

ENCHANTED FOREST COMMUNITY TRUST

COMPANY LIMITED BY GUARANTEE

TRUSTEES REPORT AND ACCOUNTS

FOR THE YEAR ENDED

30 NOVEMBER 2015

Charity Number SC045237



CONTENTS	PAGE
Trustees' annual report	1
Independent auditor's report to the trustees and members	6
Statement of financial activities (incorporating the income and expenditure account)	9
Balance sheet	10
Notes to the trustees report and accounts	11



The trustees, who are also directors for the purposes of company law, present their report and the Trustees report and accounts of the charity for the year ended 30 November 2015.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

#### REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Enchanted Forest Community Trust
Charity registration number	SC045237
Company registration number	SC357866

#### The trustees

The trustees who served the charity during the period were as follows:

M Anderson  
K Aycan  
G C Brown  
C Joss  
R K Moncrieff  
I Sim

A Malcolm who retired as a trustee on 27 April 2015 was appointed as a trustee on 7 January 2016.  
V W Sloan was appointed as a trustee on 26 May 2016.  
G C Brown retired as a trustee on 26 May 2016.

Auditor	Johnston Carmichael LLP Chartered Accountants & Statutory Auditor 66 Tay Street Perth Scotland PH2 8RA
---------	--



## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The organisation was incorporated as a Scottish company limited by guarantee on 7 April 2009 and has been registered as a Scottish charity since 17 November 2014. The charity is governed by its Memorandum and Articles of Association dated 28th October 2014.

A chairman is appointed from the board of trustees to preside at meetings. Decisions on charity business are passed by majority.

The charity has no formal policies in place regarding the recruitment, appointment, induction and training of trustees. It is intended to formalise the education of trustees by requiring their attendance at suitable course on a regular basis.

The charity has no formal relationship with any related party. No payments are made for services provided by trustees' families or business associates without the prior approval of the other trustees.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

## **OBJECTIVES AND ACTIVITIES**

The charitable purposes of the trust are to benefit the communities of Highland Perthshire (that geographical area within Perthshire comprising the parishes of Blair Atholl, Dull, Dunkeld and Dowally, Fortingall, Kenmore and Lawers, Little Dunkeld, Logierait, Moulin and Weem, hereinafter referred to as 'the area'):

to advance the arts, heritage, culture and science of the area by supporting, managing, promoting and developing quality events which enhance and celebrate the natural and cultural resources of the area and encourage education and participation therein;

to provide funding to charities, clubs and organisations in the area to enable them to implement, or assist in the implementation of, their own projects the purposes of which promote any of the following:- (i) The advancement of arts, heritage, culture or science (ii) The advancement of community development and environmental protection or improvement (iii) The advancement of education (iv) The advancement of public participation in sport or the provision or organisation of recreational facilities with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended (v) Relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.

The Enchanted Forest Community Trust organises and runs the Enchanted Forest for the benefit of Highland Perthshire. It has run the Enchanted Forest in Pitlochry for the past six years and through its community fund has helped other events take place. The majority of contracts which the company has placed has been with local suppliers. This has contributed to an increase in employment in quiet periods of economic activity for Pitlochry.

## **ACHIEVEMENTS AND PERFORMANCE**

Since the show's inception attendances have increased year by year. The 2015 show "Flux" attracted over 62,000 guests. The visitor numbers were a third more than in 2014. The Enchanted Forest has attracted many accolades and currently holds the VisitScotland National Thistle Award for Best Event.

During this financial period the trust has made charitable donations in excess of £15,000 to local organisations and local charities. The benefit the Enchanted Forest Event has contributed to the economy of Highland Perthshire in 2015 was estimated at some £2.7 million.

More than 100 people were involved in the 2015 show. Particular attention is being paid to young people on work experience and young unemployed to give them a pride in their community and themselves.

## **FINANCIAL REVIEW**

The surplus for the year of £123,582 is considered to be satisfactory (2014 restated - £72,516).

