

The Enchanted Forest Community Trust

Annual Report &
Financial Statements

For the Year Ended 30 November 2021

Company Registration Number: SC357866

Charity Number: SC045237



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 2021



Chartered Accountants

ENCHANTED FOREST COMMUNITY TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	M Pearson K Smith D Hutchison	(Appointed 4 May 2021) (Appointed 15 April 2021) (Appointed 30 August 2021)
Charity number (Scotland)	SC045237	
Company number	SC357866	
Registered office	51 Atholl Road PITLOCHRY PH16 5BU	
Auditor	MMG Archbold Limited 4 Albert Place PERTH PH2 8JE	
Accountants	SRG LLP Chartered Accountants Turnberry House 175 West George Street Glasgow G2 2LB	
Bankers	The Royal Bank of Scotland plc Perth Chief Office 12 Dunkeld Road PERTH PH1 5RB Bank of Scotland 76 Atholl Road PITLOCHRY PH16 5BW	
Solicitors	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 2021

The trustees present their annual report and financial statements for the year ended 30 November 2021.

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 Enchanted Forest Community Trust has operated since 2009, creating economic wealth and redistributing event surpluses to local community groups and charities to directly benefit the community.

The stated aim of the charity is primarily, but not exclusively, to benefit the communities of Highland Perthshire defined by postcode districts PH8, PH9, PH15, PH16, PH17 and PH18.

- 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 primarily, but not exclusively, working in the area or providing benefit 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:
 - The advancement of arts, heritage, culture or science
 - The advancement of community development and environmental protection or improvement
 - The advancement of education
 - 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
 - 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. The Enchanted Forest was established in 2002 and, following its transfer to Trust ownership, has directly helped other events in the region operate through significant Community Fund contributions generated by event surpluses.

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

ENCHANTED FOREST COMMUNITY TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2021

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. As a result of no show operating in 2020, there were no event surpluses and the decision was made to suspend the Community Fund in 2021 to protect financial reserves.

Very modest charitable giving activities of the Enchanted Forest Community Trust were still maintained, and a small number of local projects who had an identified need, were given financial support by The Enchanted Forest Community Trust in 2021.

This included:

- A donation of £3000 to regional radio station Heartland FM
- A donation of £2000 to Pitlochry Winter Lights
- A donation of £150 to Pitlochry Shop Mobility

Total charitable donations made in the year amounted to £5,150 (2020 - £68,707).

Achievements and performance

2021 was a second year that was sadly dominated by the Coronavirus COVID-19 Pandemic.

As the operator of a major event, The Enchanted Forest Community Trust continued to be directly impacted by the event operating restrictions imposed by the UK and Scottish Governments. It was also unable to access any of the Government grant and funding schemes set up to support businesses during this period.

With continued uncertainty surrounding the ability to safely operate a show in 2021, Trustees made a difficult decision to cancel the event in 2021. 16,755 tickets that had been purchased in advance were successfully transferred to like for like dates in 2022.

While disappointing, the decision to postpone until 2022 protected the Trust's financial position and further cemented our world class reputation as a community centred event.

With Trust income severely impacted, it was prudent to scale back to only essential operations, and to minimise charitable donations with the primary purpose of protecting financial reserves.

Despite these challenges, The Trust maintained its community commitments and was able to support other initiatives. This included a partnership with Forest & Land Scotland to plant a rare Red Oak in Faskally Wood, marking Her Majesty The Queen's Platinum Jubilee in 2022 as part of the national Queen's Green Canopy initiative.

Financial review

As a direct result of not operating an event in 2021, the operating deficit in the year was £110,511 .

As The Trust had no permanent offices, they were not eligible to receive any local authority grants which were distributed solely to rateable properties and, as there were no employees on payroll, it was not eligible to use the UK Government's furlough scheme. 2021 trading losses have therefore been wholly covered by the charity's reserves.

During 2021, the Trust was successful in recovering a fraudulent transaction in full (£26,109) in June 2021 and this refund is included in the operating deficit.

The charity held total funds of £255,385 at the year end, all unrestricted (2020 - £365,896, all unrestricted).

ENCHANTED FOREST COMMUNITY TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2021

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 2021 to sustain a modest 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 whilst maximising capacity by introducing more streamlined and effective operational processes. 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 £255,385 at the year end, all unrestricted (2020 - £365,896). 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.

Risk assessment

In 2021, the charity worked closely with their newly appointed Executive Director, Nela Popovic, to develop and deliver major operational change, which addressed and minimised identified risks.

