

COMPANY REGISTRATION NUMBER: SC412275  
CHARITY REGISTRATION NUMBER: SC044953

**Forres Area Community Trust**  
**Company Limited**  
**by Guarantee**  
**Unaudited Financial**  
**Statements**  
**31 March 2020**

**RITSONS**  
Chartered Accountants  
103 HIGH STREET  
FORRES  
MORAY  
IV36 1AA

# **Forres Area Community Trust**

## **Company Limited by Guarantee**

### **Financial Statements**

**Year ended 31 March 2020**

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# **Forres Area Community Trust**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report)**

**Year ended 31 March 2020**

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 March 2020.

#### **Reference and administrative details**

**Registered charity name** Forres Area Community Trust

**Charity registration number** SC044953

**Company registration number** SC412275

**Principal office and registered office** Forres Town Hall  
High Street  
Forres  
IV36 1PB  
Scotland

#### **The trustees**

Mr P Airey  
Mr J Farquharson  
Mrs T A Coffey  
Ms L Creswell  
Dr B A Jefferson  
Mrs A R MacLennan  
Mr F Villani  
Mr L D M Piper  
Mr T A V Duff  
Mrs L Edwards (Appointed 15 November 2019)  
Mrs J C Taylor (Appointed 15 November 2019)

**Independent examiner** RITSONS Chartered Accountant  
103 HIGH STREET  
FORRES  
MORAY  
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# **Forres Area Community Trust**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2020**

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

##### **Governing document**

The organisation is a charitable company limited by guarantee, incorporated 29 November 2011 and registered as a charity on 25 June 2014. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

##### **Organisational Structure & Decision Making**

The structure of the company consists of the members, the Directors and the staff as follows;

Members - Full Members (adults who live in the Forres Academy catchment area); who elect people to serve as Directors, and Associate Members (adults who live out with the Forres Academy catchment area) and Junior Members (those aged below 18)

Directors - Devise strategy, and supervise the activities of the company; in particular, the directors are responsible for monitoring the financial position of the company

Staff - nine part time members of staff recruited locally carry out Development and Administrative work

At each Annual General Meeting, the Full Members may elect any Full Member to be a Director. The Directors may at any time appoint any Full Members to be a Director, (as we can co-opt associate members).

The company has a Board of Directors of up to fifteen members who meet monthly and are responsible for the strategic direction and decision making of the charity. At present, the board has eleven members from a variety of professional backgrounds and a scheme of delegation is in place meaning day to day activities of the company are carried out by the staff. Staff members are managed by the Chair of the board.

##### **Appointment of Directors**

The directors of the company are also charity trustees' for the purposes of charity law and are also known as board members. Directors are elected by the members with one third retiring at each Annual General Meeting. All retiring Directors are eligible for re-election. All Directors give their time voluntarily and received no benefits, financial or other, from the charity. Fabio Villani and Bea Jefferson stepped down by rotation and were reappointed at AGM on 15 November 2019.

The Directors and staff seek to ensure that the needs of the organisation and local community are appropriately reflected through a diverse board membership. To enhance the potential pool of Directors, membership to the organisation is encouraged verbally, through social media and in quarterly newsletters. In an effort to maintain the broad mix of skills represented on the board, Directors complete a skills audit and in the event of particular skills being lost due to retirements, appropriate individuals are then approached to be co-opted or elected to the board. Mrs L Edwards and Mrs J Taylor were appointed at the AGM 15 November 2019 alongside continuing Board members.

##### **Roles and Responsibilities of Directors**

The role of the Directors is to set overall strategy and to exercise overall supervision in relation to the company's activities.

Company law requires the Directors to prepare financial statements for each financial year. These

# **Forres Area Community Trust**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

#### **Year ended 31 March 2020**

give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its income and expenditure, for the financial year. The annual accounts are prepared in accordance with statutory requirements and Directors are responsible for there being adequate systems of internal control and ensure that members of staff or external providers involved in accounting and accounts are competent and reliable.

The board of Directors is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The board of Directors is also responsible for safeguarding the assets of the charitable company and for taking reasonable steps for the prevention and detection of fraud or other irregularities.

All Directors when appointed are required to read, agree to and sign a Code of Practice and follow the Charities & Trustee Investment (Scotland) Act 2005 and Companies Act 2006.

