

**Charity Registration No. SC029923 (Scotland)**

**Company Registration No. SC204375 (Scotland)**

**FINDHORN VILLAGE CENTRE**

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

# FINDHORN VILLAGE CENTRE

## LEGAL AND ADMINISTRATIVE INFORMATION

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**Trustees**

Mrs Susan Horn  
Ms C M Hunt (MBE)  
Miss Maureen Hyde (Vice-chair)  
Mr Gary Hunt  
Mr Samuel Russell  
Mr Bryan Parsons (Appointed 8 June 2017)  
Mrs Jill Killen (Appointed 1 June 2017)  
Mrs Catherine Low (Appointed 1 March 2017)

**Charity number (Scotland)** SC029923

**Company number** SC204375

**Principal address**

The Old School  
Church Place  
Findhorn  
Moray  
IV36 3YR

**Registered office**

The Old School  
Church Place  
Findhorn  
Moray  
IV36 3YR

**Independent examiner**

Cathedral Accountancy Ltd.  
4 North Guildry Street  
Elgin  
Moray  
IV30 1JR

**Bankers**

Bank of Scotland  
102 High Street  
Forres  
Moray  
IV36 1PA

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# FINDHORN VILLAGE CENTRE

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# FINDHORN VILLAGE CENTRE

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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The trustees present their report and financial statements for the year ended 31 December 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's current statutory requirements, 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)" (as amended for accounting periods commencing from 1 January 2016).

#### **Objectives and activities**

The charity provides facilities to the general public for the enhancement of educational activities, social welfare, recreation and other leisure time activities, in an effort to improve the conditions of life for the inhabitants of Findhorn and the surrounding area.

In general terms, the two principal activities are the operation of the hostel as a low-cost accommodation for visiting individuals and groups and the operation of Muirton House as a community resource centre. The hostel generates income which is used to support the operation of Muirton House. The charity also receives grant funding from a variety of sources. The activities which take place in the community resource centre are wide-ranging and include classes studying art, fitness, sewing and computer use, a lunch club and weekly coffee mornings for senior citizens, a youth club and a group for young mothers and toddlers.

The charity is dependent on the support of volunteers who provided 1,800 hours unpaid service during the year to 31 December 2017.

#### **Achievements and performance**

The charity generated income totalling £71,127 during the year, comprising £23 of donations, £44,103 of hostel income and £27,001 of income generated from Muirton House. Total expenditure for the year was £86,128.

We completed the building of our new annex which can accommodate 6 people and marked the end of a 2 year hostel renovation.

During the year we completed the renovation of the hostel and opened to visitors during the summer months. The company has increased the number of bedspaces in the hostel to 28 and the annex (lobster Pot) completed by 31st December has a capacity of 5 persons. We have been awarded 4 star hostel accreditation (increase from 2 star). We have also become a Visit Scotland "I Know" information point. The community centre continues to flourish and is popular with local people and groups booking the community rooms. Our hostel administration had the addition of a marketing specialist who upgraded our social media platform and website.

The charity plans to continue with its existing activities for the coming year.

#### **Financial review**

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

At the year end unrestricted funds stood at £621,426.

The charity received grants towards the purchase and renovation of Muirton House. Expenditure funded by these is treated as designated funds in the accounts and is reduced as the property is depreciated. These funds represent fixed assets and are not available for general charity expenditure.

Designated funds at the year end stood at £546,531.

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# FINDHORN VILLAGE CENTRE

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2017

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

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

The company is a recognised charity, number SC029923. It is a company limited by guarantee, not having a share capital and is governed by the rules set out in its Memorandum and Articles of Association.

The trustees, who are also the directors for the purpose of company law and who served during the year were:

Mrs Susan Horn

Ms C M Hunt (MBE)

Miss Maureen Hyde (Vice-chair)

Mr Gary Hunt

Mr Samuel Russell

Mr Bryan Parsons

(Appointed 8 June 2017)

Mrs Jill Killen

(Appointed 1 June 2017)

Mrs Catherine Low

(Appointed 1 March 2017)

New trustees are appointed at the annual general meeting or may be appointed by the existing trustees during the year. All trustees retire from office at the annual general meeting but are immediately eligible for re-appointment.

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.

The management committee, which comprises the trustees and the treasurer, meet at least quarterly and are responsible for the strategic direction and policy of the charity. The committee Chairperson is Christine Hunt and the Vice-Chairperson is Maureen Hyde. At present the committee have nine members from a variety of professional backgrounds which are all relevant to the charity.

The day to day responsibility for the running of the charity rests with the salaried Centre Administrator whose line manager is C Hunt, the trustee responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The Centre Administrator is also responsible for the supervision of staff and freelance workers and, together with the line manager, ensures that the team continue to develop their skills and working practices.

