

**Report of the Directors and
Financial Statements for the Year Ended 31 March 2008
for
Halkirk District Benefit Fund**

Reid & Fraser
15 Princes Street
Thurso
Caithness
KW14 7BQ

Halkirk District Benefit Fund

Contents of the Financial Statements for the Year Ended 31 March 2008

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Examiner	4
Income and Expenditure Account incorporating Statement of Financial Activities	5
Statement of Recognised Gains and Losses	6
Balance Sheet	7
Notes to the Financial Statements	8 -10

Halkirk District Benefit Fund

**Company Information
for the Year Ended 31 March 2008**

DIRECTORS:	P J W Blackwood W Manson R Campbell – resigned 28 May 2008 Mrs L D Levack - resigned 21 May 2007 Mrs K Cartwright - appointed 21 May 2007 S Mills - appointed 21 May 2007 Mrs J Mowat – appointed 28 May 2008
SECRETARY:	Macleod & MacCallum Solicitors
REGISTERED OFFICE:	28 Queensgate Inverness Highland IV1 1YN
REGISTERED NUMBER:	281781 (Scotland)
INDEPENDENT EXAMINER:	Stuart Walker BAcc CA Reid & Fraser 15 Princes Street Thurso Caithness KW14 7BQ
BANKERS:	Royal Bank of Scotland plc
CHARITY NUMBER:	SC039254

Halkirk District Benefit Fund

Report of the Directors for the Year Ended 31 March 2008

The directors present their report with the financial statements of the company for the year ended 31 March 2008.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The company was incorporated on 18 March 2005 and is limited by guarantee, not having a share capital. The company was registered by the Office of the Scottish Charity Regulator as a charity under the Scottish Charity number SC039254 on 16 February 2008.

Each member of the company has undertaken to contribute an amount not exceeding £1 towards any deficit arising in the event of Halkirk District Benefit Fund being placed in liquidation.

Directors

The directors during the year of review to the date of this report are detailed on company information page 1.

One third of the directors retire in rotation annually but may be re-appointed for a further period of three years provided that no director shall serve continuously for a period of more than six years without there being a period of not less than one year when that person does not act as a director.

OBJECTIVES AND ACTIVITIES

The principal activity of the company in the year under review was that of the promotion of the general interests of the Halkirk District Community Council area.

ACHIEVEMENTS AND PERFORMANCE

During the year to 31 March 2008 the membership was invited to apply for grants to assist with projects which would benefit both Group and Individual members. Five applications were received and by 31 March 2008 the directors had considered and awarded grants to:

- a) Tanya Horne Dancers to assist with the purchase of Cups and Medals for their inaugural Highland dancing Competition.
- b) Halkirk School Parents Council to assist with travel and accommodation costs for a school trip.
- c) Halkirk Highland Games Association towards the capital cost of erecting a Storage Building for games equipment.

FINANCIAL REVIEW

The directors consider the financial status of the company to be in a satisfactory state with surplus funds being invested on the Money Market at competitive rates of interest producing additional revenue so increasing the company's reserves available for grants.

Reserves

The reserve balances represent the unrestricted and restricted fund balances arising from past operating results. The directors are satisfied that the reserves will meet the working capital requirements of the company.

PLANS FOR FUTURE PERIODS

The directors will continue to publicise the fund and raise its profile through advertising and holding membership meetings. Member Groups and Individuals will be invited to apply for grants for projects that will benefit the community.

Halkirk District Benefit Fund

Report of the Directors - continued for the Year Ended 31 March 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SMALL COMPANY EXEMPTIONS

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

(Signed by) P J W Blackwood

.....
Director

6 December 2008

Date:

**Independent Examiners' Report on the Unaudited Accounts
to the Directors of Hallkirk District Benefit Fund**

I report on the financial statements for the year ended 31 March 2008 set out on pages 5 to 10. The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and the Statement of Recommended Practice – Accounting and Reporting by Charities (2005).

Respective responsibilities of directors and independent examiners

As described on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and UK accounting standards. The directors consider that the audit requirement of Regulation 10(1)(d) of the Accounts Regulations does not apply. In accordance with the directors' instructions and in order to assist them to fulfil their responsibilities, I have prepared the financial statements from the accounting records and from the information and explanations supplied to me.

It is my responsibility to examine the financial statements in accordance with section 44(1)(c) of the Act and to state whether particular matters have come to our attention.

Basis of independent examiner's report

My work was conducted 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 the directors related to 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.

Report of the independent examiner

In the course of my examination, nothing has come to my attention 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 comply with Regulation 9 of the 2006 Accounts Regulations

have not been met.

In my opinion, the accounts for the year ended 31 March 2008 are in accordance with those records. Further, nothing has come to my attention in connection with my examination that, in my opinion, should be drawn to your attention in order to enable a proper understanding of the accounts to be reached.

(Signed by) S Walker

Stuart Walker BAcc CA
Reid & Fraser
Chartered Accountants
15 Princes Street
Thurso
KW14 7BQ

9 December 2008

Date:.....

