with our set up costs. VRG will be match funding the SLF revenue support.

We take entry to the Community Woodland in late summer 2018 and, with the support of the recently appointed part-time woodland manager and community volunteers, we shall embark on a programme of work to provide 'access for all', increased habitat diversity, improved management and productivity of the woodland. We shall be providing skills training, outdoor work experience, and community wood fuel scheme. The revenue match funding and capital funding for project work will be paid from VRG's restricted funds. The woodland manager is preparing a work programme with costs to allow the annual budget for the first two years to be agreed by the Board, the Community Council and Foundation Scotland. There will be separate insurances, banking and accounting for the Community Woodland project.

Now that we have the Community Woodland site, and as part of our Development Strategy review, we shall be revisiting the Community Base project to agree the best way and time to move forward.

Howietoun Fishery

The Community Council supported by VRG is in negotiation with the University of Stirling on the future of the Howietoun Fishery and Mill. Until its closure, the mill building had been available to the community for meetings and events. The sale of the whole site is now being considered by the University. The Community Council working group is investigating a feasibility study for the future use and development of the site with the possibility of exercising a Community Right to Buy to bring the mill building and surrounds into community ownership. Some further adjustment to our Articles of Association, to bring these in line with current Scottish Government standards, could be required if this is to proceed.

VALLEY RENEWABLES GROUP

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

FOR THE YEAR ENDED 30 JUNE 2018

Archaeological Work

VRG, supported by Stirling Council, has been successful in the award of £9,650 from the Heritage Lottery Fund with £1,800 from VRG funds 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 2018 Community Open Day. Excavations took place in late summer 2018 with volunteer helpers and schools visiting the 'digs'. The findings have revealed both sites as more extensive and complex histories than previously thought, and will be fully described by the archaeologists at the 2018 Open Day, and their reports uploaded to the website. We shall now consider how best to interpret and promote the history of both sites, and how to connect these to the adjacent Community Woodland.

Financial Planning

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. Our work in reviewing and expanding the Development Strategy will provide the basis for future financial and investment planning. We expect to produce our first Financial and Investment Plan early in 2019.

Community Newsletter and VRG Website

VRG and the Community Council have now combined to produce three newsletters a year that are circulated to all homes in the community. These provide households with regular updates on the work of the Development Trust and the Community Council. Our website carries details of all our activities, the small grant schemes, updates on the Community Woodland and Base project, the archaeological investigations, annual accounts, newsletters, and the bulk buying scheme for fuel. We employ a part time administrative assistant to help support and service our activities. The Web address is (www.valleyrenewables.co.uk).

Financial review

The Charity is holding reserves of over £94,000 in its bank current account at the 30th June 2018, 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 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 £371,211.

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 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.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Miss M Porter

Mr I B Macfarlane

Mr D McAlpine

Miss B Wilson

Mr D P Sparkes

VALLEY RENEWABLES GROUP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

Mr R J Ferguson

Dr I T Tabner

Mrs M Gallagher

(Resigned 9 November 2017)

Mrs E M Crawford

(Appointed 9 November 2017)

Mr N D Sinclair

(Appointed 9 November 2017)

Recruitment and Appointment of Trustees

There were nine Trustees out of a maximum of nine at the year end. There were changes to the named trustees during the year. Mrs Mary Gallacher resigned for family reasons and was replaced by Mr Nicolas Sinclair and Mrs Evelyn Crawford, elected at the 2017 AGM and bringing the Board up to full strength.

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. The Secretary holds details of those Directors who have benefitted from successful applications to the Small Grant Scheme fund 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 2017/18 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 appended to the minutes. The bank statements are tabled for inspection at each monthly Board meeting. 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 the Community Base and for the Community Open Day. A larger subgroup has been formed with four VRG Directors and two community members to guide and deliver the Community Woodland project with support from the part time woodland manager.

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. The Board has now started work to review and expand the Development Strategy with the appointment of an experienced facilitator. This work is now critical to guide our work and investment in our community over the next three years as the reserves of the Trust increase, and the range of projects undertaken on behalf of the community broadens. We hope to have an interim review of the new strategy ready for this year's AGM, and to complete the review for the end of 2018. Thereafter, the Financial and Investment Strategy will be developed out of the main strategy review.

