

Agenda item	<b>14</b>
Report no	<b>EDI 13/17</b>

## **HIGHLAND COUNCIL**

**Committee:** Environment, Development and Infrastructure Committee

**Date:** 8 November 2017

**Report Title:** Beinn Tharsuinn Windfarm Community Limited

**Report By:** Director of Development and Infrastructure

### **1. Purpose/Executive Summary**

- 1.1 This report details the activities of Beinn Tharsuinn Windfarm Community Limited during Financial Year 2016/17 and recommends that Members accept the Financial Statement as at 31 March 2017 on behalf of The Highland Council.

### **2. Recommendations**

2.1 Members are asked to:

- (i) note the activities of Beinn Tharsuinn Windfarm Community Limited; and
- (ii) accept, on behalf of Highland Council, the Financial Statement of Beinn Tharsuinn Windfarm Community Limited for year ending 31 March 2017.

### 3. Background

- 3.1 Beinn Tharsuinn Windfarm Community Limited (hereafter referred to as the Company) is a Charitable Co. Ltd. by Guarantee of which Highland Council is the sole company member. The purpose of the Company is to distribute a community benefit fund paid to the Company by Scottish Power, the developer of the Beinn Tharsuinn Windfarm. Payment commenced in 2007 and will continue for 25 years. The community benefit comprises a fixed payment of £58,000 per year (£2,000 per MW installed capacity) which is due every 1 April plus a generating bonus due on 31 January in the year following the year to which it refers. The bonus payment paid in 2016/17 was £22,294.37 giving a total payment for the year of £80,294.37. The Company also received £1,273.57 in interest, making the total income £81,567.94.
- 3.2 Ten communities are eligible for funding: Alness, Ardgay, Ardross, Creich, Dornoch, Edderton, Invergordon, Kilmuir and Logie Easter, Kiltarn and Tain. The total fund is divided amongst the communities according to a percentage based on the impact of the windfarm on each community. The communities receiving the largest shares are those immediately neighbouring the windfarm: Ardgay (17.98%), Ardross (21.19%), Creich (18.59%) and Edderton (22.09%). The grant making decisions are made by each Community Council at Community Council meetings, recorded in the minutes and open to public scrutiny.
- 3.3 The Company business is managed by a Board of Directors comprising Directors (and alternate Directors) from each of the ten communities. The Senior Ward Manager for Caithness, Sutherland and Easter Ross has attended to represent the Council. The Company is administered by the Company Secretary who at present is the Ward Manager for Caithness. Company accounts are managed through Highland Council financial systems.

### 4. Summary of Company Activities in Financial Year 2016/17

#### 4.1 Payment of Grants

- 4.1.1 The Company paid a total £85,792.82 in grants to 52 projects. The following table shows the amounts paid to projects in each of the ten communities:

Community	No. projects supported	Total grant paid (£)
Alness	0	0.00
Ardgay	14	18,494.50
Ardross	2	2,250.00
Creich	14	41,775.35
Dornoch	2	1,100.00
Edderton	9	17,092.97
Invergordon	6	2,950.00
Kilmuir and Logie Easter	5	2,130.00
Kiltarn	0	0.00
Tain	0	0.00
<b>TOTAL</b>	<b>52</b>	<b>85,792.82</b>

- 4.1.2 The attached Financial Statement contains details of the Company's balance, income and expenditure.

## **5. Implications**

- 5.1 There are no resource, legal, equality, climate change/Carbon Clever risk, Gaelic or rural implications resulting from this report.

