

# The Enchanted Forest Community Trust

## Annual Report & Financial Statements

For the Year Ended 30 November 2022

Company Registration Number: SC357866 Charity

Number: SC045237



Charity registration number SC045237 (Scotland)

Company registration number SC357866 (Scotland)

**ENCHANTED FOREST COMMUNITY TRUST  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2022**



**Chartered Accountants**

# ENCHANTED FOREST COMMUNITY TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

---

**Trustees**  
M Pearson  
K Smith  
D Hutchison  
G Baker (Appointed 12 September 2022)  
K Bothwell (Appointed 27 January 2023)

**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

## CONTENTS

---

	<b>Page</b>
Trustees' report	1 - 4
Statement of trustees' responsibilities	5
Independent auditor's report	6 - 8
Statement of financial activities	9
Balance sheet	10
Statement of cash flows	11
Notes to the financial statements	12 - 21

# ENCHANTED FOREST COMMUNITY TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 30 NOVEMBER 2022

---

The trustees present their annual report and financial statements for the year ended 30 November 2022.

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.

Its aims are:

- 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 2022

---

### 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 for a second consecutive year in 2021, there were limited surpluses and the decision was made by trustees to suspend the Community Fund in 2022 in order to continue to protect financial reserves and allow for post pandemic recovery.

Only two projects with an identified need were given financial support by The Enchanted Forest Community Trust in the financial year ending November 2022.

These were:

- A donation of £500 to Pitlochry in Bloom
- A donation of £750 to Dunmore Angling Club

Total charitable donations made in the year amounted to £1,250 (2021 - £5,150).

### Achievements and performance

2022 was the first year the event was able to operate following a two-year hiatus during the Coronavirus COVID-19 Pandemic. During the pandemic the Trust was not eligible to access any of the Government grant and funding schemes set up to support businesses during this period. The Trust was therefore heavily reliant on its accrued financial reserves to provide essential operating cashflow to stage the 2022 event.

In May 2022, the Trust was successful in securing a modest grant of £50,000 from The Gannochy Trust to help facilitate the successful return of the show.

The operational aspects of the 2022 event were challenging to navigate. The events industry supply chain had been severely impacted by the pandemic, with skilled operators and talented personnel reduced in numbers while also in high demand as major events returned across the globe.

The resilience and resourcefulness of our senior management team during this period to adapt rapidly to change and deliver practical solutions was a reassurance to the Board of Trustees. Their combined pedigree of major events experience, and extensive professional networks, enabled us to successfully stage the event in October 2022, welcoming over 86,000 visitors to The Enchanted Forest: Together event recording the highest ever annual ticket revenues.

The event launched its first ever Autism Friendly performance times in August 2022, with allocated show times selling out and receiving very positive feedback from the neurodivergent community and charities. The event also successfully reignited its partnership with Diageo, which operates Blair Athol Distillery in Pitlochry, to operate a parking and departures area for a dedicated Accessibility Bus, transporting almost 5,000 visitors with identified access requirements to the event.

An independent economic impact survey, conducted by Tourism Resources Company found that the The Enchanted Forest event was responsible for delivering an impressive economic impact of nearly £10 million to Highland Perthshire in 2022. The Enchanted Forest also celebrated its 20<sup>th</sup> Birthday in 2022, a significant milestone.

### Financial review

As a direct result of successful ticket sales in 2022 and other income generating measures taken by the Trust in the operation of the 2022 event, we delivered an operating profit of £312,151. This reversed the previous year's deficit of £110,511 and successfully restored the Trust's reserves.

The charity held total funds of £567,536 at the year end, all unrestricted (2021 - £255,385), all unrestricted. These reserves are in line with levels held prior to the pandemic.

# ENCHANTED FOREST COMMUNITY TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

---

### 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 2022 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 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 £567,536 (2021 - £255,385) at the year end, 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.

### Risk assessment

In 2022, the charity continued to work closely with their Executive Director, Nela Popovic, to manage major operational changes to address and minimise risks.