VALLEY RENEWABLES GROUP

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 30 JUNE 2018**

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). They have also provided guidance on best financial practice for managing the Community Woodland project.

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. 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 2017. Further amendment to Article 5 (Open Membership) was approved at the 2017 AGM. Should we decide to support the Community Council in proceeding with a Community Right to Buy bid for Howietoun Mill, further review of the Articles of Association will be required to ensure they are compliant with the Community Right to Buy legislation.

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 have also joined the Community Woodland Association who have provided advice on tendering for our woodland manager and insurances for the Community Woodland.

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

Small Company Exemption

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2016 relating to small companies.

VALLEY RENEWABLES GROUP

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

FOR THE YEAR ENDED 30 JUNE 2018

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.



Mr R J Ferguson

Trustee

Dated: 28 August 2018

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 2018, which are set out on pages 9 to 16.

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. 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.

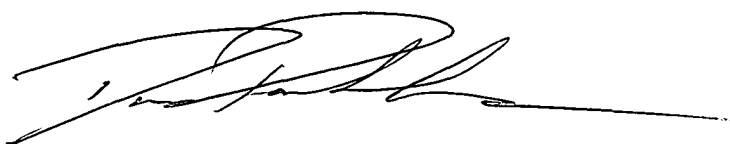
Basis of independent examiner's statement

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.



Drew Pankhurst CA
French Duncan LLP
Macfarlane Gray House
Castlecraig Business Park
Springbank Road
Stirling
FK7 7WT
Scotland

Dated: 28 August 2018

VALLEY RENEWABLES GROUP

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<u>Income from:</u>					
Donations and legacies	2	51,074	-	51,074	192,056
Charitable activities	3	-	9,650	9,650	-
Investments	4	2,355	-	2,355	1,496
Total income		53,429	9,650	63,079	193,552
<u>Expenditure on:</u>					
Raising funds	5	4,024	-	4,024	5,022
Charitable activities	6	21,756	9,650	31,406	54,520
Total resources expended		25,780	9,650	35,430	59,542
Net income for the year/ Net movement in funds		27,649	-	27,649	134,010
Fund balances at 1 July 2017		226,028	130,367	356,395	222,385
Fund balances at 30 June 2018		253,677	130,367	384,044	356,395

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 2018

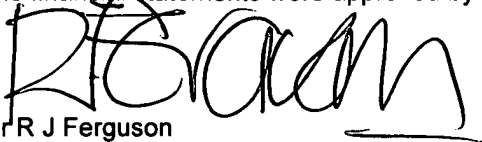
	Notes	2018 £	£	2017 £	£
Current assets					
Debtors	9	14,020		13,419	
Cash at bank and in hand		371,212		343,916	
		<u>385,232</u>		<u>357,335</u>	
Creditors: amounts falling due within one year	10	<u>(1,188)</u>		<u>(940)</u>	
Net current assets			<u>384,044</u>		<u>356,395</u>
Income funds					
Restricted funds	11	130,367		130,367	
Unrestricted funds		253,677		226,028	
		<u>384,044</u>		<u>356,395</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 2018. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the 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 company.

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 28 August 2018


Mr R J Ferguson
Trustee

Company Registration No. SC338213

VALLEY RENEWABLES GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

Charity information

Valley Renewables Group is a private company limited by guarantee incorporated in Scotland. The registered office is 2 Buckieburn, Carron Bridge, Denny, FK6 5JJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 freehold properties and to include investment properties and 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 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 unless the funds have been designated for other purposes.

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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

VALLEY RENEWABLES GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

1.5 Resources expended

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 heading that aggregate all cost related to the category. Where cost cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities expenditure comprises those costs incurred by the Charity in meeting its charitable purpose: the provision of services.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 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.

