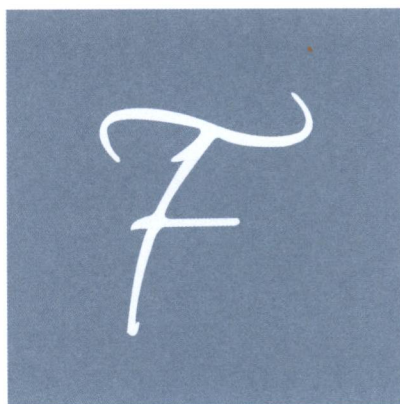


Charity Registration No. SC045237 (Scotland)

Company Registration No. SC357866 (Scotland)

**ENCHANTED FOREST COMMUNITY TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2020**



**PERTH OFFICE**

4 Albert Place, Perth PH2 8JE

Tel: 01738 626163 Fax: 01738 440485

Email: [info@finlaysonscs.co.uk](mailto:info@finlaysonscs.co.uk)

**FINLAYSONS**  
**CHARTERED ACCOUNTANTS**

**CRIEFF OFFICE**

15 High Street, Crieff PH7 3HU

Tel: 01764 654044 Fax: 01764 655487

Email: [info@finlaysonscs.co.uk](mailto:info@finlaysonscs.co.uk)

# ENCHANTED FOREST COMMUNITY TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	P Keith	
	V Burrell	(Appointed 21 July 2020)
	L Williamson	(Appointed 31 January 2021)
	N Thompson	(Appointed 1 October 2020)
	M Pearson	(Appointed 4 May 2021)
	K Smith	(Appointed 15 April 2021)
<b>Charity number (Scotland)</b>	SC045237	
<b>Company number</b>	SC357866	
<b>Registered office</b>	30 Bonnethill Road PITLOCHRY PH16 5BS	
<b>Auditor</b>	Finlaysons 4 Albert Place PERTH PH2 8JE	
<b>Accountants</b>	Walton Kilgour Chartered Accountants 30 Bonnethill Road Pitlochry PH16 5BS	
<b>Bankers</b>	The Royal Bank of Scotland plc Perth Chief Office 12 Dunkeld Road PERTH PH1 5RB	
	Bank of Scotland 76 Atholl Road PITLOCHRY PH16 5BW	
<b>Solicitors</b>	J & H Mitchell WS 51 Atholl Road PITLOCHRY PH16 5BU	
	Thorntons 7 Whitefriars Crescent PERTH PH2 0PA	

# ENCHANTED FOREST COMMUNITY TRUST

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# ENCHANTED FOREST COMMUNITY TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 30 NOVEMBER 2020

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The trustees present their report and financial statements for the year ended 30 November 2020.

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 charitable company's Memorandum and Articles of Association, 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) (effective 1 January 2019)".

#### Objectives and activities

The charitable purposes of the trust are to benefit the communities of Highland Perthshire (as defined), 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 sound and light show for the benefit of Highland Perthshire. It has overseen the operation of the Enchanted Forest in Pitlochry for the past ten years and through its community fund has helped other events take place.

The majority of contracts which the company has placed have been with local suppliers, contributing a direct economic benefit to the area and an increase in employment in quiet periods of economic activity for Pitlochry and the wider area.

#### Charitable donations

The charity aims to distribute excess funds to support good causes within the Highland Perthshire area and also to make donations to charities in Scotland that, in the view of the trustees, are likely to benefit members of the local community.

Each year the charity asks local charities and community groups to submit applications for funds to assist them with suitable projects. By the time the Coronavirus Pandemic restrictions were put in place in the UK, the Trustees had already conducted and concluded their 2020 funding round. The decision was made to honour those charitable commitments, but not to commit to future donations until 2022.

Total charitable donations made in the year amounted to £68,707 (2019 - £55,122).

#### Achievements and performance

2020 was a year that was sadly dominated by the Coronavirus COVID-19 Pandemic. As the operator of a major event, The Enchanted Forest Community Trust was directly impacted by the essential health and wellbeing restrictions imposed by the UK Government.