#### **Related Parties**

The company is a member of the Development Trusts Association Scotland, number SE155, is a member of Befriending Networks Scotland and is a member of the Third Sector Interface, Moray. Membership has proved invaluable for access to professional guidance, for use of model policies, access to free training and resources, and for learning and networking opportunities for the company and community to benefit from.

#### **Risk Management & Statement of Risk**

The board of Directors has established the major risks to which the charity is exposed. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. The external risk to funding has led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal control of risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors to the premises. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Members of the board who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report, certify in accordance with company law as the company's directors that:

So far as we are aware, there is no relevant audit information of which the company's auditors are unaware;

And, as the directors of the company we have taken all steps necessary in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

# Forres Area Community Trust

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2020

#### Objectives and activities

#### Objectives and activities

The company has been formed to benefit the community of the Forres Academy catchment area with the following objects;

1. To advance citizenship and community development
  - To advance community development including rural regeneration and the promotion of civic responsibility, volunteering, the voluntary sector and charities within the community
  - To promote, establish, operate and/or support other similar schemes and projects of a charitable nature for the benefit of the community within the Forres Area
2. To advance and protect the environment, culture and heritage
  - To involve local people in caring for the area's environment, heritage and culture and encourage others to visit the area
3. To advance education and lifelong learning for the benefit of the general public

The company shall do so following the principles of sustainable development and make best use of the assets of Forres area communities to address challenges facing the community 'by working together to create a better place to live work and visit'. The main aims are informed by the Growth Plan which provided community-led priorities for action in the area. Activities include:

**Town Centre Renewal:** the company will work with others to develop plans for Forres town centre, supporting events and encouraging the production and purchase of local products and services. We work to foster positive relations between local business owners and others to stimulate positive developments and activities in the town.

**Community Tourism Initiative:** the company will assist collaboration between local tourism organisations, improve marketing, and provide training in new approaches to tourism. A Community Tourism Forum is facilitated which has collectively devised a community tourism strategy and to work to develop engagement in community tourism and heritage in the area.

**Youth Work:** the company will, with others, develop activities and support for young people in the Forres area using new ways to engage and encourage them. The charity is working with others to seek support and funds to set up a skatepark, and works in partnership with other youth-led initiatives in the area.

**Community Assets:** the company will support the transfer of existing assets from the public sector into community ownership. The company is progressing the Community Asset Transfer of the Town Hall with Moray Council.

**Wellbeing and Healthy Living:** the company will support the development of facilities which enhance mental, social and physical wellbeing through new services and activities. The charity has consulted widely with older people in Forres and has developed a comprehensive directory of relevant services. The charity has launched the Older Person's Befriending Project which is known as Cameron's Champions and in addition developed a programme of activities to reduce social isolation locally.

**Environmental Projects:** the company will support the development of projects that attract visitors, offer employment, training and volunteer opportunities. The charity has assisted existing environmental groups to increase their activities and enhance their services by facilitating partnership working between groups and encouraging the sharing of resources.

# **Forres Area Community Trust**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

#### **Year ended 31 March 2020**

**Forres Online:** FACT's digital inclusion project has continued to grow. We are developing an extensive outreach programme across the area and are developing a supported programme for those seeking work and accessing benefits.

The strategy for achieving these objects and aims includes the promotion and facilitation of partnership working, by encouraging individuals and groups with specific skill, experience and interests to work together for the benefit of Forres area communities. The company works collaboratively with partners from the public and private sectors to ensure best use of resources and, efficient and effective results are achieved. The charity has access to community views and can facilitate consultations on on behalf of others to ensure the necessary neutrality to provide authentic information. By communicating about national resources and our membership of national network organisations, the company brings funding and other opportunities to the Forres area to ensure relevant developments are accessed and maximised.

# **Forres Area Community Trust**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2020**

#### **Achievements and performance**

#### **Achievements and performance**

Key achievements and performance highlights from the period include;

Funding was secured from the Scottish Landfill Community Fund, Baillie Gifford Fund Foundation Scotland, Bank of Scotland Foundation, SVCO Digital Fund, Berry Burn Community Fund, Corra Foundation, Impact Funding Partners, HIE and the Community Lottery Fund.

The digital inclusion project - Forres Online continues and exceeds targets set, funding is secure until August 2021 with over 812 people supported between April 2019 and March 2020.

We continue to work with Forres Area Forum, Moray Wastebusters, ReBoot and Forres in Bloom. New partnerships were developed with Moray Food Plus, Moray School Bank and the Big Lunch.