- The role of Executive Director was created to provide executive management support to Trustees, helping to facilitate strategic decision-making and identify opportunities for development and growth. The Executive Director leads the organisation, facilitates decision-making and oversees the creative and technical delivery of the event, reporting directly to the Board of Trustees whilst managing the contractors and staff.
- The organisation has undergone a successful restructuring project including the rationalisation of finance, IT, HR and administrative functions, which have now been streamlined and centralised.
- The appointment of Kathryn Boyd to Human Resources to develop and embed HR policies and procedures aimed at supporting a safe and productive working environment and resolving disputes and grievances. These policies and procedures are now embedded in all contracts, including those for freelancers and contractors.
- The coronavirus pandemic which has continued to be the primary risk to the event and the charity. Resources have therefore been focussed on activities that mitigate the financial and reputational impact of that key risk, while addressing risks that will enable the organisation to successfully recover from the impact of two years of depressed trade and personnel changes in 2022.
- An expert review of Health & Safety policies and procedures, CDM regulation compliance and insurance arrangements, including an overview of the terms in contractor's contracts and implementation on site is currently underway to ensure clarity on responsibility and liability in the event of any incidents.

ENCHANTED FOREST COMMUNITY TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2021

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 29 October 2014 which were revised and updated on 23 August 2021.

Over the course of 2021, there were a number of changes to the composition of the Board of Trustees of The Enchanted Forest Community Trust. Following a successful national recruitment campaign, five new trustees with a range of skills and experience were appointed to the charity board, strengthening governance and emboldening the strategic direction of the organisation.

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:

R K Moncrieff	(Resigned 31 January 2021)
P Keith	(Resigned 31 May 2022)
V Burrell	(Resigned 2 June 2022)
L Williamson	(Appointed 31 January 2021 and resigned 31 May 2022)
N Thompson	(Resigned 16 November 2021)
M Pearson	(Appointed 4 May 2021)
K Smith	(Appointed 15 April 2021)
S Simpson	(Appointed 25 August 2021 and resigned 31 May 2022)
D Hutchison	(Appointed 30 August 2021)

The Board of Trustees met frequently over the course of 2021, to assess the major risks to which the charity is exposed. The Coronavirus COVID-19 Pandemic continued to pose the greatest threat to the charity's income, and the extent of significant operational challenges meant that, for the second year running, it was deemed critical to cancel The Enchanted Forest event again to protect charitable reserves required for the return of full scale event operations in 2022, the event's 20th Birthday year.

None of the trustees has any beneficial interest in the company. A register of interests is maintained which is updated annually. On the appointment of new trustees, there is a standard declaration of any conflicts of interest made at the start of every Trustee meeting and recorded in the minutes. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Over the course of 2021, the newly formed Board of Trustees have been working closely with their Executive Director, Nela Popovic, to recruit and appoint a senior management team for The Enchanted Forest event, and strengthen the charity's policies and procedures to enable best practice operations. This team is now in place and actively working towards the delivery of an event in October 2022.

Auditor

MMG Archbold Limited were appointed as auditor to the company and a resolution proposing that they be re-appointed 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.

K Smith

Trustee

Dated: 29 July 2022

ENCHANTED FOREST COMMUNITY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 NOVEMBER 2021

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

Opinion

We have audited the financial statements of Enchanted Forest Community Trust (the 'charitable company') for the year ended 30 November 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including 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 2021 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

ENCHANTED FOREST COMMUNITY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ENCHANTED FOREST COMMUNITY TRUST

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates;
- We identified the laws and regulations applicable to the company through discussions with management and through our own knowledge of the industry.
- We enquired with management about their own identification and assessment of the risk of irregularities;

We considered the opportunities that may exist within the organisation for fraud and identified the greatest risk in relation to revenue recognition, valuation of work in progress and management override of internal controls. Our audit procedures to respond to these risks included, but were not limited to;

- Reviewing the financial statement disclosure and testing of financial statement balances to supporting documentation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries with management, review of meeting minutes and inspecting legal correspondence;
- We communicated relevant identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to any indications of fraud or non-compliance throughout the audit.
- We performed analytical procedures to identify any unusual or unexpected relationships which may indicate risks of material misstatements due to fraud;
- Testing journal entries to identify unusual transactions and evaluated the underlying rationale;
- Evaluating evidence of any bias by the directors that may represent a material misstatement by comparing accounting estimates to the underlying supporting documentation and assessing the rationale applied,

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities including those leading to a material misstatement in the financial statements or non-compliance with regulation. As a result of these, we considered the opportunities that may exist within the organisation for fraud and audit procedures were designed in response to the risks identified, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve, for example, forgery, deliberate concealment, or collusion.

As part of an audit in accordance with ISAs (UK), professional judgement was exercised, and professional scepticisms was maintained throughout the audit.

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

ENCHANTED FOREST COMMUNITY TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ENCHANTED FOREST COMMUNITY TRUST

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.