# ENCHANTED FOREST COMMUNITY TRUST

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

### FOR THE YEAR ENDED 30 NOVEMBER 2020

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In April 2020, with considerable uncertainty surrounding the likely ability to operate a show in 2020, Trustees made an early decision to cancel the October event and to refund all customers their ticket fees in full. On 29th April, this decision was announced publicly with all 20,000 customers who had purchased tickets refunded within 48 hours of the cancellation announcement. This was a disappointing, but necessary, decision which both protected the Trust's financial position and further cemented our world class reputation as a community centred event.

Although the event did not take place, the annual charitable giving activities of the Enchanted Forest Community Trust continued with £33,514 donated to 26 local projects derived from proceeds generated by the highly successful 2019 event. These donations have included much needed COVID-19 rescue funds to The Birks Cinema in Aberfeldy and Pitlochry Festival Theatre, both of which were also directly impacted by the pandemic. Tayside Mountain Rescue also received a donation of £10,000 from the Trust in return for their practical assistance in the siting of a night sky laser show which was staged in October to mark the charity's support for the local community.

#### Financial review

As a direct result of not operating an event in 2020, the operating deficit in the year was £244,667.

As The Trust had no permanent offices, they were not eligible to receive any local authority grants, and as there were no employees on payroll at the time the lockdown was announced it was likewise not eligible to use the UK Government's furlough scheme. Trustees are hopeful that the event may be able to benefit from the Event Recovery Fund and have submitted a grant application to this scheme. 2020 trading losses have therefore been wholly covered by the charity's reserves.

In July 2020 The Trustees were made aware that a payment intended for a supplier had been fraudulently intercepted. The incident was reported to Police Scotland for investigation and OSCR, the charity regulator, were advised of the incident. The Enchanted Forest Community Trust honoured its commercial commitment to the supplier affected, and has compensated them for the services they provided and for which the original payment was fraudulently intercepted. The additional cost, which relates to a payment for services relating to the 2019 event, have been accounted for in 2020 and are included in our operating deficit.

#### Reserves

Reserves have been accrued in previous years to cover the costs associated with putting on the forthcoming year's show. The charity has been required to use those reserves in 2020 to sustain a level of charitable giving and the ongoing operational costs of the organisation.

For future event planning purposes, the trustees arrange for a budget to be prepared annually, making an allowance for ticket sales projections and, with respect to COVID-19 mitigation measures, any capacity restrictions that we are required to make. They assess the reserves needed for the year ahead and any surplus funds are made available for distribution for suitable projects.

The charity held total funds of £365,896 at the year end, all unrestricted (2019 - £610,563, all unrestricted). The trustees believe that the balance of reserves is adequate to finance the Enchanted Forest event, having regard to expected direct income from the event itself. The trustees believe that the charity has a sound financial footing.

The decision to cancel the event in 2021, which would have marked our 20th Anniversary year, has been taken due to the uncertainty surrounding the current guidelines and to ensure reserves are in place for the future.

In 2020, the charity engaged a project manager who advised the trustees to identify risks and implement strategies to minimise them.

Major risks identified by the board includes:



# ENCHANTED FOREST COMMUNITY TRUST

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

**FOR THE YEAR ENDED 30 NOVEMBER 2020**

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While there is a high level of expertise and notable commitment and loyalty from all the contractors involved in the delivery of the event, the management arrangements are no longer fit for purpose given the current scale and complexity of event and the context in which it operates.

The Trustee Board also requires additional executive management support to facilitate its strategic decision-making and identify opportunities for future development and growth.

All key personnel are either freelance or contractors whose sole or primary focus is the creation and delivery of the event. This does not facilitate a coordinated overview or management of the organisation on an on-going basis.

A lack of management resource is constraining the organisation's sustainability and development in the longer term with a number of underexploited areas including fundraising, stakeholder management - in particular with enterprise and tourism bodies - and community outreach.

It is recommended that a restructure of the organisation is undertaken, including the creation of a new role of Executive Director to lead the organisation, facilitate strategic decision making and oversee the creative and technical delivery of the Event. The Executive Director will report to the Chair of the Board of Trustees.

It is recommended that HR policies and procedures aimed at supporting a safe and productive working environment and resolving disputes and grievances are developed and embedded in all contracts (including freelance and contractor).

The support functions of the organisation – finance, IT, HR and administration are divided between a number of different freelancers and contractors and could benefit from rationalising and centralising.