# FINDHORN VILLAGE CENTRE

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2017

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### Statement of trustees' responsibilities

The trustees, who are also the directors of Findhorn Village Centre 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 charity 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 charity 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**Ms C M Hunt (MBE)**

Trustee

Dated: 27 July 2018

# FINDHORN VILLAGE CENTRE

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF FINDHORN VILLAGE CENTRE

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I report on the financial statements of the charity for the year ended 31 December 2017, which are set out on pages 5 to 14.

#### **Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the act and to state whether particular matters have come to my attention.

#### **Basis of independent examiner's statement**

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

#### **Independent examiner's statement**

In the course of my examination, no matter has come to my attention

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
  - (i) to keep accounting records in accordance with section 44(1)(a) of the 2003 Act and regulation 4 of the 2006 Accounts Regulations, and
  - (ii) to prepare accounts which accord with the accounting records, comply with Regulation 8 of the 2006 Accounts Regulations;

have not been met, and

- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Munro Rankine CA  
Independent examiners  
Cathedral Accountancy Ltd.  
4 North Guildry Street  
Elgin  
Moray  
IV30 1JR

Dated: 27 July 2018

# FINDHORN VILLAGE CENTRE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

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	Notes	2017 £	2016 £
<b><u>Income from:</u></b>			
Donations and grants	2	23	212,571
Charitable activities	3	27,001	22,615
Hostel income	4	44,103	28,976
		<hr/>	<hr/>
<b>Total income</b>		71,127	264,162
		<hr/>	<hr/>
<b><u>Expenditure on:</u></b>			
Raising funds	5	6,155	5,290
		<hr/>	<hr/>
Charitable activities	6	77,951	71,882
		<hr/>	<hr/>
Other	9	2,022	2,120
		<hr/>	<hr/>
<b>Total expenses</b>		86,128	79,292
		<hr/>	<hr/>
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		(15,001)	184,870
Fund balances at 1 January 2017		636,427	451,557
		<hr/>	<hr/>
<b>Fund balances at 31 December 2017</b>		621,426	636,427
		<hr/> <hr/>	<hr/> <hr/>

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.



# FINDHORN VILLAGE CENTRE

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

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	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Property, plant and equipment	11		607,912		605,747
<b>Current assets</b>					
Trade and other receivables	12	2,436		14,539	
Cash at bank and in hand		20,572		41,229	
		<u>23,008</u>		<u>55,768</u>	
<b>Current liabilities</b>	13	(4,994)		(20,088)	
Net current assets			18,014		35,680
<b>Total assets less current liabilities</b>			<u>625,926</u>		<u>641,427</u>
<b>Non-current liabilities</b>	14		(4,500)		(5,000)
<b>Net assets</b>			<u>621,426</u>		<u>636,427</u>
<b>Income funds</b>					
<u>Unrestricted funds</u>					
Designated funds	15	546,531		573,421	
General unrestricted funds		74,895		63,006	
		<u>621,426</u>		<u>636,427</u>	
			<u>621,426</u>		<u>636,427</u>

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# **FINDHORN VILLAGE CENTRE**

## **STATEMENT OF FINANCIAL POSITION (CONTINUED)**

***AS AT 31 DECEMBER 2017***

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2017. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Trustees on 27 July 2018

Ms C M Hunt (MBE)

**Trustee**

**Company Registration No. SC204375**

# FINDHORN VILLAGE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

#### Charity information

Findhorn Village Centre is a private company limited by guarantee incorporated in Scotland. The registered office is The Old School, Church Place, Findhorn, Moray, IV36 3YR.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the charity's current statutory requirements, 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The accounts are prepared in pounds sterling, which is the functional currency of the charity.

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 accounts, there were no material uncertainties about the charity's ability to continue and the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

#### 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.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.4 Income

Income is recognised when the charity 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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts.

#### 1.5 Expenses

All expenditure is included on an accruals basis and has been classified under headings that aggregate all costs related to that category. Management and administration costs are those incurred in connection with administration of the charity. Depreciation is apportioned between funds in proportion to the funding received.

# FINDHORN VILLAGE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1 Accounting policies

(Continued)

##### 1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Land and buildings	4% straight line
Plant and machinery	25% reducing balance
Fixtures, fittings and equipment	25% reducing balance
Computers	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 non-current assets

At each reporting end date, the charity 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 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.9 Financial instruments

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### 1.12 Costs of managing and administering the charity

These represent the costs incurred by finance, human resources, accounting, legal and other costs attributable to the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

# FINDHORN VILLAGE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 1 Accounting policies

(Continued)

#### 1.13 Gifts in kind

Gifts such as equipment are included in the financial statements at market value at the time of purchase. Assets donated are included as donation income at market value at the time of receipt.