The trustees engaged consultants to review the VAT status of the organisation which resulted in the income and expenditure directly relating to the Enchanted Forest event being reclassified as exempt from VAT. As a result of this reclassification, the reserves at 30 November 2013 were increased by £34,329 and the restatement of the results for the year ended 30 November 2014 increased the surplus for that year by a further £31,615.

The balance of reserves is adequate to finance the 2016 show and the trustees believe that the charity has a sound financial footing.

Since the year end some £10,000 has subsequently been distributed to causes in keeping with the charity's aims.

## **PLANS FOR FUTURE PERIODS**

For 2016 the run will again be extended to 32 nights. The show will be held at Faskally Woods, Pitlochry from 28th September to 30th October 2016.

The Trustees continue to look at the possibility of organising other events in the Spring and Christmas periods.

## **TRUSTEES' RESPONSIBILITIES STATEMENT**

The trustees (who are also the directors of Enchanted Forest Community Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the Trustees report and accounts in accordance with applicable law and regulations.

Company law requires the trustees to prepare Trustees report and accounts for each financial year. Under that law the trustees have elected to prepare the Trustees report and accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the Trustees report and accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the income and expenditure of the charity for that period.

In preparing these Trustees report and accounts, 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 accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures
- prepare the Trustees report and accounts 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 are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the Trustees report and accounts comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **AUDITOR**

Johnston Carmichael LLP are deemed to be re-appointed under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as each trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

### **SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Registered office:  
30 Bonneathill Road  
Pitlochry  
Perthshire  
PH16 5BS

Signed on behalf of the trustees

K AYCAN  
Director

29 July 2016

We have audited the trustees report and financial statements of Enchanted Forest Community Trust for the year ended 30 November 2015 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR**

As explained more fully in the Trustees' Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of Trustees report and accounts and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the Trustees report and accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE TRUSTEES REPORT AND ACCOUNTS**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OPINION ON TRUSTEES REPORT AND ACCOUNTS**

In our opinion the Trustees report and accounts:

- ☐ give a true and fair view of the state of the charitable company's affairs as at 30 November 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ☐ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- ☐ have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the Trustees report and accounts are prepared is consistent with the Trustees report and accounts.

#### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- ☐ the charity has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- ☐ the Trustees report and accounts are not in agreement with the accounting records and returns; or
- ☐ certain disclosures of trustees' remuneration specified by law are not made; or
- ☐ we have not received all the information and explanations we require for our audit; or
- ☐ the trustees were not entitled to prepare the Trustees report and accounts in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

JEAN MAIN (Senior Statutory Auditor)  
For and on behalf of  
JOHNSTON CARMICHAEL LLP  
Chartered Accountants  
& Statutory Auditor

66 Tay Street  
Perth  
Scotland  
PH2 8RA

29 July 2016

Johnston Carmichael LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**INCOMING RESOURCES**

Incoming resources from generating funds:

Voluntary income 2 — 29,090

Incoming resources from charitable activities 3 971,676 660,811**TOTAL INCOMING RESOURCES** 971,676 689,901**RESOURCES EXPENDED**

Charitable activities

4 (835,282) (587,262)

Governance costs 5 (12,812) (30,123)**TOTAL RESOURCES EXPENDED** (848,094) (617,385)**NET INCOMING RESOURCES FOR THE YEAR/NET INCOME FOR THE YEAR** 123,582 72,516**RECONCILIATION OF FUNDS**

Total funds brought forward as previously reported 101,273 60,372

Prior year adjustment 6 65,944 34,329Total funds brought forward restated 167,217 94,701**TOTAL FUNDS CARRIED FORWARD** 290,799 167,217