An expert review of Health and Safety policies and procedures, CDM regulation compliance and insurance arrangements, including an overview of the terms in contractors' contracts and implementation on site is recommended to ensure clarity on responsibility and liability in the event of any incidents.

Trustees should ensure clarity of reporting lines and powers of direction with contractors/staff, noting that Trustees hold a non-executive role. If a Trustee can bring a specific executive expertise to a topic or project which would be valuable to the Charity, it is recommended that the scope and extent of this role should be agreed in advance with the Chair and the Executive Director.

Trustees should ensure that all interests are properly recorded, with a register of interests updated annually and on the appointment of new trustees and a declaration of any conflicts of interest made at the start of every Trustee meeting and recorded in the minutes.

A Trustee skills matrix should be developed to identify the range of skills and expertise required across the Trustee Board to support the organisation and a skills audit of current Trustees undertaken to inform future recruitment.

Following the escalation of the coronavirus outbreak in March 2020, this became the primary risk to the event and the charity and, as such, all resources were focussed on activities that would mitigate the financial and reputational impact of that key risk.

### **Structure, governance and management**

The company 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 28 October 2014 (revised 19 January 2018 and 30 September 2019).

Over the course of 2020, there were a number of changes to the composition of the Board of Trustees of The Enchanted Forest Community Trust, with a number of trustees stepping down after many years of voluntary service.

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:

# ENCHANTED FOREST COMMUNITY TRUST

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

### FOR THE YEAR ENDED 30 NOVEMBER 2020

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C Joss	(Resigned 3 July 2020)
R K Moncrieff	(Resigned 31 January 2021)
I Sim	(Resigned 1 July 2020)
A M Walker	(Resigned 8 June 2020)
P Keith	
V Burrell	(Appointed 21 July 2020)
L Williamson	(Appointed 31 January 2021)
N Thompson	(Appointed 1 October 2020)
M Pearson	(Appointed 4 May 2021)
K Smith	(Appointed 15 April 2021)

The Board of Trustees met regularly over the course of 2020, to assess the major risks to which the charity is exposed, the most notable of which in the last financial year was the Coronavirus COVID-19 Pandemic and which necessitated the difficult decision to cancel The Enchanted Forest event for the first time in its 19-year history.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

In what was a year of change for the charity, recruitment for new trustees was ongoing and the new board, now in position, is actively seeking to attract Trustees with a range of skills that will further support the charity's strategic aims.

In May, the Board of Trustees engaged an external consultant to devise a formal strategy for the Trust and this was delivered and approved in principle in September 2020. During this period of critical operational change, at the direct request of the board, Lesley Williamson resigned as a Trustee on 1st October 2020 to take on a temporary interim position as Executive Director. She resigned that position on 31 January 2021 following the successful appointment of Nela Popovic to the role of Executive Director and was re-appointed to the Board as Chairperson. During Lesley's tenure as Executive Director, Trustee recruitment policies were formalised and there is now a process in place to induct and train trustees. The charity is currently undertaking a nationwide campaign to recruit new trustees.

#### Auditor

In accordance with the company's articles, a resolution proposing that Finlaysons be reappointed as auditor of the company will be put at a General Meeting.

#### Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



**L Williamson**

Trustee

Dated: 27 July 2021



# ENCHANTED FOREST COMMUNITY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 30 NOVEMBER 2020**

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The trustees, who are also the directors of Enchanted Forest Community Trust 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 charitable company 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company 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 charitable company 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 charity 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.



# ENCHANTED FOREST COMMUNITY TRUST

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF ENCHANTED FOREST COMMUNITY TRUST

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#### Opinion

We have audited the financial statements of Enchanted Forest Community Trust (the 'charitable company') for the year ended 30 November 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 November 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# ENCHANTED FOREST COMMUNITY TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF ENCHANTED FOREST COMMUNITY TRUST

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#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Finlaysons*

Finlaysons

27 July 2021

Chartered Accountants

Statutory Auditor

4 Albert Place  
PERTH  
PH2 8JE

Finlaysons is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.