The Community Asset Transfer of Forres Town Hall was agreed by Moray Council in October 2019 and agreed by the Sheriff in December 2019.

Scottish Land Fund - our application to stage 2 of the SLF was successful securing £116,365 to enable us to purchase the Forres Town Hall and develop the project further.

We hosted the Big Lunch on the 1st June at Forres Town Hall and over 120 people attended the event.

Our First Birthday celebrations of taking on the lease of the Town Hall in July 2019 had around 100 people attending.

Extensive repairs of Forres Town Hall were completed in March 2020 this included replacing the emergency lighting system, repairing the roof, repairing the lintel above the disabled access and repairing the main hall floor. This was funded through the Scottish Landfill Community Fund.

We have secured funding through Community Job Scotland for a work placement and Lauren Causier started work with FACT in December 2019 for 12 months.

Forres Town Hall increase in users by 100.4% in the last 12 months with there being a total of 1216 visitors to FACT, 363 groups booking the Town Hall with 125 being repeat bookings, this does not include individuals attending other project activities.

The Cameron Project had 26 befriender matches in 2019-2020.

We supported Doors Open Day 2019 for the first time with 80 people visiting the building.

Secured Cyber Essentials Accreditation in January 2020 and the SVCO Keystone Award for managing Community Buildings in December 2019.



# **Forres Area Community Trust**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2020**

#### **Financial review**

#### **Financial Review**

During the year the Charity secured funding from a selection of funders to support its core activities and deliver projects supporting Older Person's, Online Digital Project support, and other initiatives including Forres Skatepark, Film Forres and Volunteer Development. A full list of sources of income are shown in Note 5 to the Financial Statements.

The total income for the period was £257,383

The total expenditure for the period was £207,461

The unrestricted balance in reserves at the end of the period was £98,440

The Directors have examined the charity's requirements for financial reserves in light of the main risk to the organisation. It is accepted that funds which are not restricted should amount to at least three months of the expenditure. Expenditure for 2019/2020 was £207,461, therefore, the estimated target amount of unrestricted reserve funds for the company to generate is approximately £52,000. Unrestricted reserves are needed to meet the working capital requirements of the charity, so if in the instance of funding reduction, the charity would be able to continue current activity for three months.

The present level of reserves available to the charity of £98,440 meets the target level. However, the Coronavirus pandemic has drastically reduced income generated from room hire at the Town Hall in 2020/21. As a result the organisation expects to draw on these reserves during the next financial year.

#### **Plans for future periods**

#### **Plans for future periods**

The organisation is reviewing its forward strategy in the light of changing needs in the local community. A revised strategic approach will be developed in 2020/21.

#### **Small company provisions**

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

The trustees' annual report was approved on 23/11/2020 and signed on behalf of the board of trustees by:

Mr F Villani  
Trustee

# **Forres Area Community Trust**

## **Company Limited by Guarantee**

### **Independent Examiner's Report to the Trustees of Forres Area Community Trust**

**Year ended 31 March 2020**

I report to the trustees on my examination of the financial statements of Forres Area Community Trust ('the charity') for the year ended 31 March 2020.

#### **Responsibilities and basis of report**

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 ('the 2005 Act'), the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006 ('the 2006 Act'). You are satisfied that the accounts of the company are not required by charity or company law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts carried out under section 44(1)(c) of the 2005 Act. In carrying out my examination I have followed the requirements of Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

Since the charity is required by company law to prepare its accounts on an accruals basis and is registered as a charity in Scotland your examiner must be a member of a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I can confirm that I am qualified to undertake the examination because I am a registered member of ICAS which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act, section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; or
2. the financial statements do not accord with those records or with the accounting requirements of Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

# **Forres Area Community Trust**

**Company Limited by Guarantee**

## **Independent Examiner's Report to the Trustees of Forres Area Community Trust** *(continued)*

**Year ended 31 March 2020**

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

RITSONS  
Chartered Accountant  
Independent Examiner

103 HIGH STREET  
FORRES  
MORAY  
IV36 1AA

**Forres Area Community Trust**  
**Company Limited by Guarantee**  
**Statement of Financial Activities**  
**(including income and expenditure account)**  
**Year ended 31 March 2020**