Halkirk District Benefit Fund

Income and Expenditure Account incorporating Statement of Financial Activities for the Year Ended 31 March 2008

	Notes	Unrestricted Funds 2008 £	Restricted Funds 2008 £	Total funds 2008 £	Total funds 2007 £
Incoming resources					
Sponsorship and Donations		-	-	-	-
Activities to further the Trust's objectives:					
Wind farm – Community income		58,664	-	58,664	57,201
Bank interest		26,427	-	26,427	18,264
Miscellaneous income		-	-	-	-
Total incoming resources		85,091	-	85,091	75,465
Resources expended					
Costs of activities in furtherance of charitable objectives:					
Grants awarded	2	12,648	-	12,648	-
Management & administration	3	2,578	-	2,578	1,048
Donations		-	-	-	-
Total resources expended		15,226	-	15,226	1,048
Net incoming resources before transfers		69,865	-	69,865	74,417
Funds transferred		-	-	-	-
Net movement in funds for period		69,865	-	69,865	74,417
Total funds brought forward		443,559	-	443,559	13,597
Prior year adjustment	6	-	-	-	355,545
Total funds carried forward		513,424	-	513,424	443,559

There were no recognised gains or losses for the period other than those included in the Statement of Financial Activities. All incoming resources and resources expended derive from continuing activities.

Halkirk District Benefit Fund

**Statement of Total Recognised Gains and Losses
for the Year Ended 31 March 2008**

	2008	2007
	£	as restated £
SURPLUS FOR THE FINANCIAL YEAR	69,865	74,417
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>69,865</u>	74,417
Prior year adjustment		<u>355,545</u>
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT		<u>429,962</u>

The notes form part of these financial statements

Halkirk District Benefit Fund**Balance Sheet
31 March 2008**

		2008	2007 as restated
	Notes	£	£
CURRENT ASSETS			
Debtors	7	4,404	2,057
Cash at bank		<u>509,520</u>	<u>441,802</u>
		513,924	443,859
CREDITORS			
Amounts falling due within one year	8	<u>(500)</u>	<u>(300)</u>
NET CURRENT ASSETS		<u>513,424</u>	<u>443,559</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>513,424</u>	<u>443,559</u>
RESERVES			
General Fund	9	<u>513,424</u>	<u>443,559</u>
		<u>513,424</u>	<u>443,559</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 March 2008.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2008 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

6 December 2008

The financial statements were approved by the Board of Directors on and were signed on its behalf by:

(Signed by) P J W Blackwood

.....
Director

The notes form part of these financial statements

Halkirk District Benefit Fund

Notes to the Financial Statements for the Year Ended 31 March 2008

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice – Accounting by Charities (SORP) 2005 and Financial Reporting Standard for Smaller Entities (effective January 2007).

Government Grants

Government grants in respect of capital expenditure are credited to a deferred income account and released to the profit and loss over the expected useful lives of the relevant assets.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Grants Awarded

Grants awarded are recognised in full in the year in which the directors formally approve an award. Any grant awards unpaid at the year end are shown as liabilities in the balance sheet.

Unrestricted Funds

Unrestricted funds are grants and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Restricted Funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

2. GRANTS AWARDED

	Unrestricted Funds	Restricted Funds	2008 Total	2007 Total
	£	£	£	£
Tanya Horne Dancers	750	-	750	-
Halkirk Primary School	2,000	-	2,000	-
Halkirk Highland Games Assoc	9,898	-	9,898	-
	<u>12,648</u>	<u>-</u>	<u>12,648</u>	<u>-</u>

3. MANAGEMENT AND ADMINISTRATION EXPENSES

	Unrestricted Funds	Restricted Funds	2008 Total	2007 Total
	£	£	£	£
Postages & Stationery	140	-	140	63
Sundry Expenses	1	-	1	-
Accountancy	875	-	875	353
Secretarial Expenses	793	-	793	363
Legal Fees	265	-	265	265
Independent Examiner's Fee	500	-	500	-
Bank Charges	4	-	4	4
	<u>2,578</u>	<u>-</u>	<u>2,578</u>	<u>1,048</u>

Halkirk District Benefit Fund

Notes to the Financial Statements - continued for the Year Ended 31 March 2008

4. NET INCOMING RESOURCES

The operating profit is stated after charging:	2008	2007 as restated
	£	£
Directors' emoluments and other benefits etc	<u>—</u>	<u>—</u>

5. TAXATION

Analysis of the tax charge

The company was registered as a charity on 16 February 2008 with Scottish Charity reference SC039254.

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2008 nor for the year ended 31 March 2007.

The directors do not consider that the company's operating income is taxable. Operating income consists of income payable by a local energy company which will be distributed to local community groups in future periods. As such the directors do not consider that the company's activities give rise to profit which is taxable.

6. PRIOR YEAR ADJUSTMENT

The prior year adjustment refers to the restatement of wind farm income in order to comply with the SORP 2005 Regulations relating to the recognition of income as arising when it is receivable.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007 as restated
	£	£
Accrued interest	<u>4,404</u>	<u>2,057</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007 as restated
	£	£
Other creditors	<u>500</u>	<u>300</u>

Halkirk District Benefit Fund

Notes to the Financial Statements - continued for the Year Ended 31 March 2008

9. MOVEMENT IN FUNDS

	At 31 March 2007	Incoming Resources	Outgoing Resources	Transfers	At 31 March 2008
	£	£	£	£	£
Unrestricted Funds: General Reserve	443,559	85,091	15,226	-	513,424
Restricted Funds	-	-	-	-	-
Total Funds	<u>443,559</u>	<u>85,091</u>	<u>15,226</u>	<u>-</u>	<u>513,424</u>

10. RELATED PARTY TRANSACTIONS

None of the directors were paid any remuneration or expenses during the period.

During the year a grant of £9,898 was made to Halkirk Highland Games Association, of which Mr P W Blackwood and Mr W Manson are associate members.