Major risks previously identified and now addressed include:

- Recovery from the coronavirus pandemic continued to be the primary risk to the event and the charity in 2022. Resources were therefore focussed on activities that mitigated the financial, reputational and operational impact of that key risk. This included a change in approach to the creative and technical delivery of the event, necessitated by external factors outwith the Trust's control.
- Further developing the Board of Trustees to expand the range of skills and expertise to support the charity's strategic direction. This has directly and successfully informed recruitment activities and appointment priorities in 2022, resulting in two new Trustees with financial services and risk management backgrounds.
- The appointment of Monique McArdle as Event Producer to further develop event operational policies and procedures to support a safe and compliant event. Monique is highly experienced in major events and scaled venue operations and is focussed on operational efficiency, community & stakeholder engagement, innovation & event development, sustainability, and financial management.

Risks identified by the board include:

- Long term planning permission for the event is desired by the trustees, mitigating key operational risks to the event to operate. This is a lengthy process for which planning has commenced and is expected to conclude in 2023/24.
- An historical provision has been made for £30,000 in liabilities for unclaimed Performing Right Society fees. This liability is expected to expire in 2023.
- A bad debt of £14,700 in fees credit with a contractor has been written off in 2022 and is deemed irrecoverable. The contractor was unable to meet the needs of the organisation required to deliver the technical production for the 2022 event and their supply relationship with the event was brought to a close as a result. There is contention over the circumstances surrounding the severance of this relationship, for which Trustees have made further provision for any deemed liability, which is yet to be tested, within the 2022 accounts.

Point of focus:

- Community relations continue to be of significant importance to the Board of Trustees. The Senior Management Team has been tasked with developing a robust community engagement plan for delivery and a new role has been identified to run this aspect of the Trust's activities, and was successfully recruited into in May 2023.

# ENCHANTED FOREST COMMUNITY TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

---

### 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 2022, the composition of the Board of Trustees continued to evolve. Following a successful recruitment campaign, two 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:

P Keith	(Resigned 31 May 2022)
V Burrell	(Resigned 2 June 2022)
L Williamson	(Resigned 31 May 2022)
M Pearson	
K Smith	
S Simpson	(Resigned 31 May 2022)
D Hutchison	
G Baker	(Appointed 12 September 2022)
K Bothwell	(Appointed 27 January 2023)

The Board of Trustees met frequently over the course of 2022, to assess the major risks to which the charity is exposed. The recovery from the Coronavirus COVID-19 Pandemic continued to pose the greatest threat to the charity's income, however it was deemed both feasible and critical to operate The Enchanted Forest event in 2022 to enable the event to recover and restore charitable reserves for 2023.

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.

Over the course of 2022, the Board of Trustees have been working closely with their Executive Director, Nela Popovic, and an external specialist consultant to strengthen the organisation's governance and further develop the Board's resilience.

### Auditor

In accordance with the company's articles, a resolution proposing that MMG Archbold Limited 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.

*Karen Bothwell*

### K Bothwell

Trustee

Dated: 14 August 2023



# ENCHANTED FOREST COMMUNITY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 30 NOVEMBER 2022**

---

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 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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 Financial Reporting Standard 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 2022 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 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,

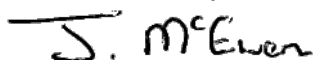
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities including those leading to a material misstatement in the financial statements or non-compliance with regulation. As a result of these, we considered the opportunities that may exist within the 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.

#### 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 auditor's 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

14 August 2023

**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 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<b><u>Income from:</u></b>			
Donations	3	53,325	-
Charitable activities	4	1,756,641	4,201
Investments	5	781	470
<b>Total income</b>		<u>1,810,747</u>	<u>4,671</u>
<b><u>Expenditure on:</u></b>			
Charitable activities	6	<u>1,498,596</u>	<u>115,182</u>
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		312,151	(110,511)
Fund balances at 1 December 2021		<u>255,385</u>	<u>365,896</u>
<b>Fund balances at 30 November 2022</b>		<u><u>567,536</u></u>	<u><u>255,385</u></u>