Designation: Director of Development and Infrastructure

Date: 12 October 2017

Author: Alex Macmanus, Ward Manager, Caithness

Background Papers:

Financial Statement of Beinn Tharsuinn Windfarm Community Limited as at 31 March 2017

**REGISTERED COMPANY NUMBER: SC319675 (Scotland)**  
**REGISTERED CHARITY NUMBER: SC041233**

Report of the Trustees and  
Unaudited Financial Statements for the Year Ended 31 March 2017  
for

Beinn Tharsuinn  
Windfarm Community Limited

Mackay & Co  
Chartered Accountants  
Main Street  
Golspie  
Sutherland  
KW10 6RH

Beinn Tharsuinn  
Windfarm Community Limited

Contents of the Financial Statements  
for the Year Ended 31 March 2017

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Report of the Trustees  
for the Year Ended 31 March 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 31 March 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 principal aim of the company is to provide or assist in the provision of finance to community groups which must benefit the community within a 15km radius of the Beinn Tharsuinn Windfarm, and which must demonstrate community support and long-term sustainability.

## **ACHIEVEMENT AND PERFORMANCE**

### **Charitable activities**

During 2016/17 the company continued to assist community groups in the area in their charitable purposes, distributing grants totalling £85,793 (2016 - £66,584).

## **FINANCIAL REVIEW**

### **Reserves policy**

The company derives its funds from grants received from power generation from the Beinn Tharsuinn Windfarm.

The directors have established a policy whereby sufficient unrestricted funds are held to cover any short-term requirements.

## **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 governing documents of the company are the Memorandum and Articles of Association of the Company, which was incorporated on 27th March 2007.

Beinn Tharsuinn Windfarm Community Limited is a company limited by guarantee of £1 per member, and has no share capital. The company obtained charitable status on 1st February 2010.

The company is limited by guarantee, and, therefore, no director has an interest in the company.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

### **Registered Company number**

SC319675 (Scotland)

### **Registered Charity number**

SC041233

### **Registered office**

Highland Council Office  
Drummuie  
Golspie  
Sutherland  
KW10 6TA

Beinn Tharsuinn  
Windfarm Community Limited

Report of the Trustees  
for the Year Ended 31 March 2017

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Trustees**

P Allen	Chairperson	
P C Campbell		
I V Clark		- resigned 26.5.16
D F Clarke		- appointed 19.5.16
J M Edmondson		
P S Fairgrieve		- resigned 11.10.16
Mrs R M Fenton		
A D Ferguson		
D W Louden		
N J Macdonald		
D Macdonald		
Ms T D Mcaffery		
A P Murray		
R J Pope		- appointed 12.4.16
G D Porter		
E G R Simpson		
R J W Mercer		- appointed 12.8.16

**Company Secretary**

A Macmanus

**Independent examiner**

Marcus D. MacIver  
Chartered Accountant (ICAS)  
Mackay & Co  
Chartered Accountants  
Main Street  
Golspie  
Sutherland  
KW10 6RH

Approved by order of the board of trustees on 19 September 2017 and signed on its behalf by:

A Macmanus - Secretary

Independent Examiner's Report to the Trustees of  
Beinn Tharsuinn  
Windfarm Community Limited

I report on the accounts for the year ended 31 March 2017 set out on pages four to nine.

**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.

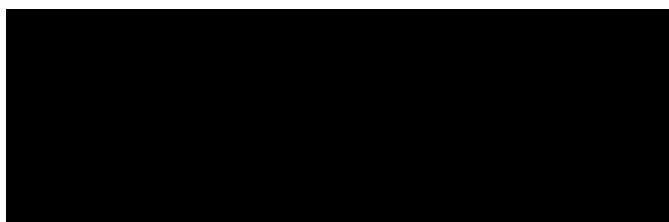
**Independent examiner's statement**

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.



Marcus D. Maclver  
Chartered Accountant (ICAS)  
Mackay & Co  
Chartered Accountants  
Main Street  
Golspie  
Sutherland  
KW10 6RH

19 September 2017



Beinn Tharsuinn  
Windfarm Community Limited

Statement of Financial Activities  
for the Year Ended 31 March 2017

	Notes	31.3.17 Unrestricted fund £	31.3.16 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies		80,294	82,298
Investment income	2	1,274	1,234
<b>Total</b>		<b>81,568</b>	<b>83,532</b>
<b>EXPENDITURE ON</b>			
<b>Charitable activities</b>			
Provision of finance		86,156	66,927
<b>NET INCOME/(EXPENDITURE)</b>		<b>(4,588)</b>	<b>16,605</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		<b>346,036</b>	<b>329,431</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>341,448</b>	<b>346,036</b>
<b>CONTINUING OPERATIONS</b>			
All income and expenditure has arisen from continuing activities.			