# ENCHANTED FOREST COMMUNITY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 NOVEMBER 2020

	Notes	Unrestricted funds 2020 £	Unrestricted funds 2019 £
<b><u>Income from:</u></b>			
Donations	2	-	2,268
Charitable activities	3	325	1,393,833
Investments	4	2,657	4,062
<b>Total income</b>		<b>2,982</b>	<b>1,400,163</b>
<b><u>Expenditure on:</u></b>			
Charitable activities	5	273,731	1,332,417
<b>Net (expenditure)/income for the year/ Net (outgoing)/incoming resources</b>		<b>(270,749)</b>	<b>67,746</b>
<b>Other recognised gains and losses</b>			
Corporation tax adjust re prior year		26,082	-
<b>Net movement in funds</b>		<b>(244,667)</b>	<b>67,746</b>
Fund balances at 1 December 2019		610,563	542,817
<b>Fund balances at 30 November 2020</b>		<b>365,896</b>	<b>610,563</b>

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.

# ENCHANTED FOREST COMMUNITY TRUST

## BALANCE SHEET

AS AT 30 NOVEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	10		11,917		10,882
<b>Current assets</b>					
Stocks	11	2,071		3,014	
Debtors	12	20,145		29,315	
Cash at bank and in hand		724,260		750,175	
		<u>746,476</u>		<u>782,504</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(362,497)</u>		<u>(152,823)</u>	
Net current assets			383,979		629,681
<b>Total assets less current liabilities</b>			395,896		640,563
<b>Provisions for liabilities</b>			(30,000)		(30,000)
<b>Net assets</b>			<u>365,896</u>		<u>610,563</u>
<b>Income funds</b>					
Unrestricted funds			365,896		610,563
			<u>365,896</u>		<u>610,563</u>

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 27 July 2021

*L. Williamson*

L Williamson  
Trustee

Company Registration No. SC357866



# ENCHANTED FOREST COMMUNITY TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	17		(20,174)		152,448
<b>Investing activities</b>					
Purchase of tangible fixed assets		(8,398)		(2,400)	
Investment income received		2,657		4,062	
<b>Net cash (used in)/generated from investing activities</b>			(5,741)		1,662
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(25,915)		154,110
Cash and cash equivalents at beginning of year			750,175		596,065
<b>Cash and cash equivalents at end of year</b>			<u>724,260</u>		<u>750,175</u>

# ENCHANTED FOREST COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2020

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### 1 Accounting policies

#### Charity information

Enchanted Forest Community Trust is a private company limited by guarantee incorporated in Scotland. The registered office is 30 Bonnethill Road, Pitlochry, PH16 5BS.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company'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) (effective 1 January 2019)".

The charitable company is a Public Benefit Entity as defined by FRS 102.

The charity has availed itself of S396 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.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. 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 charitable company has adequate resources to continue in operational existence for at least the next twelve months. 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.

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.

#### 1.4 Incoming resources

Income is recognised when the charitable company 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.

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

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount.

#### 1.5 Resources expended

All expenditure is accounted for on an accruals basis as a liability is incurred. Expenditure includes irrecoverable VAT and has been classified under headings of the Statement of Financial Activities to which it relates.

# ENCHANTED FOREST COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

### 1 Accounting policies

(Continued)

Expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to governance of the charity apportioned to charitable activities.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice. These costs include the statutory audit fees.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Plant and equipment	10%/20%/33% straight line
---------------------	---------------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks.

#### 1.10 Financial instruments

The charitable company 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 charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

##### **Basic financial assets**

Basic financial assets, which include debtors and bank balances, are initially measured at transaction price.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors are recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less.



# ENCHANTED FOREST COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

### 1 Accounting policies

(Continued)

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

#### 1.11 Provisions

Provisions are recognised when the charitable company has a legal or constructive present obligation as a result of a past event, it is probable that the charitable company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

### 2 Donations

	Total	Unrestricted funds
	2020	2019
	£	£
Donations and gifts	-	2,268

### 3 Charitable activities

	2020	2019
	£	£
Ticket sales	-	1,331,226
Merchandise and other sales	-	28,405
Brochure advertising	325	6,125
Other income	-	28,077
	325	1,393,833