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

<b>FIXED ASSETS</b>			
Tangible assets	10	43,767	16,147
<b>CURRENT ASSETS</b>			
Stocks	11	2,045	905
Debtors	12	99,981	59,176
Cash at bank		214,997	144,454
		<u>317,023</u>	<u>204,535</u>
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>(69,991)</u>	<u>(53,465)</u>
<b>NET CURRENT ASSETS</b>		247,032	151,070
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>290,799</u>	<u>167,217</u>
<b>NET ASSETS</b>		<u>290,799</u>	<u>167,217</u>
<b>FUNDS</b>			
Unrestricted income funds		<u>290,799</u>	<u>167,217</u>
<b>TOTAL FUNDS</b>		<u>290,799</u>	<u>167,217</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These Trustees report and accounts were approved by the members of the committee and authorised for issue on the 29 July 2016 and are signed on their behalf by:

I SIM  
Director

Company Registration Number: SC357866

## **1. ACCOUNTING POLICIES**

### **Basis of accounting**

The Trustees report and accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005), the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity has availed itself of s.396 of the Companies Act 2006, as permitted in paragraph 4(1) of Schedule 1 of SI 2008 No 409, and adapted the Companies Act formats to reflect the special nature of the charity's activities.

### **Incoming Resources**

All incoming resources are recognised once the charitable company has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Income represents invoices and tickets issued, grants and other monies received in the course of the charity's ordinary activities during the year.

### **Resources Expended**

Liabilities are recognised as resources expended as soon as there is legal or constructive obligation committing the charitable company to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. These are allocated as between charitable expenditure and governance costs.

### **Charitable expenditure**

Charitable expenditure is incurred in direct pursuance of the charitable company's principal objects and as set out in the trustees' report. Direct charitable costs comprise costs incurred in inducing organisations to contribute financially to the charitable company's work and income received in pursuance of these areas is shown within incoming resources.

### **Governance costs**

Governance costs comprise all costs involving public accountability of the charitable company and its compliance with regulation and good practice. These costs include the expenses of the trustees meeting, the statutory audit and legal and professional fees.

### **Unrestricted Funds**

Unrestricted funds are funds which are available for use at the discretion of the charitable company in furtherance of the general objectives of the charitable company.

### **Fund accounting**

Funds are maintained at a level estimated to be sufficient to finance the Enchanted Forest event, having regard to expected income from grants, donations and direct income from the event itself.

### **Fixed assets**

There is no formal policy for classifying assets as fixed assets. All fixed assets are initially recorded at cost.

### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Land & Buildings	-	33.33% straight line
Equipment	-	10%/20%/25% straight line

### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

## 2. VOLUNTARY INCOME

	Unrestricted Funds 2015	Unrestricted Funds 2014 <i>(restated)</i>
	£	£
<b>Donations</b>		
Donations	—	8,090
<b>Grants receivable</b>		
Grants receivable	—	21,000
	<u>—</u>	<u>29,090</u>

## 3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2015	Unrestricted Funds 2014 <i>(restated)</i>
	£	£
Ticket sales	929,079	635,563
Merchandise and other sales	26,787	14,875
Brochure advertising	9,810	6,770
Miscellaneous income	6,000	3,603
	<u>971,676</u>	<u>660,811</u>

## 4. CHARITABLE ACTIVITIES

Activities undertaken directly

	Unrestricted Funds 2015	Unrestricted Funds 2014 <i>(restated)</i>
	£	£
Cost of sales - Purchases	740,420	525,368
Staff costs - Wages & salaries	32,008	17,492
Depreciation	13,046	2,483
Subcontract	17,870	16,730
Directors fees	-	17,613
Marketing	3,077	-
Entertaining	5,274	2,196
Donations	22,950	5,380
Sundry expenses	637	-
	<u>835,282</u>	<u>587,262</u>

## 5. GOVERNANCE COSTS

	Unrestricted Funds 2015	Unrestricted Funds 2014 <i>(restated)</i>
	£	£
Accountancy fees	9,074	5,578
Audit fees	3,000	3,600
Legal fees	–	3,160
Other financial costs	738	372
Current taxation charge	–	17,413
	<u>12,812</u>	<u>30,123</u>

## 6. PRIOR YEAR ADJUSTMENT

The trustees engaged consultants to review the VAT status of the organisation which resulted in the income and expenditure directly relating to the Enchanted Forest event being reclassified as exempt from VAT. As a result of this reclassification, the reserves at 30 November 2013 were increased by £34,329 and the restatement of the results for the year ended 30 November 2014 increased the surplus for that year by a further £31,615. As these amounts relate to periods prior to the granting of charitable status, they are net of a provision for corporation tax.