There were no gains or 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 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	12		8,557		10,237
<b>Current assets</b>					
Stocks	13	6,166		2,071	
Debtors	14	16,968		19,966	
Cash at bank and in hand		1,081,187		902,352	
		<u>1,104,321</u>		<u>924,389</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(505,342)</u>		<u>(649,241)</u>	
Net current assets			598,979		275,148
<b>Total assets less current liabilities</b>			<u>607,536</u>		<u>285,385</u>
<b>Provisions for liabilities</b>	16		<u>(40,000)</u>		<u>(30,000)</u>
<b>Net assets</b>			<u>567,536</u>		<u>255,385</u>
<b>Income funds</b>					
Unrestricted funds			567,536		255,385
			<u>567,536</u>		<u>255,385</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 2022, 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 14 August 2023

*Karen Bothwell*

K Bothwell  
Trustee

Company Registration No. SC357866

# ENCHANTED FOREST COMMUNITY TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2022

---

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	20		178,054		177,622
<b>Investing activities</b>					
Investment income received		781		470	
<b>Net cash generated from investing activities</b>			781		470
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			178,835		178,092
Cash and cash equivalents at beginning of year			902,352		724,260
<b>Cash and cash equivalents at end of year</b>			1,081,187		902,352

---

# ENCHANTED FOREST COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 NOVEMBER 2022

---

#### 1 Accounting policies

##### Charity information

Enchanted Forest Community Trust is a private company limited by guarantee incorporated in Scotland. The registered office is 51 Atholl Road, Pitlochry, PH16 5BU.

##### 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 2022

---

### 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
---------------------	---------------------------

#### 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.

##### **Derecognition of financial liabilities**

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

# ENCHANTED FOREST COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

---

### 1 Accounting policies

(Continued)

#### 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 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Key sources of estimation uncertainty

##### Depreciation

The trustees are of the opinion that the only judgement made that may have had a material effect on the financial statements relates to the assessment of the useful economic life of the charitable company's assets which may result in an increase in the depreciation charge for the year. Depreciation charge for the year amounted to £1,680 (2021 - £1,680).

# ENCHANTED FOREST COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

### 3 Donations

	Unrestricted funds	Total
	2022 £	2021 £
Donations and gifts	3,325	-
Grants received	50,000	-
	<u>53,325</u>	<u>-</u>
<b>Grants receivable for core activities</b>		
The Gannochy Trust	50,000	-
	<u>50,000</u>	<u>-</u>

### 4 Charitable activities

	2022 £	2021 £
Ticket sales	1,625,833	-
Merchandise and other sales	128,783	-
Brochure advertising	2,025	4,201
	<u>1,756,641</u>	<u>4,201</u>

### 5 Investments

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Interest receivable	781	470
	<u>781</u>	<u>470</u>

# ENCHANTED FOREST COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

### 6 Charitable activities

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Staff costs	76,218	-
Depreciation and impairment	1,680	1,680
Event costs	1,202,754	62,067
Subcontract labour	160,535	62,159
Insurance	23,208	1,134
Subscriptions	858	982
Sundry expenses	265	1,826
Bad debts	14,700	-
Compensation payment	-	(26,109)
	<u>1,480,218</u>	<u>103,739</u>
Grant funding of activities (see note 7)	1,250	5,150
Share of support costs (see note 8)	688	533
Share of governance costs (see note 8)	16,440	5,760
	<u>1,498,596</u>	<u>115,182</u>

### 7 Grants payable

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other donations	<u>1,250</u>	<u>5,150</u>

# ENCHANTED FOREST COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

### 8 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021	Basis of allocation
	£	£	£	£	£	£	
Bank charges	688	-	688	533	-	533	Direct
Audit fees	-	4,980	4,980	-	3,480	3,480	Governance
Legal and professional	-	2,160	2,160	-	120	120	Governance
Accountancy fees	-	9,300	9,300	-	2,160	2,160	Governance
	<u>688</u>	<u>16,440</u>	<u>17,128</u>	<u>533</u>	<u>5,760</u>	<u>6,293</u>	
Analysed between							
Charitable activities	<u>688</u>	<u>16,440</u>	<u>17,128</u>	<u>533</u>	<u>5,760</u>	<u>6,293</u>	

Governance costs includes payments to the auditors of £4,980 (2021- £3,480) for audit fees and £Nil (2021- £Nil) for other services.