# ENCHANTED FOREST COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

### 4 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Interest receivable	2,657	4,062

### 5 Charitable activities

	2020	2019
	£	£
Staff costs	-	78,861
Depreciation and impairment	7,363	6,523
Event costs	132,437	1,094,087
Subcontract labour	2,300	26,646
Entertaining	-	3,709
Improvements	-	24,796
Rebranding	-	20,732
Sundry expenses	11,789	7,614
Compensation payment	26,109	-
	179,998	1,262,968
Grant funding of activities (see note 6)	68,707	55,122
Share of support costs (see note 7)	426	779
Share of governance costs (see note 7)	24,600	13,548
	273,731	1,332,417

### 6 Grants payable

	2020	2019
	£	£
Community fund donations	33,514	36,172
Other donations	35,193	18,950
	68,707	55,122

# ENCHANTED FOREST COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

### 7 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £	Basis of allocation
Bank charges	426	-	426	779	-	779	Direct
Audit fees	-	3,360	3,360	-	3,360	3,360	Governance
Legal and professional	-	15,120	15,120	-	3,200	3,200	Governance
Accountancy fees	-	6,120	6,120	-	6,988	6,988	Governance
	<u>426</u>	<u>24,600</u>	<u>25,026</u>	<u>779</u>	<u>13,548</u>	<u>14,327</u>	
Analysed between							
Charitable activities	<u>426</u>	<u>24,600</u>	<u>25,026</u>	<u>779</u>	<u>13,548</u>	<u>14,327</u>	

Governance costs includes payments to the auditors of £3,360 (2019- £3,360) for audit fees and £Nil (2019- £1,440) for other services.

# ENCHANTED FOREST COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year (2019 - £2,259 was paid to C Joss for services towards running the Enchanted Forest event and not for services as a trustee).

During the year none of the trustees were reimbursed travelling, subsistence and accommodation costs (2019 - None).

Payments to trustees are permitted under clause 10.4 of the charitable company's Articles of Association.

### 9 Employees

The average head count of employees during the year was:

	2020 Number	2019 Number
Event staff	-	88
Employment costs	2020 £	2019 £
Wages and salaries	-	78,861

There were no employees whose annual remuneration was £60,000 or more.

### 10 Tangible fixed assets

	Plant and equipment £
<b>Cost</b>	
At 1 December 2019	74,160
Additions	8,398
At 30 November 2020	82,558
<b>Depreciation and impairment</b>	
At 1 December 2019	63,278
Depreciation charged in the year	7,363
At 30 November 2020	70,641
<b>Carrying amount</b>	
At 30 November 2020	11,917
At 30 November 2019	10,882

# ENCHANTED FOREST COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

### 11 Stocks

	2020 £	2019 £
Merchandise stock	2,071	3,014

### 12 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Other debtors	145	29,315
Prepayments and accrued income	20,000	-
	20,145	29,315

### 13 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	-	26,082
Trade creditors	9,575	44,139
Accruals and deferred income	352,922	82,602
	362,497	152,823

### Provisions for liabilities

	2020 £	2019 £
Provision	30,000	30,000

Movements on provisions:

	Provision £
At 1 December 2019 and 30 November 2020	30,000

### 15 Events after the reporting date

In June 2021 the charity received notification that the Royal Bank of Scotland is to refund the fraudulent payment that was made in early 2020 amounting to £26,109.



# ENCHANTED FOREST COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

### 16 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	38,000	36,000

#### Other transactions

During the year the charity paid £5,000 (2019 - £Nil) to L Williamson, trustee, for services of Executive Director.

During the year the charity paid £Nil (2019 - £2,160) to J&H Mitchell Solicitors, a firm in which P Keith is a partner, for legal fees.

During the year wages of £Nil (2019 - £905) were paid to S Joss, a close relative of C Joss, for services towards the running of the Enchanted Forest event.

### 17 Cash generated from operations

	2020 £	2019 £
(Deficit)/surplus for the year	(270,749)	67,746
Adjustments for:		
Investment income recognised in statement of financial activities	(2,657)	(4,062)
Depreciation and impairment of tangible fixed assets	7,363	6,523
Corporation tax from prior years written off	26,082	-
Movements in working capital:		
Decrease in stocks	943	1,384
Decrease/(increase) in debtors	9,170	(3,087)
Increase in creditors	209,674	83,944
<b>Cash (absorbed by)/generated from operations</b>	<b>(20,174)</b>	<b>152,448</b>

### 18 Analysis of changes in net funds

The charitable company had no debt during the year.