## 7. STAFF COSTS AND EMOLUMENTS PARTICULARS OF EMPLOYEES

Total staff costs were as follows:

	2015	2014 <i>(restated)</i>
	£	£
Wages and salaries	32,008	17,492
	<u>32,008</u>	<u>17,492</u>

The number of employees during the trading period was 51 (2014 - 46).

No employee received remuneration of more than £60,000 during the year (2014 - Nil).

## 8. TAXATION

In respect of the year:

2015	2014 <i>(restated)</i>
£	£

Taxation based on the results for the year at -% (2014 - 20%)

Current taxation charge	-	17,413
	<u>          </u>	<u>          </u>

The company became a registered charity on 17 November 2014 and no provision is required for corporation tax from that date. The provision up to that date is included in creditors falling due within one year.

## 9. TRUSTEES

During the year wages of £1,515 were paid to C Joss, a trustee of the charity, for services towards running the Enchanted Forest event, not for services as a trustee (2014 - £1,248).

A Malcolm was also paid fees of £401 (2014 - £2,633) for advertising and marketing services, not for services as a trustee.

During the year 3 trustees were reimbursed £161 for expenditure incurred on behalf of the charity (2014 - £206 reimbursed to 2 trustees).

The payment of trustees is permitted under clause 25 of the charity's constitution.

## 10. TANGIBLE FIXED ASSETS

	Land and Buildings £	Equipment £	Total £
<b>COST</b>			
At 1 December 2014	-	19,422	19,422
Additions	7,880	32,786	40,666
Disposals	-	(680)	(680)
<b>At 30 November 2015</b>	<u>7,880</u>	<u>51,528</u>	<u>59,408</u>
<b>DEPRECIATION</b>			
At 1 December 2014	-	3,275	3,275
Charge for the year	2,627	10,419	13,046
On disposals	-	(680)	(680)
<b>At 30 November 2015</b>	<u>2,627</u>	<u>13,014</u>	<u>15,641</u>
<b>NET BOOK VALUE</b>			
<b>At 30 November 2015</b>	<u>5,253</u>	<u>38,514</u>	<u>43,767</u>
At 30 November 2014	<u>-</u>	<u>16,147</u>	<u>16,147</u>

## 11. STOCKS

	2015	2014 <i>(restated)</i>
	£	£
Stock	<u>2,045</u>	<u>905</u>

## 12. DEBTORS

	2015	2014 <i>(restated)</i>
	£	£
Trade debtors	—	4,195
Other debtors	<u>99,981</u>	<u>54,981</u>
	<u>99,981</u>	<u>59,176</u>

## 13. CREDITORS: Amounts falling due within one year

	2015	2014 <i>(restated)</i>
	£	£
Trade creditors	31,161	10,036
Corporation tax	26,082	26,082
PAYE and social security	4,879	—
Accruals	<u>7,869</u>	<u>17,347</u>
	<u>69,991</u>	<u>53,465</u>

## 14. RELATED PARTY TRANSACTIONS

During the year wages of £535, £812, £765 and £737 were paid to L Aycan, S Brown, S Joss and G Joss respectively, close relatives of trustees K Aycan, G Brown and C Joss for their services towards the running the Enchanted Forest event (2014 - £176, £258 and £709 paid to P Sim, L Aycan and S Joss).

Entertainment costs of £nil were supplied by Fern Cottage, a partnership in which K Aycan was a partner (2014 - £2,107).

## 15. COMPANY LIMITED BY GUARANTEE

The liability of each member is limited to a sum of £1 in the event that the company is wound up during their period of membership or within one year thereafter.