			2020		2019
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
<b>Income and endowments</b>					
Donations and legacies	5	45,988	211,395	<b>257,383</b>	183,390
<b>Total income</b>		<u>45,988</u>	<u>211,395</u>	<u><b>257,383</b></u>	<u>183,390</u>
<b>Expenditure</b>					
Expenditure on charitable activities	6,7	—	207,461	<b>207,461</b>	165,276
<b>Total expenditure</b>		<u>—</u>	<u>207,461</u>	<u><b>207,461</b></u>	<u>165,276</u>
<b>Net income and net movement in funds</b>		<u>45,988</u>	<u>3,934</u>	<u><b>49,922</b></u>	<u>18,114</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		55,482	49,734	<b>105,216</b>	87,102
<b>Total funds carried forward</b>		<u>101,470</u>	<u>53,668</u>	<u><b>155,138</b></u>	<u>105,216</u>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

The notes on pages 13 to 21 form part of these financial statements.

# Forres Area Community Trust

## Company Limited by Guarantee

### Statement of Financial Position

31 March 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible fixed assets	11	2,007	1,722
<b>Current assets</b>			
Debtors	12	11,962	21,431
Cash at bank and in hand		146,212	88,087
		<u>158,174</u>	<u>109,518</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>5,043</u>	<u>6,024</u>
<b>Net current assets</b>		<b>153,131</b>	<b>103,494</b>
<b>Total assets less current liabilities</b>		<b>155,138</b>	<b>105,216</b>
<b>Net assets</b>		<b>155,138</b>	<b>105,216</b>
<b>Funds of the charity</b>			
Restricted funds		52,948	49,734
Unrestricted funds		102,190	55,482
<b>Total charity funds</b>	15	<b>155,138</b>	<b>105,216</b>

For the year ending 31 March 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on 23/11/2020, and are signed on behalf of the board by:

Mr F Villani  
Trustee

The notes on pages 13 to 21 form part of these financial statements.

# Forres Area Community Trust

## Company Limited by Guarantee

### Statement of Cash Flows

Year ended 31 March 2020

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Net income	49,922	18,114
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	669	575
<i>Changes in:</i>		
Trade and other debtors	9,469	(12,161)
Trade and other creditors	(981)	5,369
Cash generated from operations	59,079	11,897
Net cash from operating activities	59,079	11,897
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(954)	(840)
Net cash used in investing activities	(954)	(840)
<b>Net increase in cash and cash equivalents</b>	58,125	11,057
<b>Cash and cash equivalents at beginning of year</b>	88,087	77,030
<b>Cash and cash equivalents at end of year</b>	146,212	88,087

The notes on pages 13 to 21 form part of these financial statements.

# **Forres Area Community Trust**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements**

**Year ended 31 March 2020**

#### **1. General information**

The charity is a public benefit entity and a private company limited by guarantee, registered in Scotland and a registered charity in Scotland. The address of the registered office is Forres Town Hall, High Street, Forres, IV36 1PB, Scotland.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Going concern**

There are no material uncertainties about the charity's ability to continue.

##### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

# **Forres Area Community Trust**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements** *(continued)*

**Year ended 31 March 2020**

#### **3. Accounting policies** *(continued)*

##### **Incoming resources**

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

##### **Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

##### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.



# Forres Area Community Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2020

#### 3. Accounting policies *(continued)*

##### **Tangible assets *(continued)***

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

##### **Depreciation**

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

Office Equipment - 25% reducing balance

##### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

##### **Financial instruments**

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

# **Forres Area Community Trust**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements** *(continued)*

**Year ended 31 March 2020**

#### **3. Accounting policies** *(continued)*

##### **Financial instruments** *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

##### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

#### **4. Limited by guarantee**

The Company is limited by guarantee and has no share capital.

# Forres Area Community Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

#### 5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
<b>Donations</b>			
H & I Enterprise Grants	–	41,459	<b>41,459</b>
Film Forres	–	155	<b>155</b>
Other income	41,425	1,953	<b>43,378</b>
Forres Town Hall Deficit Funding and Renovation	–	33,078	<b>33,078</b>
Impact Funding Partners	–	4,931	<b>4,931</b>
Forres Companion Publication Sales	65	–	<b>65</b>
Forres Online Project	–	40,004	<b>40,004</b>
DWP Resource Management Grant	–	227	<b>227</b>
Consultancy Income	3,750	–	<b>3,750</b>
Skate Park	–	344	<b>344</b>
Older Person's Project	–	20,798	<b>20,798</b>
Community Jobs Scotland	–	4,217	<b>4,217</b>
Wee Gallery	748	–	<b>748</b>
Scottish Land Fund (Town Hall)	–	720	<b>720</b>
HIE Scot Grad	–	2,500	<b>2,500</b>
Big Lottery Fund	–	61,009	<b>61,009</b>
	<u>45,988</u>	<u>211,395</u>	<u><b>257,383</b></u>