#### 1.14 Fund accounting

Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the company and have not been designated for other purposes.

Designated funds are funds raised by the charity and set aside for specific purposes.

Restricted funds are to be used in accordance with the specific restrictions imposed by the donor or have been raised by the charity for a specific purpose. Restricted funds for capital expenditure are transferred to designated funds when the expenditure has been incurred.

### 2 Donations and grants

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Donations and gifts	23	-	23	1,281
Grants receivable	-	-	-	211,290
	<u>23</u>	<u>-</u>	<u>23</u>	<u>212,571</u>
<b>For the year ended 31 December 2016</b>	<u>1,281</u>	<u>211,290</u>		<u>212,571</u>

### 3 Charitable activities

	FVC sales	Room rental	Total 2017	Total 2016
	£	£	£	£
Sales within charitable activities	4,978	22,023	27,001	22,615
	<u>4,978</u>	<u>22,023</u>	<u>27,001</u>	<u>22,615</u>

### 4 Hostel income

	2017	2016
	£	£
Hostel income	44,103	28,976
	<u>44,103</u>	<u>28,976</u>

# FINDHORN VILLAGE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 5 Raising funds

	2017	2016
	£	£
<u>Muirton house activities</u>		
Staging fundraising events	6,155	5,290
	<u>6,155</u>	<u>5,290</u>

### 6 Charitable activities

	2017	2016
	£	£
Staff costs	21,336	20,953
Depreciation	30,988	30,415
Cost of FVC activities	379	5,150
Heat and light	6,380	1,800
Water rates	486	539
Insurance	763	493
Repairs	6,316	3,010
Advertising	1,791	2,104
Professional fees	-	135
Telephone	2,324	1,408
Postage and stationery	290	342
Sundry expenses	396	406
Cleaning	5,585	4,470
Subscriptions	317	255
Other charitable expenditure	600	402
	<u>77,951</u>	<u>71,882</u>
	<u>77,951</u>	<u>71,882</u>
<b>Analysis by fund</b>		
Unrestricted funds	77,951	
	<u>77,951</u>	
<b>For the year ended 31 December 2016</b>		
Unrestricted funds		71,882
		<u>71,882</u>

# FINDHORN VILLAGE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or expenses during the year.

### 8 Employees

#### Number of employees

The average monthly number employees during the year was:

	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>
Administrator	1	1
	<u>          </u>	<u>          </u>

#### Employment costs

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	20,357	20,953
Other pension costs	979	-
	<u>          </u>	<u>          </u>
	<u>21,336</u>	<u>20,953</u>

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

### 9 Other

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Net loss on disposal of tangible fixed assets	387	-
Book keeping fees	378	1,626
Independent examination fees	914	310
Bank charges	343	184
	<u>          </u>	<u>          </u>
	<u>2,022</u>	<u>2,120</u>

### 10 Taxation

The company has no liability to taxation due to its charitable status.

# FINDHORN VILLAGE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 11 Property, plant and equipment

	Land and buildings	Plant and machinery	Fixtures, fittings and equipment	Computers	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2017	691,843	21,643	7,338	9,893	730,717
Additions	33,093	-	-	447	33,540
Disposals	-	-	-	(9,389)	(9,389)
At 31 December 2017	724,936	21,643	7,338	951	754,868
<b>Depreciation and impairment</b>					
At 1 January 2017	93,855	19,827	2,018	9,270	124,970
Depreciation charged in the year	28,887	454	1,330	317	30,988
Eliminated in respect of disposals	-	-	-	(9,002)	(9,002)
At 31 December 2017	122,742	20,281	3,348	585	146,956
<b>Carrying amount</b>					
At 31 December 2017	602,194	1,362	3,990	366	607,912
At 31 December 2016	597,988	1,816	5,320	623	605,747

### 12 Trade and other receivables

	2017	2016
	£	£
<b>Amounts falling due within one year:</b>		
Trade receivables	2,436	14,020
Prepayments and accrued income	-	519
	2,436	14,539

### 13 Current liabilities

	2017	2016
	£	£
Other taxation and social security	982	680
Trade payables	-	229
Other payables	3,082	6,234
Accruals and deferred income	930	12,945
	4,994	20,088



# FINDHORN VILLAGE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 14 Non-current liabilities

	2017 £	2016 £
Other payables	4,500	5,000

### 15 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2017 £	Movement in funds		Balance at 31 December 2017 £
		Incoming resources £	Resources expended £	
Future depreciation fund	573,421	-	(26,890)	546,531
	<u>573,421</u>	<u>-</u>	<u>(26,890)</u>	<u>546,531</u>

The designated fund represents the net book value of fixed assets which have been funded by grants. A transfer is made from restricted funds to the designated fund when the expenditure has been met. The fund is written down as the relevant assets are depreciated.