# ENCHANTED FOREST COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

### 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, and none were reimbursed expenses (2021 - one trustee was reimbursed £205).

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

### 10 Employees

The average head count of employees during the year was:

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Event staff	70	-
	<u>          </u>	<u>          </u>
<b>Employment costs</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	76,218	-
	<u>          </u>	<u>          </u>

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

### 11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

### 12 Tangible fixed assets

	<b>Plant and equipment</b>
	<b>£</b>
<b>Cost</b>	
At 1 December 2021	82,558
	<u>          </u>
At 30 November 2022	82,558
	<u>          </u>
<b>Depreciation and impairment</b>	
At 1 December 2021	72,321
Depreciation charged in the year	1,680
	<u>          </u>
At 30 November 2022	74,001
	<u>          </u>
<b>Carrying amount</b>	
At 30 November 2022	8,557
	<u>          </u>
At 30 November 2021	10,237
	<u>          </u>

# ENCHANTED FOREST COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

---

<b>13</b>	<b>Stocks</b>	<b>2022</b>	<b>2021</b>
		£	£
	Merchandise stock	6,166	2,071
		<u>6,166</u>	<u>2,071</u>
<b>14</b>	<b>Debtors</b>	<b>2022</b>	<b>2021</b>
	<b>Amounts falling due within one year:</b>	£	£
	Trade debtors	15,978	5,266
	Prepayments and accrued income	990	14,700
		<u>16,968</u>	<u>19,966</u>
<b>15</b>	<b>Creditors: amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
		£	£
	Trade creditors	264,628	107
	Other creditors	955	-
	Accruals and deferred income	239,759	649,134
		<u>505,342</u>	<u>649,241</u>

# ENCHANTED FOREST COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 NOVEMBER 2022

16 Provisions for liabilities	2022 £	2021 £
Royalties	30,000	30,000
Contract Dispute	10,000	-
	<u>40,000</u>	<u>30,000</u>

Movements on provisions:

	Royalties £	Contract Dispute £	Total £
At 1 December 2021	30,000	-	30,000
Additional provisions in the year	-	10,000	10,000
	<u>30,000</u>	<u>10,000</u>	<u>40,000</u>

**Royalties:** It has been brought to the charitable company's attention that there is a potential liability in relation to past royalties. A provision of £30,000, including fees, has been included in the financial statements in respect of this. It is due to be discharged in the 2023 financial year should no further progress be made.

**Contract Dispute:** In accordance with the requirements of Section 21 of FRS102 the charitable company has made a total provision of £10,000 in respect of an ongoing legal dispute regarding a potential breach of contract with a supplier.

## 17 Deferred Income

Deferred income is included in the financial statements as follows:

Movements in the year:		
Deferred income at 1 December 2021	635,656	336,492
Released from previous periods	(635,656)	-
Resources deferred in the year	223,887	299,164
	<u>223,887</u>	<u>635,656</u>

Deferred income represents ticket sales received relating to future years.



# ENCHANTED FOREST COMMUNITY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

### 18 Financial commitments, guarantees and contingent liabilities

A supplier previously engaged to provide event technical management and infrastructure services has commenced an action against the charitable company in respect of a claimed breach of contract. A hearing of the matter is fixed for January 2024. The charitable company has been advised that it is possible, not probable the action will succeed; accordingly no further provision for any liability has been made in these financial statements.

### 19 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	63,245	59,707

#### Other transactions

During the year the charity paid £Nil (2021 - £Nil) to J&H Mitchell Solicitors, a firm in which P Keith is a partner, for legal fees.

20 Cash generated from operations	2022 £	2021 £
Surplus/(deficit) for the year	312,151	(110,511)
Adjustments for:		
Investment income recognised in statement of financial activities	(781)	(470)
Depreciation and impairment of tangible fixed assets	1,680	1,680
Movements in working capital:		
(Increase) in stocks	(4,095)	-
Decrease in debtors	2,998	179
(Decrease)/increase in creditors	(143,899)	286,744
Increase in provisions	10,000	-
<b>Cash generated from operations</b>	<b>178,054</b>	<b>177,622</b>

### 21 Analysis of changes in net funds

The charitable company had no debt during the year.