# Forres Area Community Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

#### 5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
<b>Donations</b>			
H & I Enterprise Grants	–	43,430	43,430
Film Forres	–	390	390
Other income	26,027	2,115	28,142
Forres Town Hall Deficit Funding and Renovation	–	26,170	26,170
Impact Funding Partners	–	7,500	7,500
Forres Companion Publication Sales	70	–	70
Forres Online Project	–	16,427	16,427
DTAS	1,775	–	1,775
DWP Resource Management Grant	–	3,138	3,138
HIE Scot Grad	–	2,500	2,500
Skate Park	–	258	258
Older Person's Project	–	5,086	5,086
World Host	495	–	495
Big Lottery Fund	–	48,009	48,009
	<u>28,367</u>	<u>155,023</u>	<u>183,390</u>

#### 6. Expenditure on charitable activities by fund type

	Restricted Funds £	Total Funds 2020 £	Restricted Funds £	Total Funds 2019 £
Activity	207,461	<b>207,461</b>	165,276	165,276

#### 7. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Total funds 2020 £	Total fund 2019 £
Activity	<u>207,461</u>	<u><b>207,461</b></u>	<u>165,276</u>

#### 8. Net income

Net income is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	<b>669</b>	575
Operating lease rentals	<u><b>601</b></u>	<u>601</u>

# Forres Area Community Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2020

#### 9. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020	2019
	£	£
Wages and salaries	112,890	100,130
Employer contributions to pension plans	4,827	4,902
	<u>117,717</u>	<u>105,032</u>

The average head count of employees during the year was 8 (2019: 7). The average number of full-time equivalent employees during the year is analysed as follows:

	2020	2019
	No.	No.
Number of staff	<u>5</u>	<u>5</u>

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

#### 10. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

#### 11. Tangible fixed assets

	Equipment £	Total £
<b>Cost</b>		
At 1 April 2019	3,712	3,712
Additions	954	954
<b>At 31 March 2020</b>	<u>4,666</u>	<u>4,666</u>
<b>Depreciation</b>		
At 1 April 2019	1,990	1,990
Charge for the year	669	669
<b>At 31 March 2020</b>	<u>2,659</u>	<u>2,659</u>
<b>Carrying amount</b>		
<b>At 31 March 2020</b>	<u>2,007</u>	<u>2,007</u>
At 31 March 2019	<u>1,722</u>	<u>1,722</u>

#### 12. Debtors

	2020	2019
	£	£
Prepayments and accrued income	918	1,068
Other debtors	11,044	20,363
	<u>11,962</u>	<u>21,431</u>

# Forres Area Community Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

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

	2020	2019
	£	£
Accruals and deferred income	650	650
Other creditors	4,393	5,374
	<u>5,043</u>	<u>6,024</u>

#### 14. Pensions and other post retirement benefits

##### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £4,827 (2019: £4,902).

#### 15. Analysis of charitable funds

##### Unrestricted funds

	At 1 April 2019	Income	Expenditure	At 31 March 2020
	£	£	£	£
Unrestricted funds - General funds	<u>55,482</u>	<u>45,988</u>	<u>—</u>	<u>101,470</u>

	At 1 April 2018	Income	Expenditure	At 31 March 2019
	£	£	£	£
Unrestricted funds - General funds	<u>27,115</u>	<u>28,367</u>	<u>—</u>	<u>55,482</u>

##### Restricted funds

	At 1 April 2019	Income	Expenditure	At 31 March 2020
	£	£	£	£
Restricted Funds	<u>49,734</u>	<u>211,395</u>	<u>(207,461)</u>	<u>53,668</u>

	At 1 April 2018	Income	Expenditure	At 31 March 2019
	£	£	£	£
Restricted Funds	<u>59,988</u>	<u>155,022</u>	<u>(165,276)</u>	<u>49,734</u>

# Forres Area Community Trust

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

#### 16. Analysis of changes in net debt

	At 1 Apr 2019	Cash flows	At 31 Mar 2020
	£	£	£
Cash at bank and in hand	<u>88,087</u>	<u>58,125</u>	<u>146,212</u>