James McEwen FCCA CA (Senior Statutory Auditor)
for and on behalf of MMG Archbold Limited

29 July 2022

Chartered Accountants

Statutory Auditor

4 Albert Place
PERTH
PH2 8JE

MMG Archbold Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under 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 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income from:</u>			
Charitable activities	2	4,201	325
Investments	3	470	2,657
Total income		<u>4,671</u>	<u>2,982</u>
<u>Expenditure on:</u>			
Charitable activities	4	<u>115,182</u>	<u>273,731</u>
Net expenditure for the year/ Net outgoing resources		(110,511)	(270,749)
Other recognised gains and losses			
Corporation tax adjust re prior year		-	26,082
Net movement in funds		(110,511)	(244,667)
Fund balances at 1 December 2020		<u>365,896</u>	<u>610,563</u>
Fund balances at 30 November 2021		<u><u>255,385</u></u>	<u><u>365,896</u></u>

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 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	9		10,237		11,917
Current assets					
Stocks	10	2,071		2,071	
Debtors	11	19,966		20,145	
Cash at bank and in hand		902,352		724,260	
		<u>924,389</u>		<u>746,476</u>	
Creditors: amounts falling due within one year	12	<u>(649,241)</u>		<u>(362,497)</u>	
Net current assets			275,148		383,979
Total assets less current liabilities			285,385		395,896
Provisions for liabilities			<u>(30,000)</u>		<u>(30,000)</u>
Net assets			<u>255,385</u>		<u>365,896</u>
Income funds					
Unrestricted funds			255,385		365,896
			<u>255,385</u>		<u>365,896</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 November 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

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 29 July 2022

K Smith
Trustee

Company Registration No. SC357866

ENCHANTED FOREST COMMUNITY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	15		177,622		(20,174)
Investing activities					
Purchase of tangible fixed assets		-		(8,398)	
Investment income received		470		2,657	
Net cash generated from/(used in) investing activities			470		(5,741)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			178,092		(25,915)
Cash and cash equivalents at beginning of year			724,260		750,175
Cash and cash equivalents at end of year			902,352		724,260

ENCHANTED FOREST COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2021

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 2021

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
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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 the statement of financial activities.

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 2021

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 Charitable activities

	2021 £	2020 £
Brochure advertising	4,201	325

3 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Interest receivable	470	2,657

ENCHANTED FOREST COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2021

4 Charitable activities

	2021 £	2020 £
Depreciation and impairment	1,680	7,363
Event costs	125,360	132,437
Subcontract labour	-	2,300
Sundry expenses	2,808	11,789
Compensation payment	(26,109)	26,109
	<u>103,739</u>	<u>179,998</u>
Grant funding of activities (see note 5)	5,150	68,707
Share of support costs (see note 6)	533	426
Share of governance costs (see note 6)	5,760	24,600
	<u>115,182</u>	<u>273,731</u>

5 Grants payable

	2021 £	2020 £
Grants to institutions (3 grants):		
Community fund donations	-	33,514
Other donations	5,150	35,193
	<u>5,150</u>	<u>68,707</u>

ENCHANTED FOREST COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2021

6 Support costs	Support costs £	Governance costs £	2021 Support costs £	2020 £	Basis of allocation
Bank charges	533	-	533	426	Direct
Audit fees	-	3,480	3,480	3,360	Governance
Legal and professional	-	120	120	15,120	Governance
Accountancy fees	-	2,160	2,160	6,120	Governance
	533	5,760	6,293	25,026	
Analysed between					
Charitable activities	533	5,760	6,293	25,026	

Governance costs includes payments to the auditors of £3,480 (2020- £3,360) for audit fees and £Nil (2020- £Nil) for other services.

ENCHANTED FOREST COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2021

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but one was reimbursed expenses totalling £205 (2020: £42).

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

8 Employees

The average head count of employees during the year was:

	2021 Number	2020 Number
Total	-	-

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

9 Tangible fixed assets

	Plant and equipment £
Cost	
At 1 December 2020	82,558
At 30 November 2021	82,558
Depreciation and impairment	
At 1 December 2020	70,641
Depreciation charged in the year	1,680
At 30 November 2021	72,321
Carrying amount	
At 30 November 2021	10,237
At 30 November 2020	11,917

10 Stocks

	2021 £	2020 £
Merchandise stock	2,071	2,071

ENCHANTED FOREST COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2021

11 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	5,266	-
Other debtors	-	145
Prepayments and accrued income	14,700	20,000
	<u>19,966</u>	<u>20,145</u>

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	107	9,575
Accruals and deferred income	649,134	352,922
	<u>649,241</u>	<u>362,497</u>

Provisions for liabilities

	2021 £	2020 £
Provision	<u>30,000</u>	<u>30,000</u>

Movements on provisions:

	Provision £
At 1 December 2020 and 30 November 2021	<u>30,000</u>

14 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	<u>59,707</u>	<u>38,000</u>

Other transactions

During the year the charity paid £Nil (2020 - £Nil) to J&H Mitchell Solicitors, a firm in which P Keith is a partner, for legal fees.

ENCHANTED FOREST COMMUNITY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2021

15	Cash generated from operations	2021 £	2020 £
	Deficit for the year	(110,511)	(270,749)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(470)	(2,657)
	Depreciation and impairment of tangible fixed assets	1,680	7,363
	Corporation tax from prior years written off	-	26,082
	Movements in working capital:		
	(Increase)/decrease in stocks	-	943
	Decrease in debtors	179	9,170
	Increase in creditors	286,744	209,674
	Cash generated from/(absorbed by) operations	177,622	(20,174)
16	Analysis of changes in net funds		
	The charitable company had no debt during the year.		