The notes form part of these financial statements

Beinn Tharsuinn  
Windfarm Community Limited

Balance Sheet  
At 31 March 2017

	Notes	31.3.17 Unrestricted fund £	31.3.16 Total funds £
<b>CURRENT ASSETS</b>			
Debtors	5	341,718	348,106
<b>CREDITORS</b>			
Amounts falling due within one year	6	(270)	(2,070)
<b>NET CURRENT ASSETS</b>		<u>341,448</u>	<u>346,036</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		341,448	346,036
<b>NET ASSETS</b>		<u>341,448</u>	<u>346,036</u>
<b>FUNDS</b>	7		
Unrestricted funds		<u>341,448</u>	<u>346,036</u>
<b>TOTAL FUNDS</b>		<u>341,448</u>	<u>346,036</u>

The notes form part of these financial statements

Beinn Tharsuinn  
Windfarm Community Limited

Balance Sheet - continued  
At 31 March 2017

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

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

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 19 September 2017 and were signed on its behalf by:

A P Murray -Trustee

Notes to the Financial Statements  
for the Year Ended 31 March 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.

**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.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

All Funds are Unrestricted and as such can be used in accordance with the charitable objectives at the discretion of the trustees.

**2. INVESTMENT INCOME**

	31.3.17	31.3.16
	£	£
Deposit account interest	1,274	1,234
	<u>          </u>	<u>          </u>

**3. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2017 nor for the year ended 31 March 2016.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2017 nor for the year ended 31 March 2016.

**4. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £
<b>INCOME AND ENDOWMENTS FROM</b>	
Donations and legacies	82,298
Investment income	1,234
<b>Total</b>	<u>83,532</u>
<b>EXPENDITURE ON</b>	
<b>Charitable activities</b>	
Provision of finance	66,927
<b>Total</b>	<u>66,927</u>
<b>NET INCOME/(EXPENDITURE)</b>	<u>16,605</u>
<b>RECONCILIATION OF FUNDS</b>	
<b>Total funds brought forward</b>	329,431
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>346,036</u></u>

**5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.17 £	31.3.16 £
Funds held in Highland Council Loans Fund	<u>341,718</u>	<u>348,106</u>

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.17 £	31.3.16 £
Accrued expenses	<u>270</u>	<u>2,070</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2017

**7. MOVEMENT IN FUNDS**

	At 1.4.16 £	Net movement in funds £	At 31.3.17 £
<b>Unrestricted funds</b>			
General fund	346,036	(4,588)	341,448
<b>TOTAL FUNDS</b>	<u>346,036</u>	<u>(4,588)</u>	<u>341,448</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	81,568	(86,156)	(4,588)
<b>TOTAL FUNDS</b>	<u>81,568</u>	<u>(86,156)</u>	<u>(4,588)</u>

**8. RELATED PARTY DISCLOSURES**

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

Beinn Tharsuinn  
Windfarm Community Limited

Detailed Statement of Financial Activities  
for the Year Ended 31 March 2017

	31.3.17 £	31.3.16 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Contributions received	80,294	82,298
<b>Investment income</b>		
Deposit account interest	1,274	1,234
<b>Total incoming resources</b>	<u>81,568</u>	<u>83,532</u>
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Voluntary grants	85,793	66,584
<b>Support costs</b>		
<b>Governance costs</b>		
Accountancy fees	363	343
<b>Total resources expended</b>	<u>86,156</u>	<u>66,927</u>
<b>Net (expenditure)/income</b>	<u>(4,588)</u>	<u>16,605</u>

This page does not form part of the statutory financial statements