VALLEY RENEWABLES GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Distributions	51,068	-	51,068	49,174
Grants	-	-	-	142,867
Membership fees	6	-	6	15
	<u>51,074</u>	<u>-</u>	<u>51,074</u>	<u>192,056</u>
For the year ended 30 June 2017	<u>49,189</u>	<u>142,867</u>		<u>192,056</u>
Grants receivable for core activities				
Foundation Scotland (Earsburn)	-	-	-	130,367
Foundation Scotland (Kingsburn)	-	-	-	12,500
	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,867</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.

3 Charitable activities

	2018 £	2017 £
Performance related grants	<u>9,650</u>	<u>-</u>
Performance related grants		
Heritage Scotland	9,650	-
Other	-	-
	<u>9,650</u>	<u>-</u>

4 Investments

	2018 £	2017 £
Interest receivable	<u>2,355</u>	<u>1,496</u>

VALLEY RENEWABLES GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

5 Raising funds

	2018	2017
	£	£
<u>Fundraising and publicity</u>		
Support costs	2,055	1,738
	<u> </u>	<u> </u>
<u>Trading costs</u>		
Support costs	1,969	3,284
	<u> </u>	<u> </u>
	<u>4,024</u>	<u>5,022</u>

6 Charitable activities

	2018	2017
	£	£
VRG Grant scheme	14,709	27,992
Open Day	5,137	7,602
Community Base Professional Fees	350	18,926
Archaeological expenses	11,210	-
	<u>31,406</u>	<u>54,520</u>
	<u> </u>	<u> </u>
	<u>31,406</u>	<u>54,520</u>
	<u> </u>	<u> </u>
Analysis by fund		
Unrestricted funds	21,756	
Restricted funds	9,650	
	<u>31,406</u>	
	<u> </u>	
For the year ended 30 June 2017		
Unrestricted funds		42,020
Restricted funds		12,500
		<u>54,520</u>
		<u> </u>

VALLEY RENEWABLES GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

7 Support costs

	Support costs £	Governance costs £	2018 £	2017 £	Basis of allocation
Postage and stationery	779	-	779	578	100% Raising Funds
Sundries	204	-	204	175	100% Raising Funds
Administrative support	1,022	-	1,022	901	100% Raising Funds
Website costs	50	-	50	84	100% Raising Funds
Accountancy	-	1,376	1,376	1,124	Governance Governance
Legal and professional fees	-	593	593	2,160	
	<u>2,055</u>	<u>1,969</u>	<u>4,024</u>	<u>5,022</u>	
Analysed between					
Fundraising	2,055	-	2,055	1,738	
Trading	-	1,969	1,969	3,284	
	<u>2,055</u>	<u>1,969</u>	<u>4,024</u>	<u>5,022</u>	

8 Trustees

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

9 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	12,734	12,289
Prepayments and accrued income	1,286	1,130
	<u>14,020</u>	<u>13,419</u>

10 Creditors: amounts falling due within one year

	2018 £	2017 £
Other creditors	<u>1,188</u>	<u>940</u>

VALLEY RENEWABLES GROUP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

11 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:

	Balance at 1 July 2017	Movement in funds		Balance at 30 June 2018
	£	Incoming resources	Resources expended	£
Foundation Scotland Earlsburn	110,420	-	-	110,420
Foundation Scotland Kingsburn	19,947	-	-	19,947
Heritage Scotland	-	9,650	(9,650)	-
	<u>130,367</u>	<u>9,650</u>	<u>(9,650)</u>	<u>130,367</u>

Foundation Scotland Kingsburn and Earlsburn Funds

These funds must be applied to projects that are community wide and therefore cannot be spent on the VRG small grant scheme. The funding will be spent on either the Community Woodland or Community Base projects.

Heritage Lottery Fund

This funding must be spent on archaeological investigations and reporting at Sir John de Grahame's Castle and Kirk o'Muir graveyard.

12 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 30 June 2018 are represented by:			
Current assets/(liabilities)	253,677	130,367	384,044
	<u>253,677</u>	<u>130,367</u>	<u>384,044</u>

13 Related party transactions

For the year ending 30th June 2018, four individual Director households applied and received £500 for eligible small grants. One of the four is awaiting a decision for another £500 for a small grant. No Director households applied for a small grant were rejected.